



Austin Energy Resource, Generation and Climate Protection Plan to 2035

Semi-Annual Update

Lisa Martin

Deputy General Manager & Chief Operating Officer

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Agenda



Progress We've Made

- Progress to Key Goals
- Key Implementation Wins



Changes We're Seeing

- Key Risks
- Technology Readiness



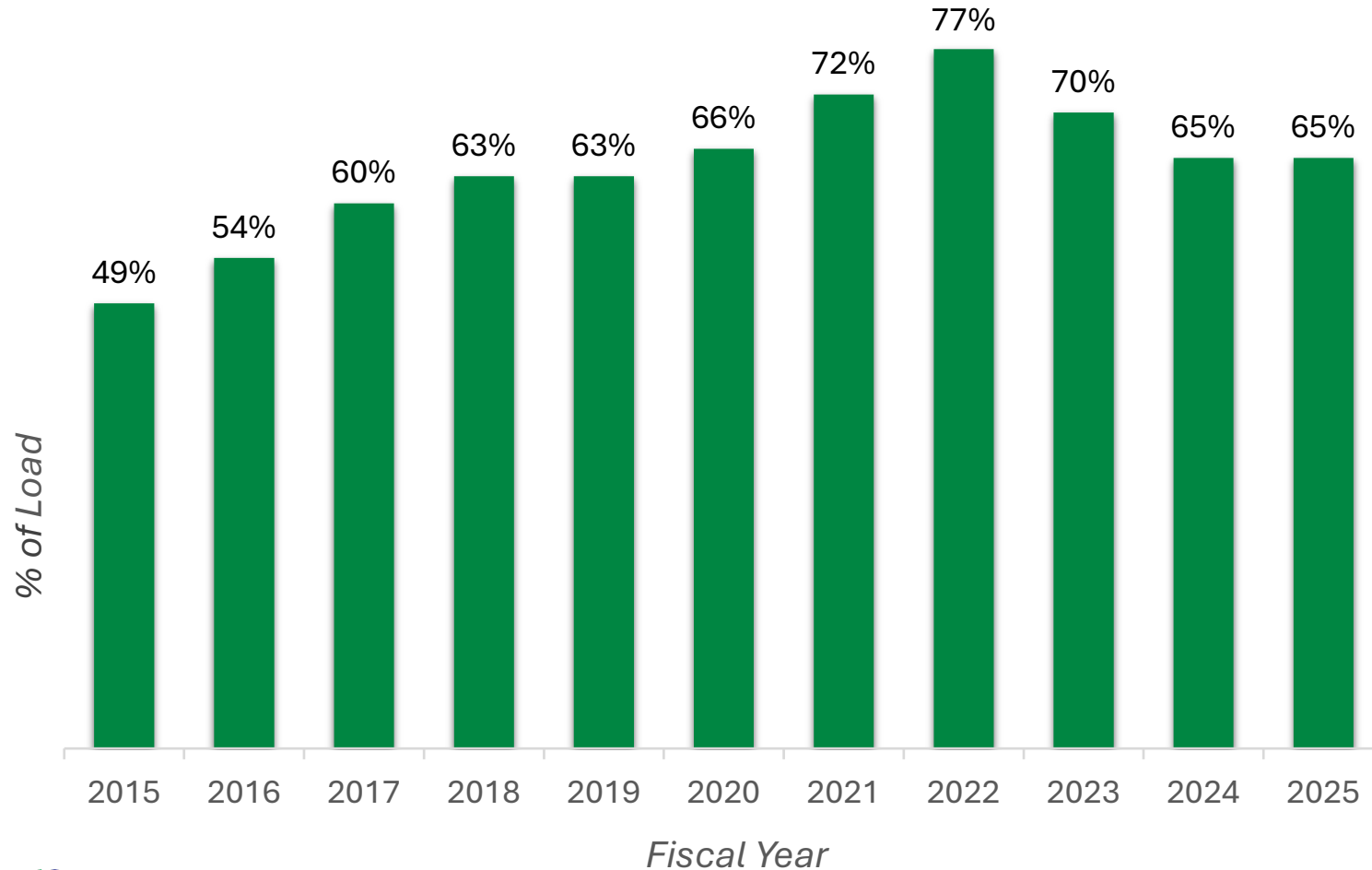
Actions Needed

Progress We've Made

Goal Progress

Progress to Carbon-Free Goal

