



# **Austin Energy Resource, Generation and Climate Protection Plan to 2035**

Semi-Annual Update

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Deputy General Manager & Chief Operating Officer

# Agenda



## Progress We've Made

- Progress to Key Goals
- Key Implementation Wins



## Changes We're Seeing

- Key Risks
- Technology Readiness



## Actions Needed

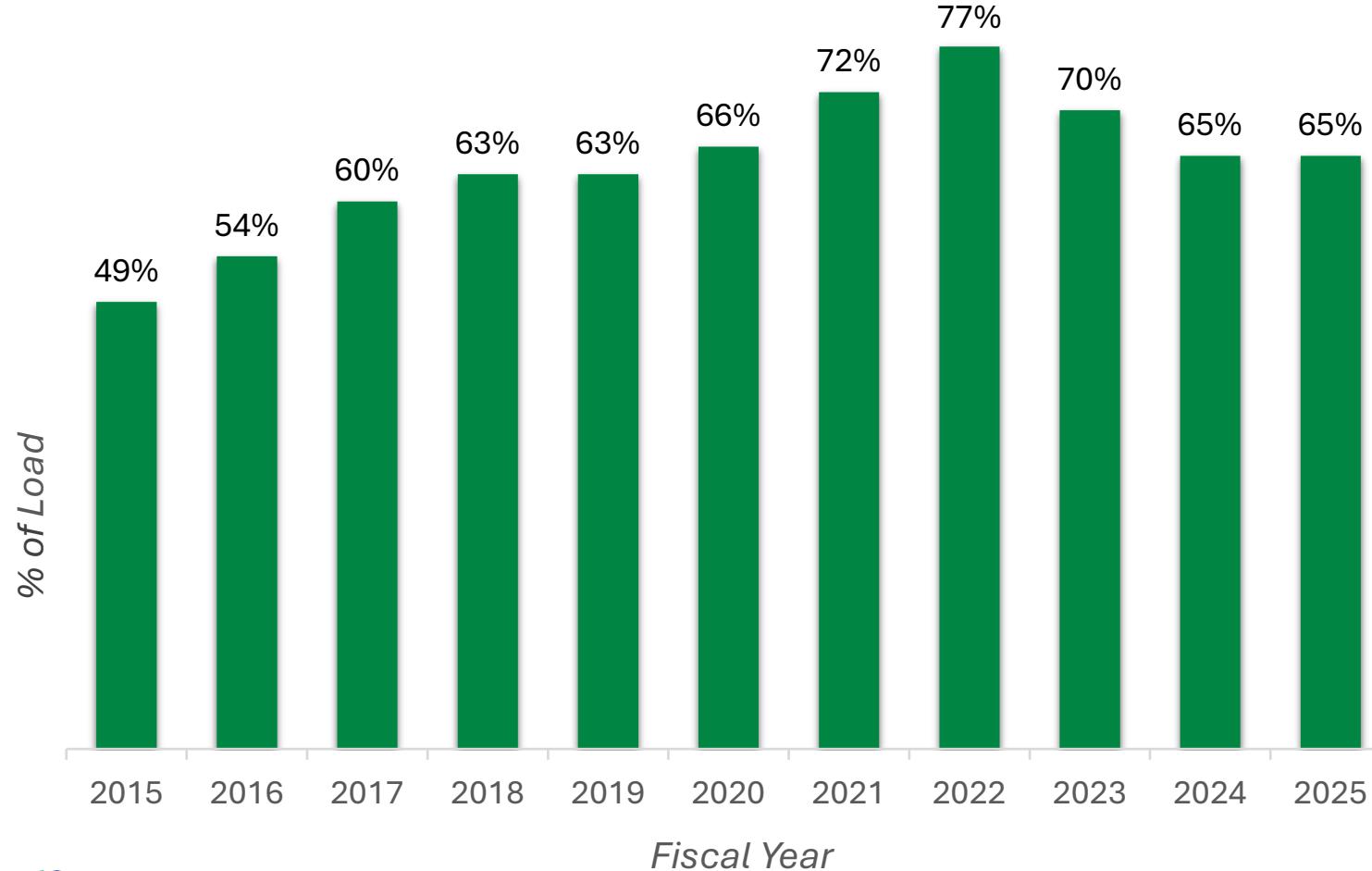
