



City of Austin

Recommendation for Action

File #: 26-1743, **Agenda Item #:** 4.

5/21/2026

Posting Language

Authorize negotiation and execution of a battery storage agreement with OCI Energy, LLC, a wholly owned subsidiary of OCI Enterprises Inc., for up to 100 megawatts of electrical power capacity produced by a utility-scale battery facility, in an amount not to exceed \$8,250,000 per year, for a term up to 20 years, for a total amount not to exceed \$165,000,000. Funding for the additional amounts is contingent upon available funding in future budgets.

Lead Department

Austin Energy.

Fiscal Note

Funding is contingent upon budgetary approval in future budgets.

For More Information:

Amy Everhart, Director, Local Government Issues (512) 322-6087; Lisa Martin, Deputy General Manager and Chief Operating Officer (512) 322-6457.

Council Committee, Boards and Commission Action:

May 11, 2026 - Recommended by the Electric Utility Commission on an 11-0 vote.

Additional Backup Information:

On December 12, 2024, Council approved the Austin Energy Resource, Generation and Climate Protection Plan to 2035, which updated the strategic energy policy for Austin Energy. The updated plan includes a goal of installing 125 megawatts (MWs) of local battery storage by the end of 2027, if economically feasible.

On November 25, 2025, Austin Energy issued an All-Resource Request for Proposals for local energy resources of all technology types. Offers received through this solicitation included battery tolling agreements. The battery tolling agreement recommended in this action resulted from the solicitation.

This battery tolling agreement will provide Austin Energy with the opportunity to exceed its local battery storage capacity goal and will increase the utility's local electricity storage capacity to help protect and mitigate wholesale load price risk.

This recommended utility-scale battery tolling agreement will provide for the utilization and dispatch of 100 MW of local battery storage capacity with a two-hour duration from a project anticipated to begin commercial operation in 2030. The agreement will not require Austin Energy to invest in the construction or maintenance of the project. It will provide Austin Energy the ability to operate the battery and will add further diversity to Austin Energy's energy resource portfolio. This project is subject to the ERCOT interconnection process.