100% Carbon-Free Generation as a Percentage of Load by 2035

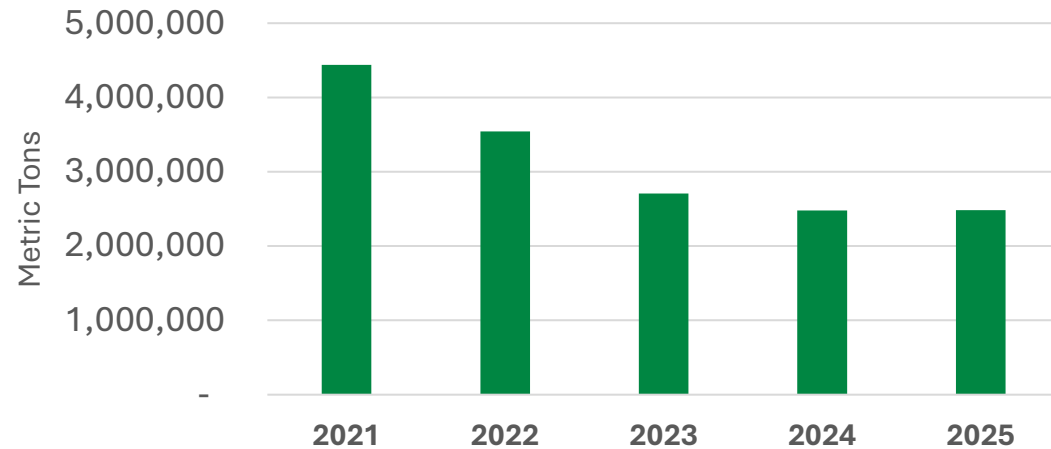


Reaching the 2035 Goal

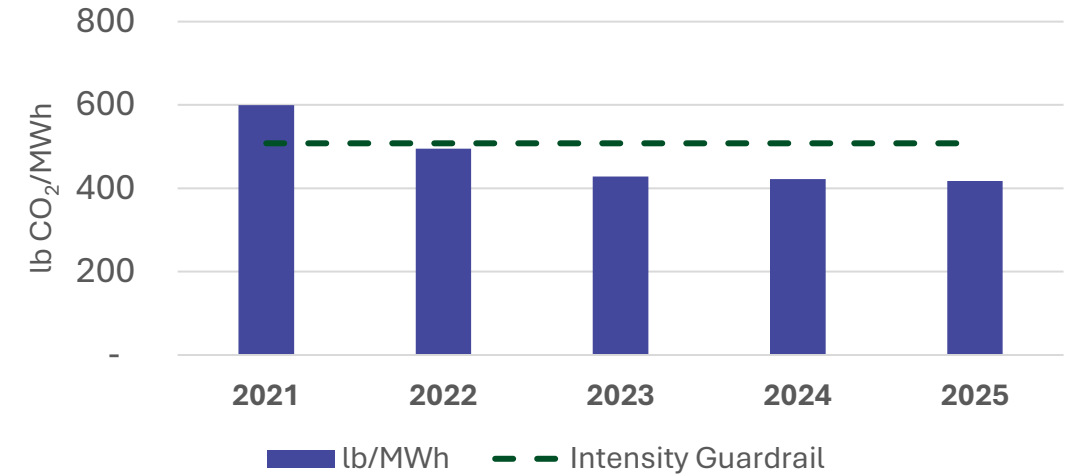
- Local solar & batteries
- Import capacity increase
- Wind & solar additions
- Continue culture of innovation

Stack Emissions and Carbon Intensity

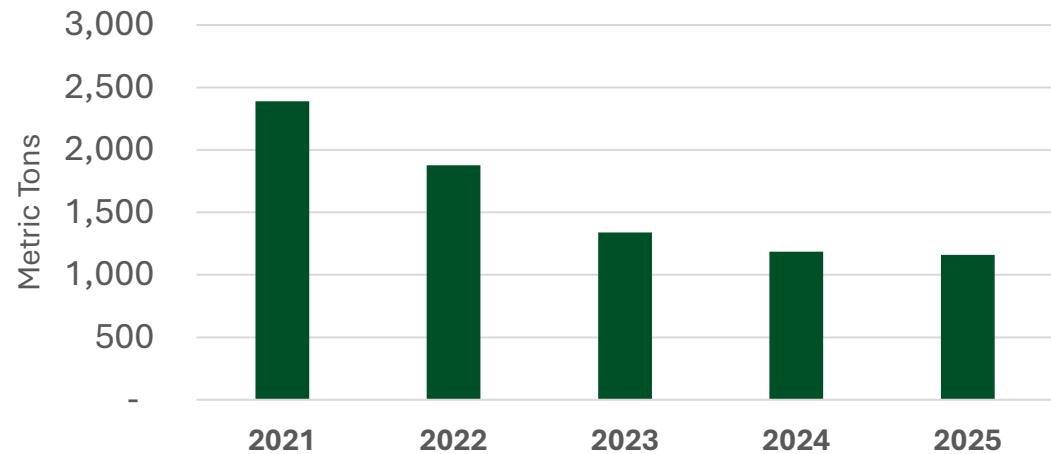
Carbon Dioxide Stack Emissions



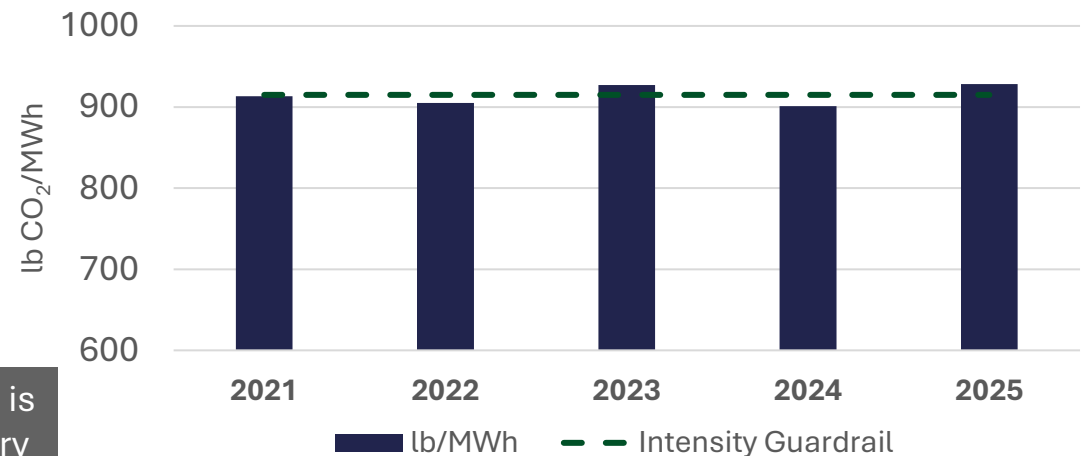
Carbon Dioxide Intensity – All Generation