# Progress We've Made

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## Goal Progress

# Progress to Carbon-Free Goal

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

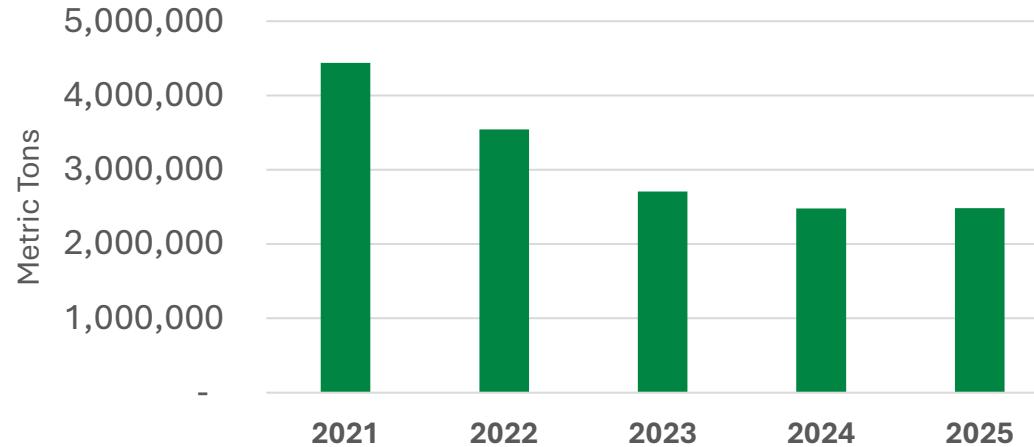


## Reaching the 2035 Goal

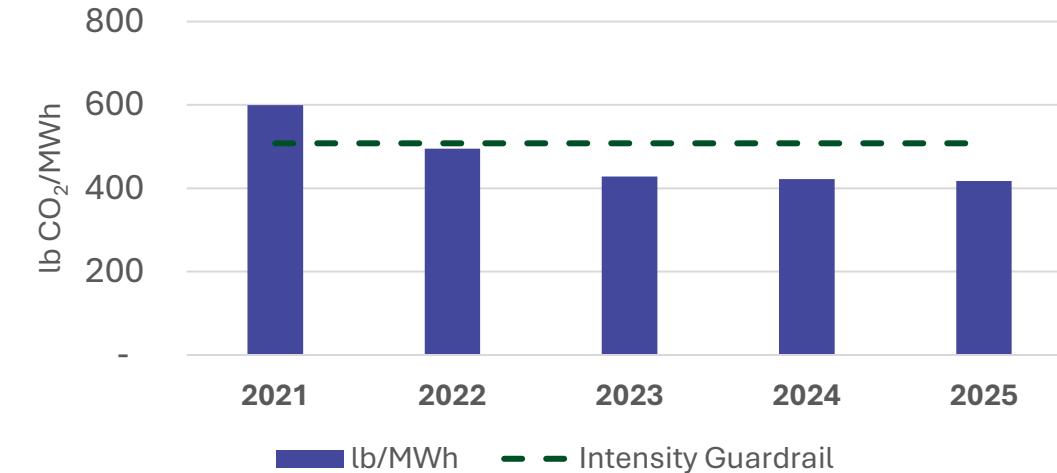
- Local solar & batteries
- Import capacity increase
- Wind & solar additions
- Continue culture of innovation