Nitrogen Oxides Stack Emissions

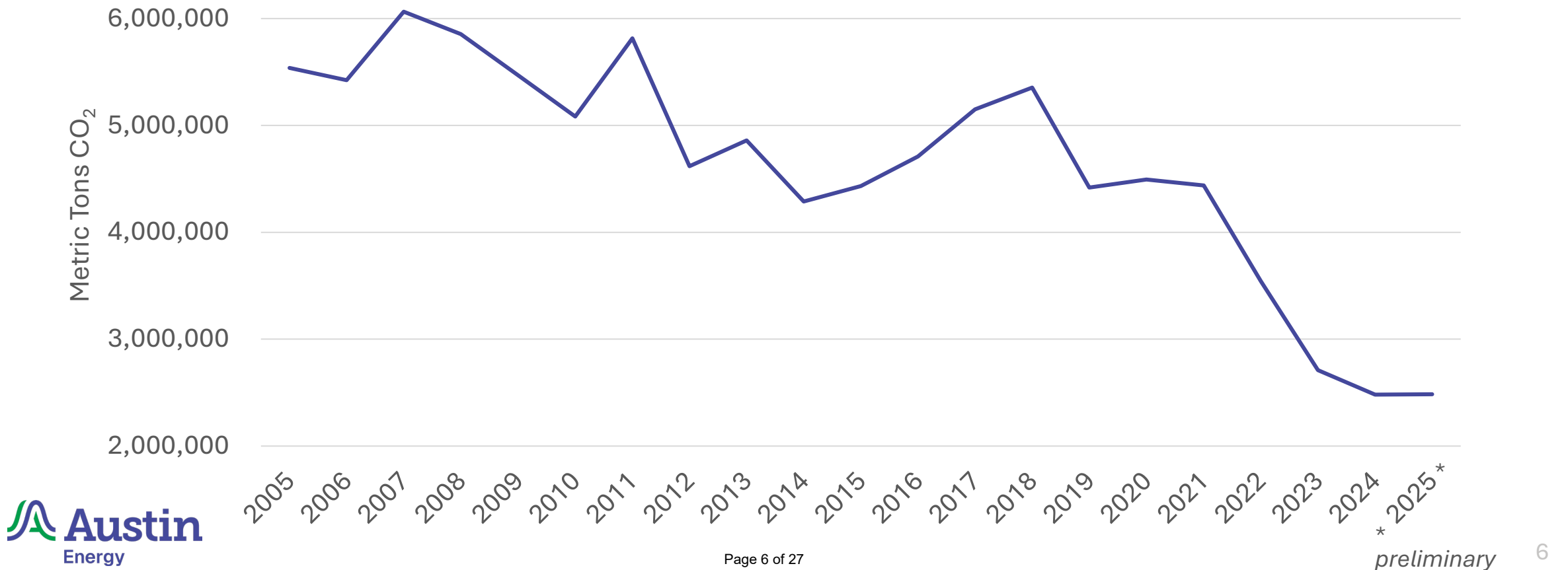


Carbon Dioxide Intensity – Local Generation



2025 data is
preliminary

60% Reduction in Carbon Dioxide Stack Emissions 2005 – 2025

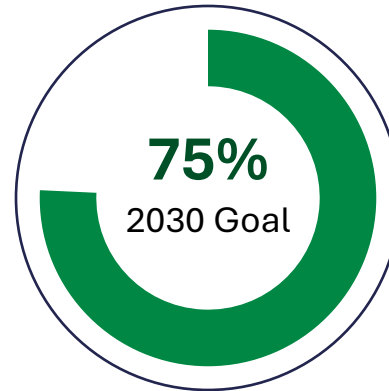


Goals Progress

Energy Efficiency



Thermal Energy Storage



Demand Response



Local Solar



Local Battery Storage



Progress We've Made

Key Implementation Wins
Since 2035 Plan Adoption

Prioritize Customer Energy Solutions



- ✓ Solar program reaches a new annual high for installed capacity in FY25 @ 18 MW
- ✓ Energy Efficiency programs saved an additional 24 MW in FY25
- ✓ Demand Response launches managed EV charging, prepares for residential battery program launch
- ✓ Hired an Evaluation, Measurement & Valuation consultant in initial step to move to greenhouse gas avoidance goals
- ✓ Adopted 2024 International Energy Conservation Code
- ✓ Streamlined customer interconnection experience, especially considering expiring residential federal tax credits

Develop Local Solutions



- ✓ 6.4 MW of City facilities enrolled in Demand Response programs
- ✓ Solar on City facilities RFQ launched
- ✓ Major transmission project work continues
- ✓ Solar Landfill RFP launched

- ✓ 100MW, 4-hour battery contract signed for \$288 million over 20-years
- ✓ 2nd battery storage contract under negotiation
- ✓ Peaker Feasibility phase completed
- ✓ All Resource RFP launched
- ✓ Workforce Security Agreement included in all RFPs and contracts

Continue Our Commitment to Decarbonization



- ✓ Renewed 165 MW wind Power Purchase Agreement for 9 years
- ✓ Wind RFP launched seeking shovel-ready projects to benefit from federal tax credits
- ✓ Total stack emissions remain at record lows
- ✓ Continuing efforts to exit coal
- ✓ Assessing emissions reduction measures for existing local generation

Further Our Culture of Innovation

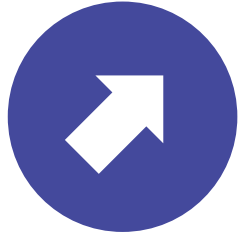


- ✓ Research and development partnerships with EPRI, University of Texas, and eSource
- ✓ Engagement with nuclear researchers and manufacturers
- ✓ Distributed Energy Resource Management System (DERMS) requirements developed
- ✓ Solar Standard Offer launched first commercial project for 370 kW
- ✓ Geothermal pilot revived after regulatory and financial uncertainties

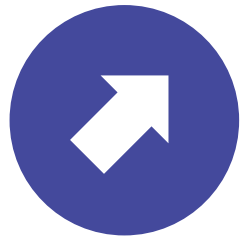
Changes We're Seeing

Key Risks

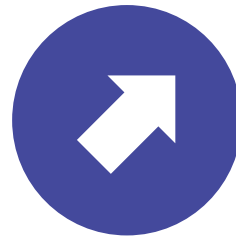
Key Risks in 2035 Plan Have Increased or Remained Steady



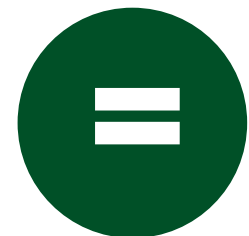
Growth in Energy
Consumption



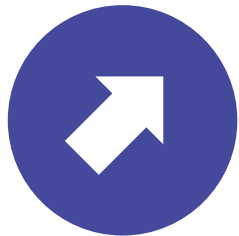
Extreme Weather /
Climate Risk



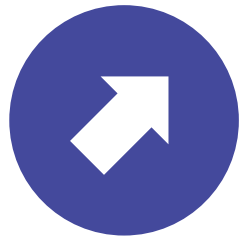
ERCOT Market
Changes



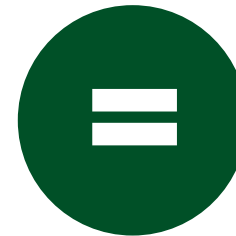
Financial
Risk



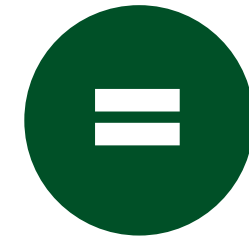
Transmission
Congestion



Local
Reliability Risk



Local Air Quality &
Non-Attainment



Emissions from
Fayette Power Project

Additional Risks Have Emerged Since 2035 Plan Adoption



Federal Changes

- Renewables tax credits expiring
- Federal grants withdrawn
- Federal uncertainty complicates long-term planning and infrastructure decisions



Large Customer Loads

- Uncertainty in demand forecasting
- Raises risk of stranded investments
- Creates volatility requiring sufficient ride-through capability
- Raises expectations for rapid service delivery



More State Oversight

- New legislative requirements
- Redirect resources
 - Increase compliance workload
 - Create budgetary impacts

Changes We're Seeing

Technology Readiness

Technology Readiness



Monitoring

- Advanced Nuclear
- Carbon Capture
- Fuel Cells
- Hydrogen-Capable Peakers
- Linear Generators



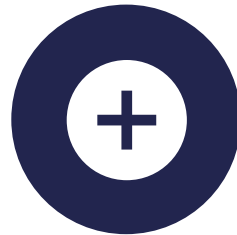
Market Testing

- Distributed Energy Resource Management System (DERMS)
- Local Utility-Scale Solar



Piloting

- Geothermal



Deploying

- Customer-Sited Batteries
- Local Utility-Scale Batteries
- Demand Response
- Emissions Reduction
- Gas Turbines
- Local Rooftop Solar

The Resource Generation Plan calls for an all-of-the-above approach to generation resources with a priority on clean energy and continuing a culture of innovation. Austin Energy is continuously assessing technology updates that could help us reach our 2035 goals.

Actions Needed

To Further Reliability, Affordability and
Environmental Sustainability

2026 Implementation Priorities

Near-Term

- Launch Updated Demand Response Program for Batteries
- Complete Battery Contract Negotiations
- Initiate Solar Landfill Contract Negotiations
- Review Wind RFP Proposals
- Receive and Analyze All-Resource RFP Proposals
- Break Ground on Geothermal Pilot

Mid-Year

- Seek new ways to grow Customer Energy Solutions programs
- Submit Transmission Projects to ERCOT for Approvals
- Assess Existing Generation Enhancements for Added Capacity and Emissions Reductions
- Submit to ERCOT Black Start RFP
- Complete Pre-Development Phase for Battery Project, Solar Landfill Project, Wind Projects, and New, More Efficient Peakers

Long-Term (beyond 2026)

- Shift to Greenhouse Gas Avoidance Tracking and Goals
- Establish Full Suite of Beneficial Electrification Incentives
- Set Up a Distributed Energy Resource Management System (DERMS)
- Increase Transmission Import Capacity
- Explore Advanced Nuclear
- Reduce Reliance on Fossil Fuel Over Time