# Stack Emissions and Carbon Intensity

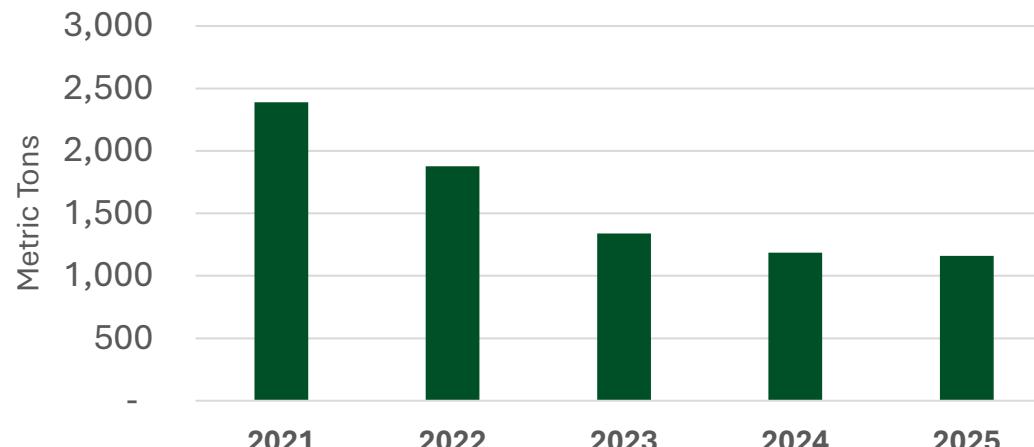
## Carbon Dioxide Stack Emissions



## Carbon Dioxide Intensity – All Generation

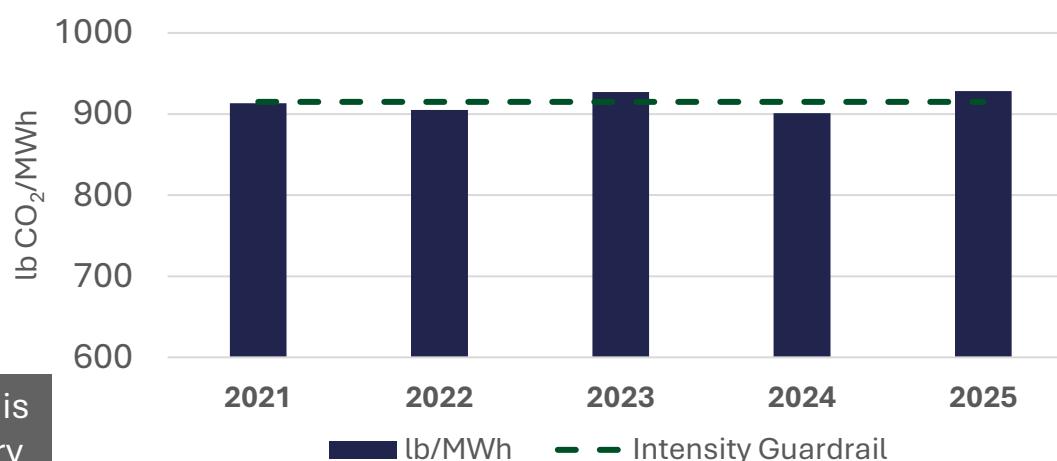


## Nitrogen Oxides Stack Emissions



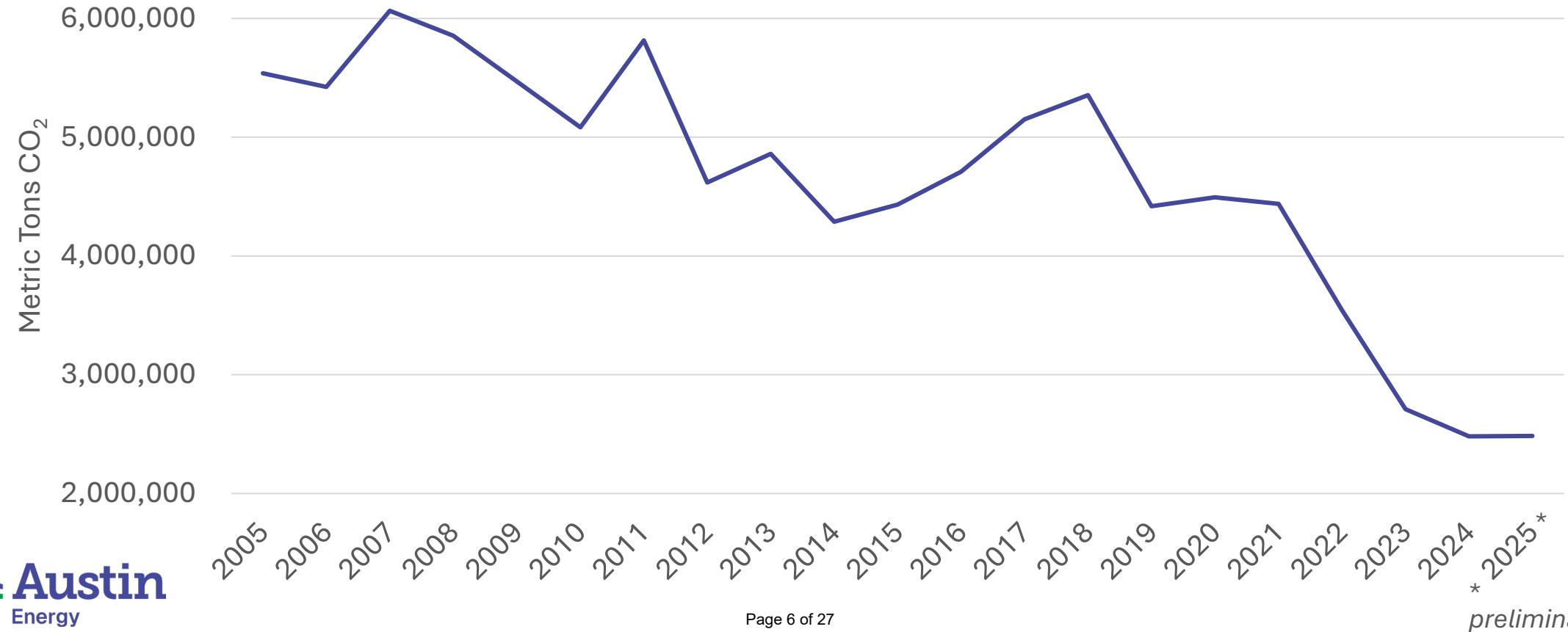
2025 data is  
preliminary  
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## Carbon Dioxide Intensity – Local Generation