Utility-Scale Generation Implementation Phases

- Landfill Solar
- Wind Project
- All Resource RFP
- More Efficient Peakers

2nd
Battery
Storage
Project

100 MW
Battery
Storage

9.9 MW
Geothermal
Pilot



Exploratory phase to assess range of options available

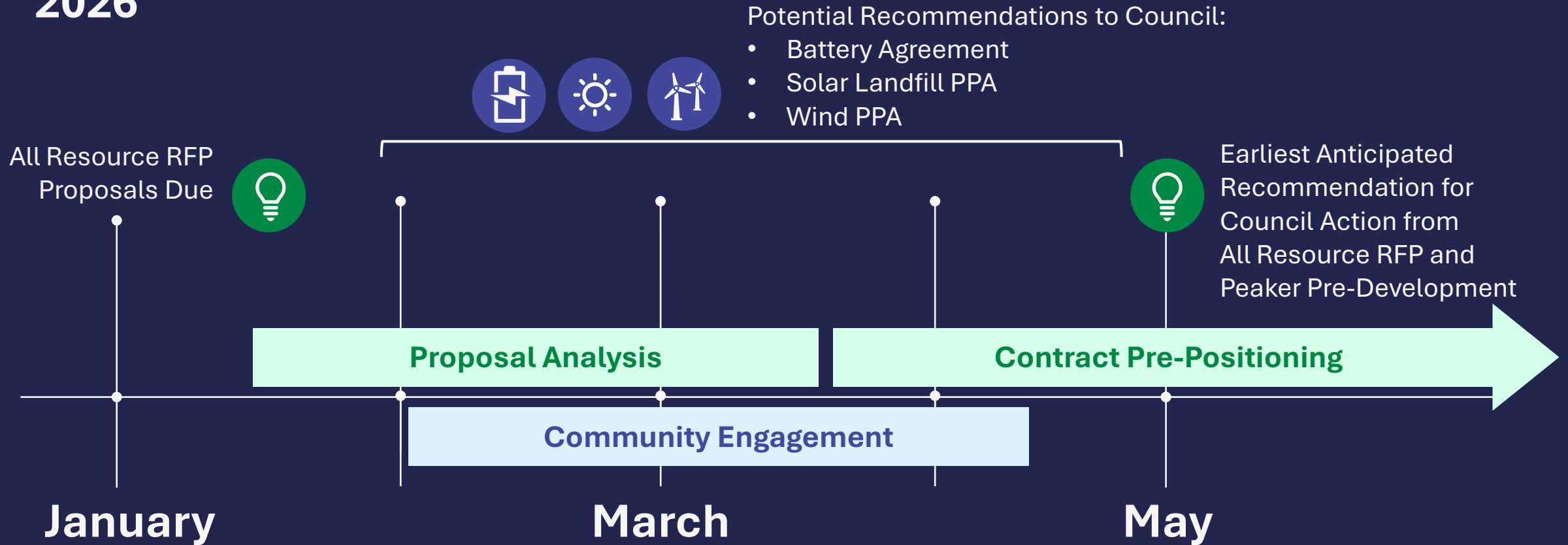
Refinement phase to narrow options and develop recommendation for Council

Administrative and legal phase prior to construction

Building phase leading to commercial operation

Upcoming Activities

2026



*Months are approximate and subject to change based on offers received, resource availability and progress made



Customer Driven.

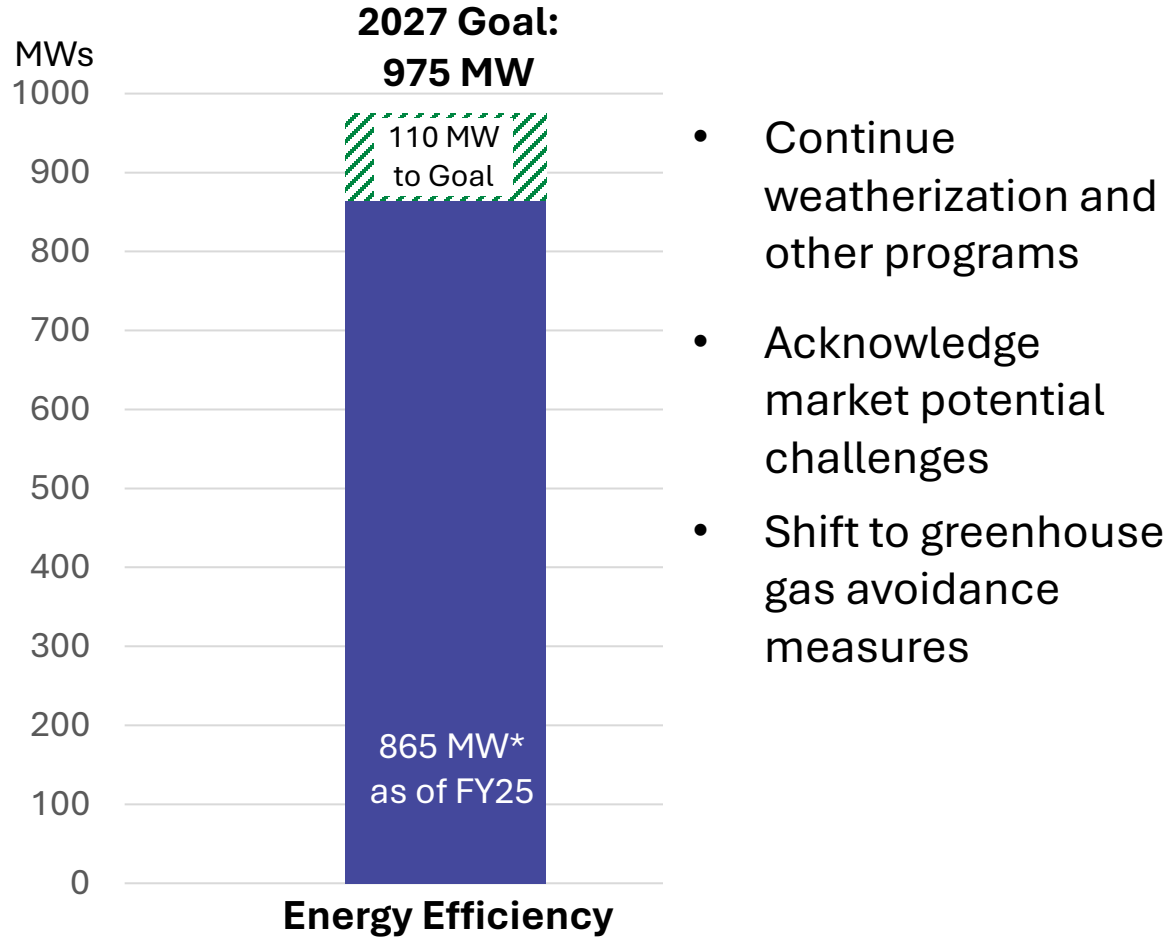
Community Focused.

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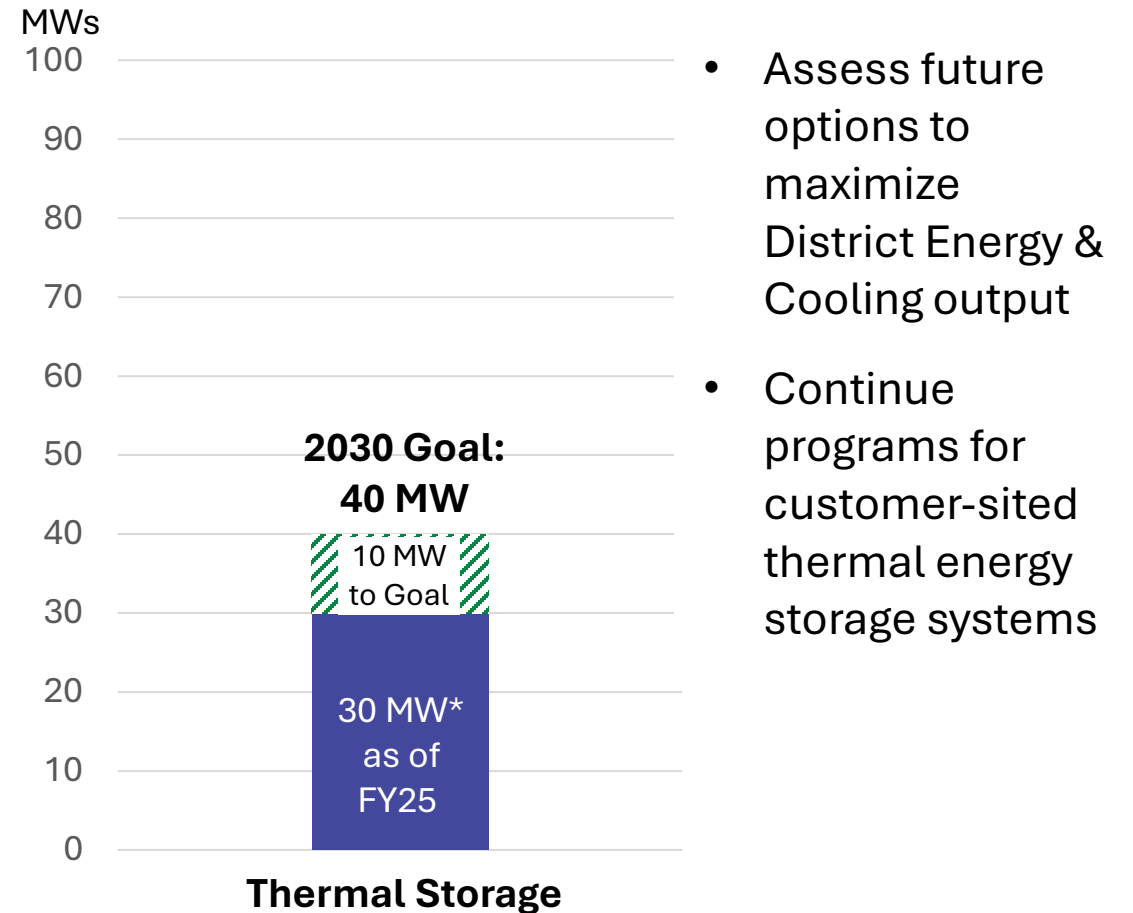
Backup Materials for Reference