# 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

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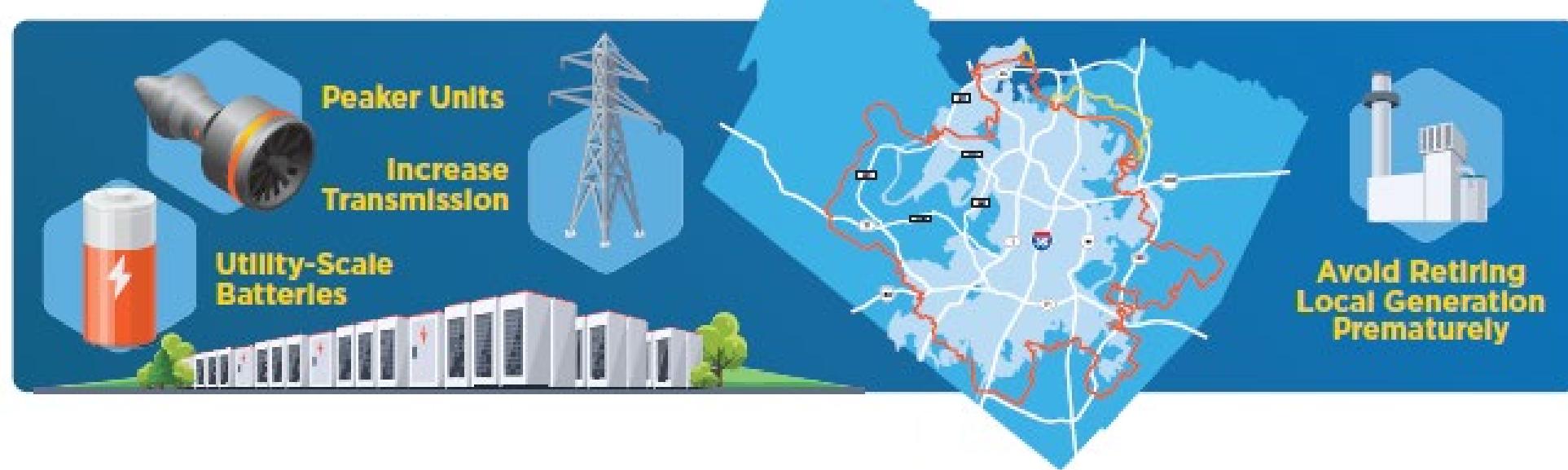
Key Implementation Wins  
Since 2035 Plan Adoption

# 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



## Air Quality Improvements

### Phase Out Coal

### Add More Clean and Renewable Energy

- ✓ 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



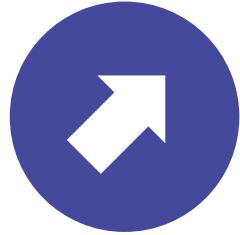
- ✓ Research and development partnerships with EPRI, University of Texas, and eSource
- ✓ Engagement with nuclear researchers and manufacturers
- ✓ Distributed Energy Resource Management System (DERMS) requirements developed
- ✓ Solar Standard Offer launched first commercial project for 370 kW
- ✓ Geothermal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