Progress to Energy Efficiency Goals

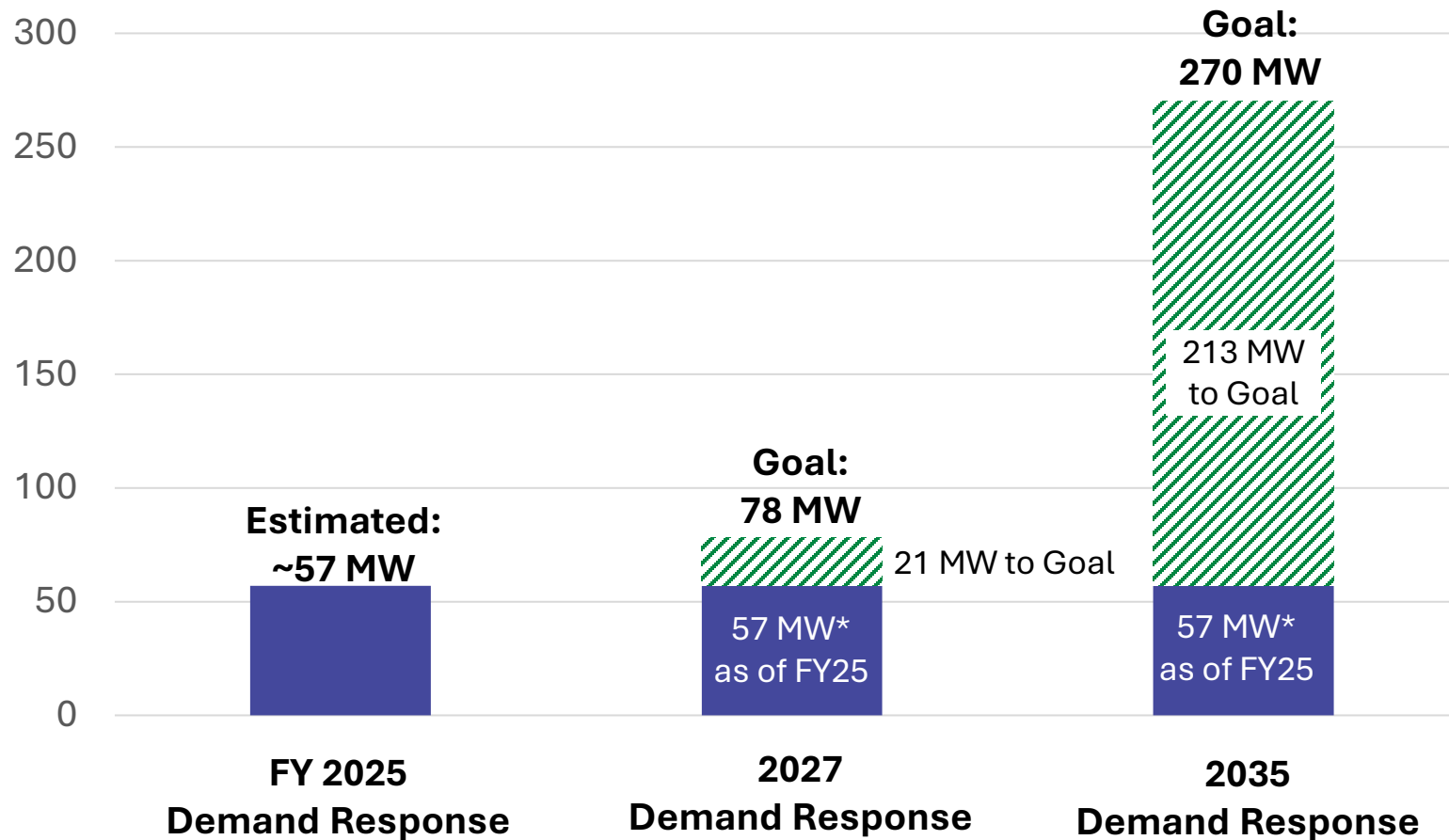
Reaching the 2027 Energy Efficiency Goal



Reaching the 2030 Thermal Storage Goal



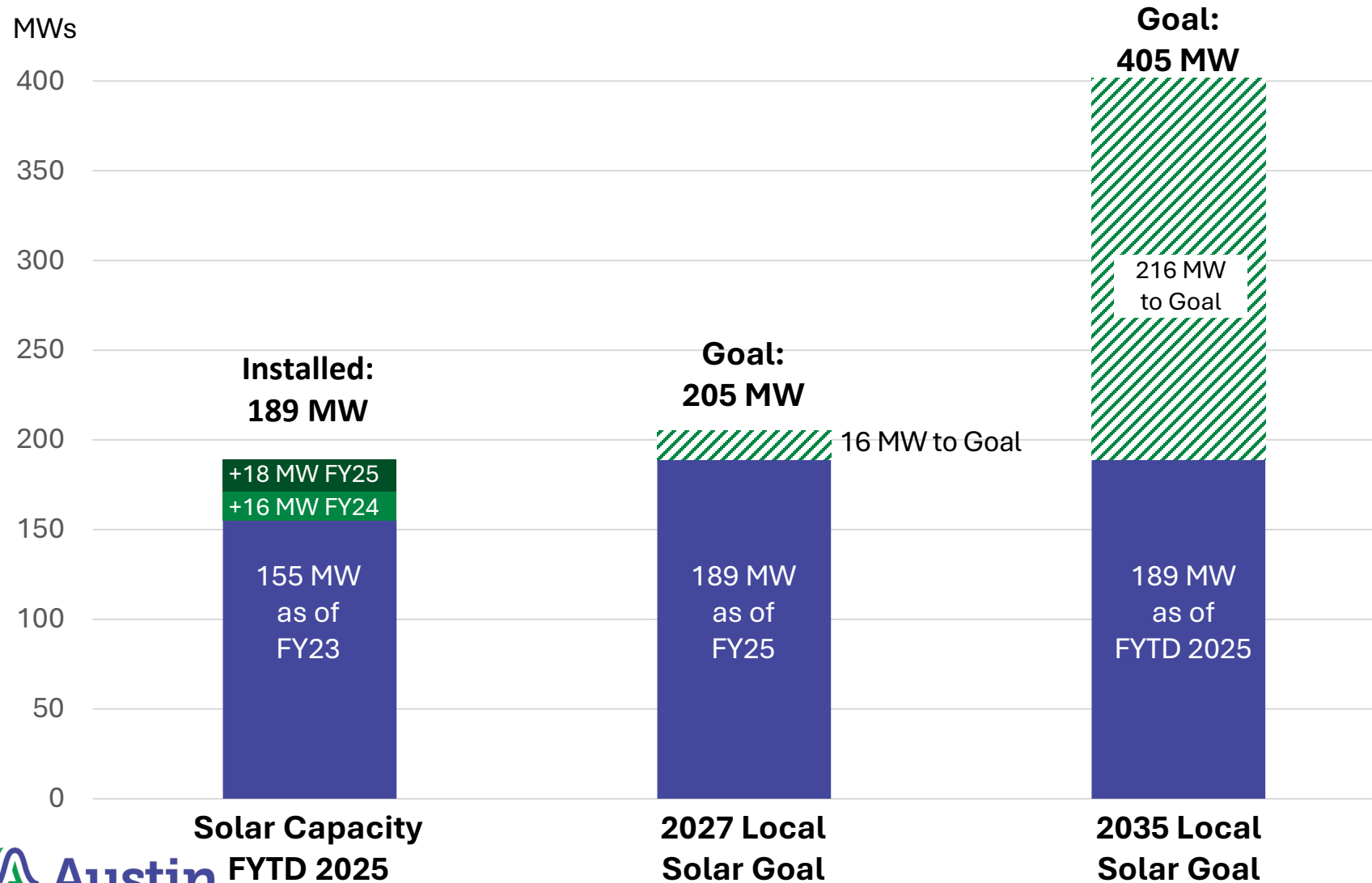
Progress to Demand Response Goals



Reaching the 2035 Goal

- Continue adding demand response capacity yearly
- Two new programs:
 - Customer-Sited Batteries
 - Managed Electric Vehicle Charging
- Continue culture of innovation

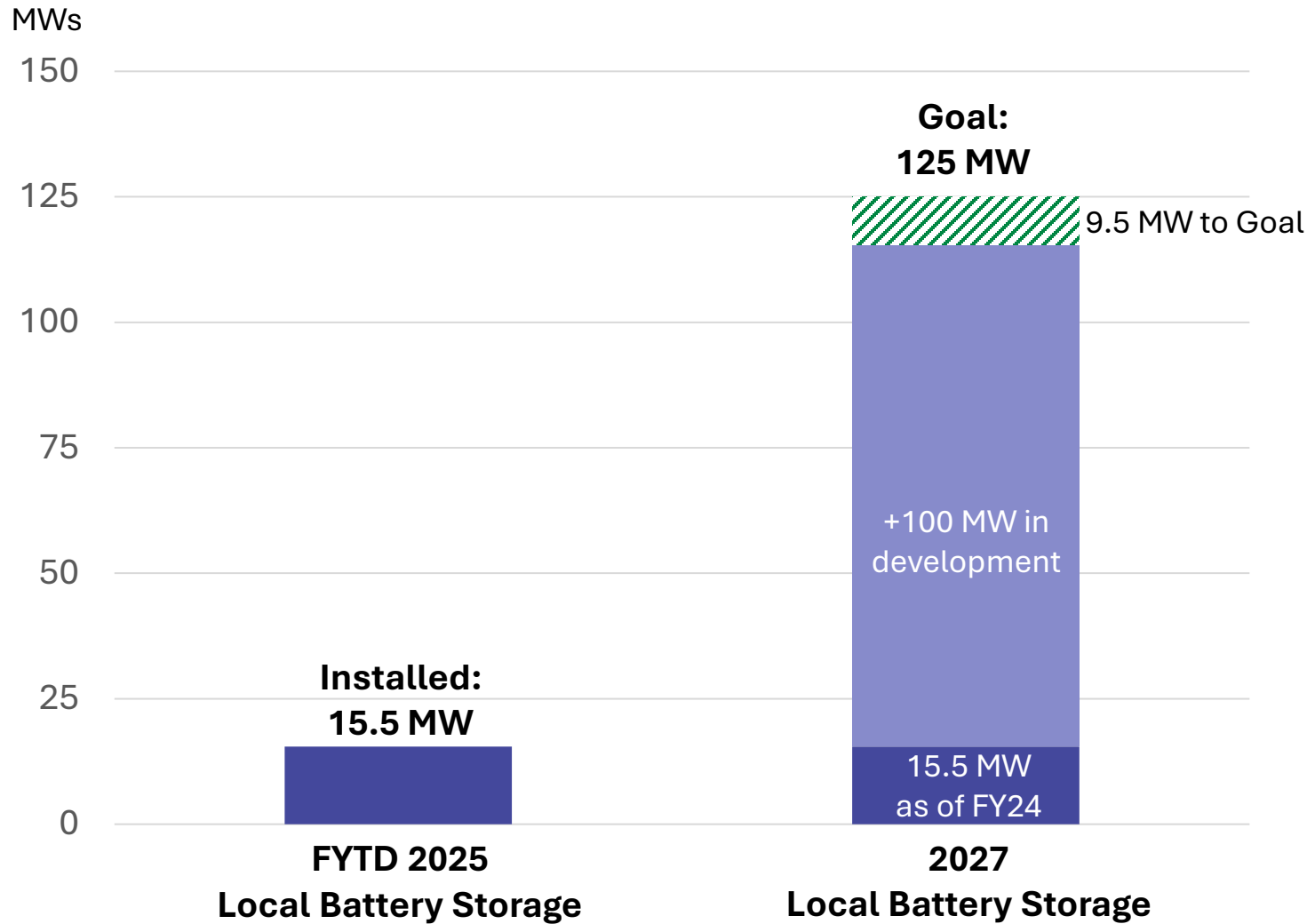
Progress to Local Solar Goals



Reaching the 2035 Local Solar Goal

- Continue adding solar capacity yearly
- Continue culture of innovation to expand access to solar and benefits of local solar generation
- Improve customer interconnection experience

Progress to Local Battery Storage Goal



Reaching the 2027 Goal

- Finalize negotiation and execute second contract
- Seek additional opportunities