# Changes We're Seeing

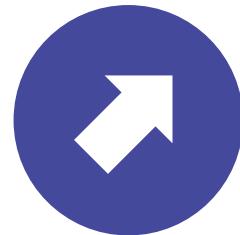
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## Key Risks

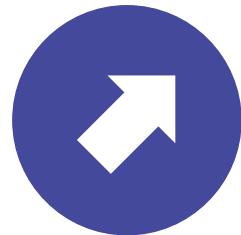
# Key Risks in 2035 Plan Have Increased or Remained Steady



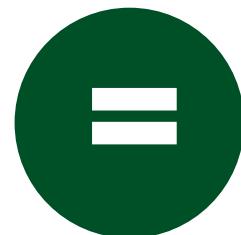
Growth in Energy Consumption



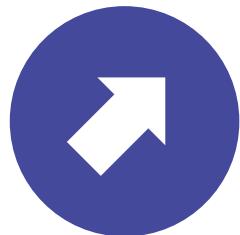
Extreme Weather / Climate Risk



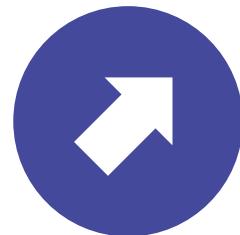
ERCOT Market Changes



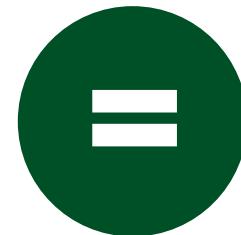
Financial Risk



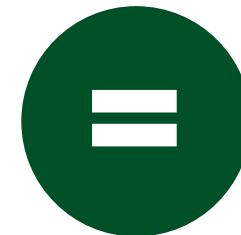
Transmission Congestion



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

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## 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

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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

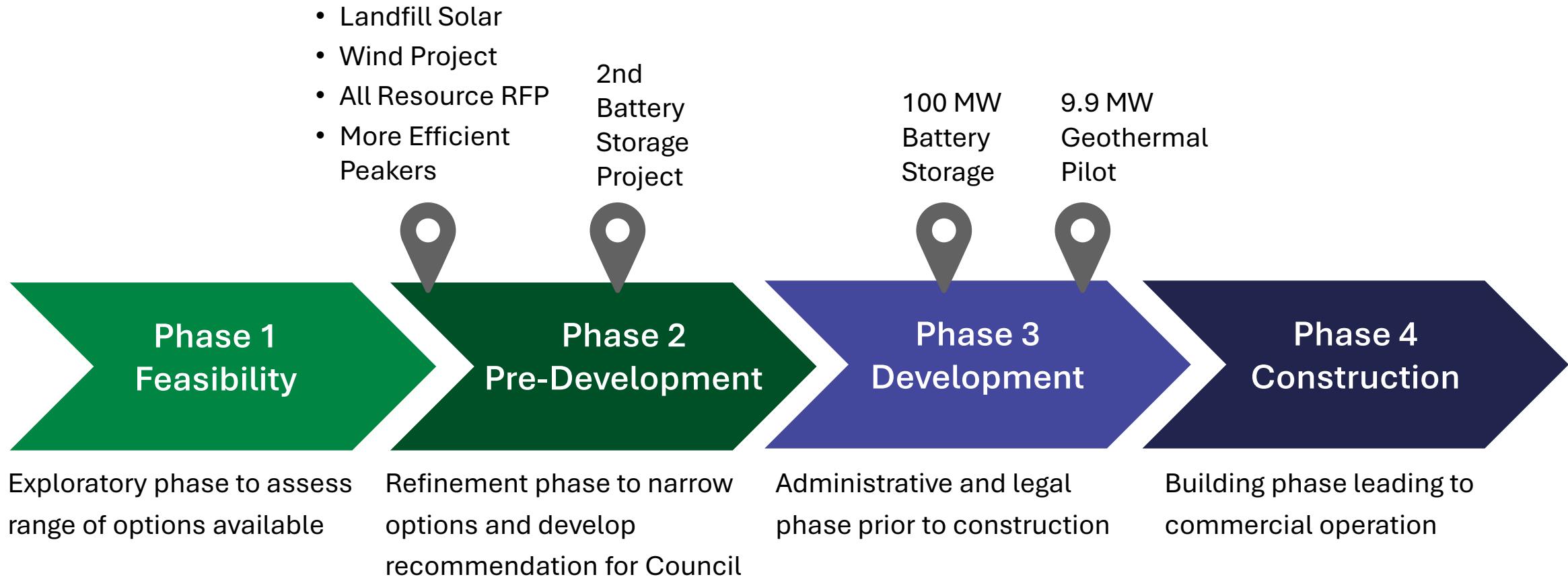
## Mid-Year

- 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)

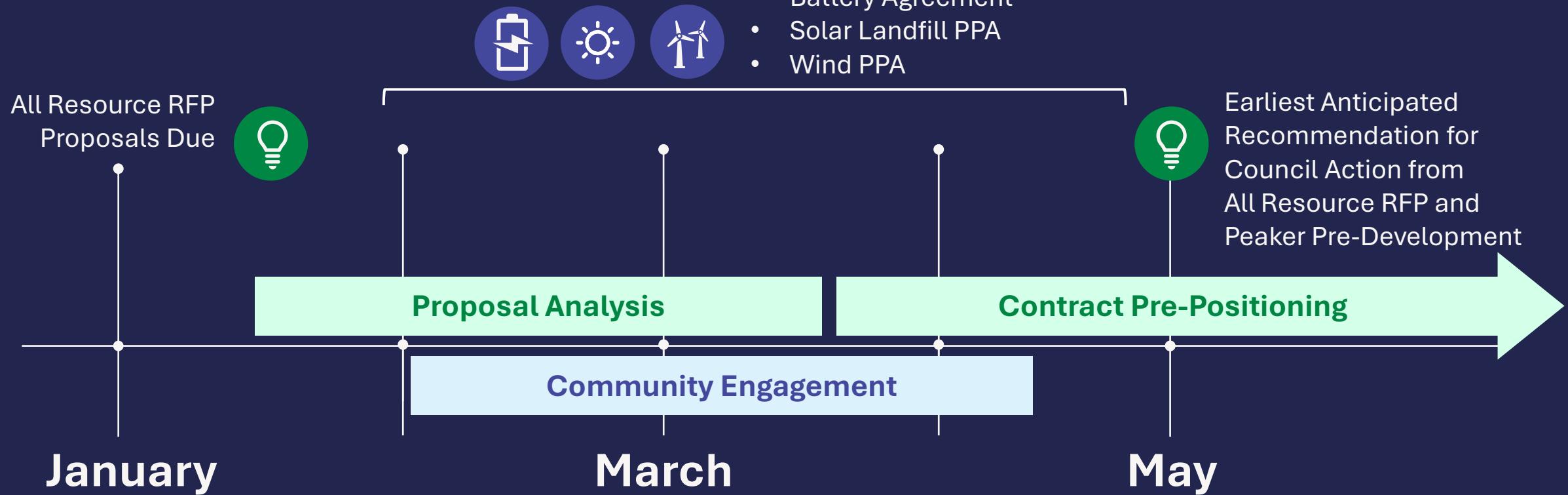
- Shift to Greenhouse Gas Avoidance Tracking and Goals
- Establish Full Suite of Beneficial Electrification Incentives
- Set Up a Distributed Energy Resource Management System (DERMS)
- Increase Transmission Import Capacity
- Explore Advanced Nuclear
- Reduce Reliance on Fossil Fuel Over Time

# Utility-Scale Generation Implementation Phases



# Upcoming Activities

2026



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



Customer  
Driven.

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Community  
Focused.

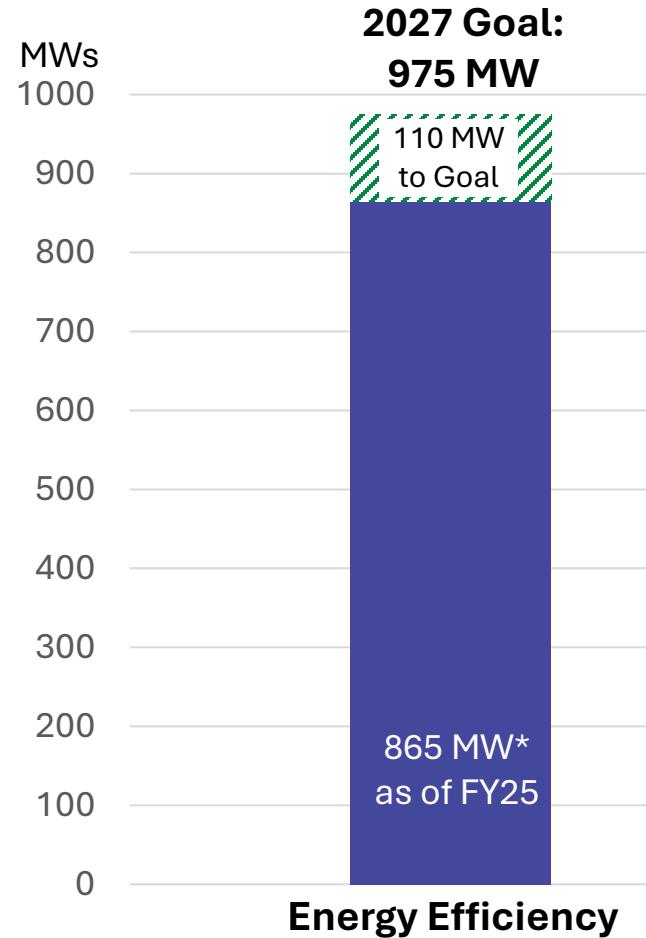
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# Backup Materials for Reference

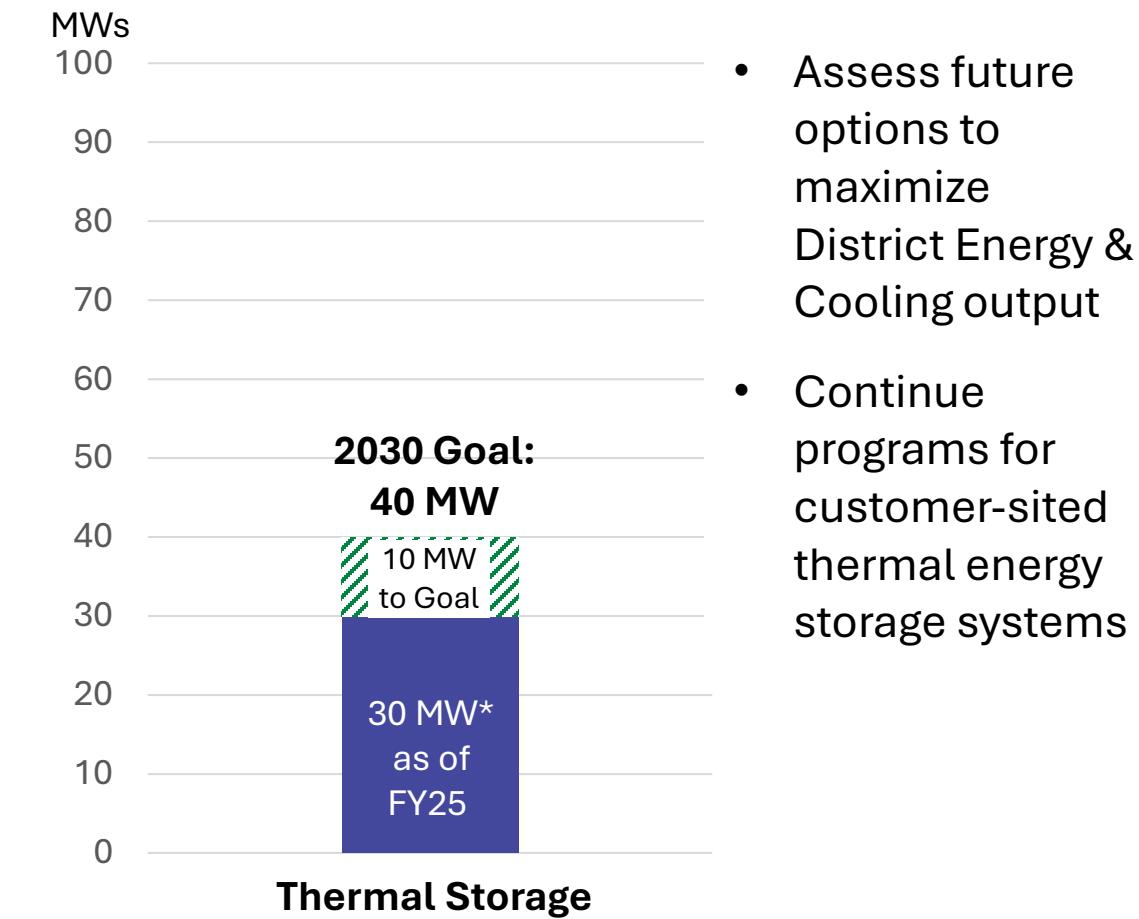
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# Progress to Energy Efficiency Goals

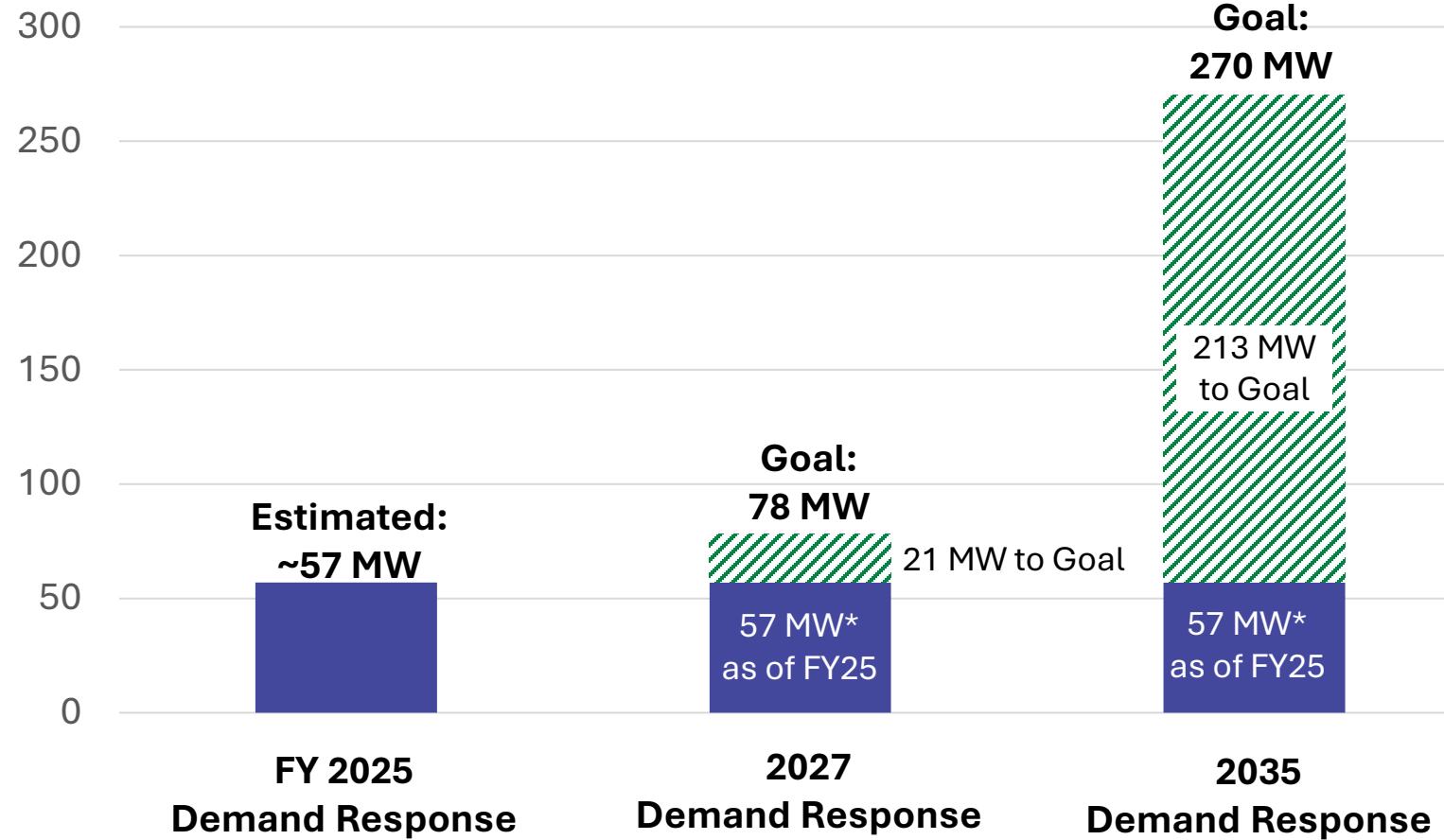
## Reaching the 2027 Energy Efficiency Goal



## Reaching the 2030 Thermal Storage Goal



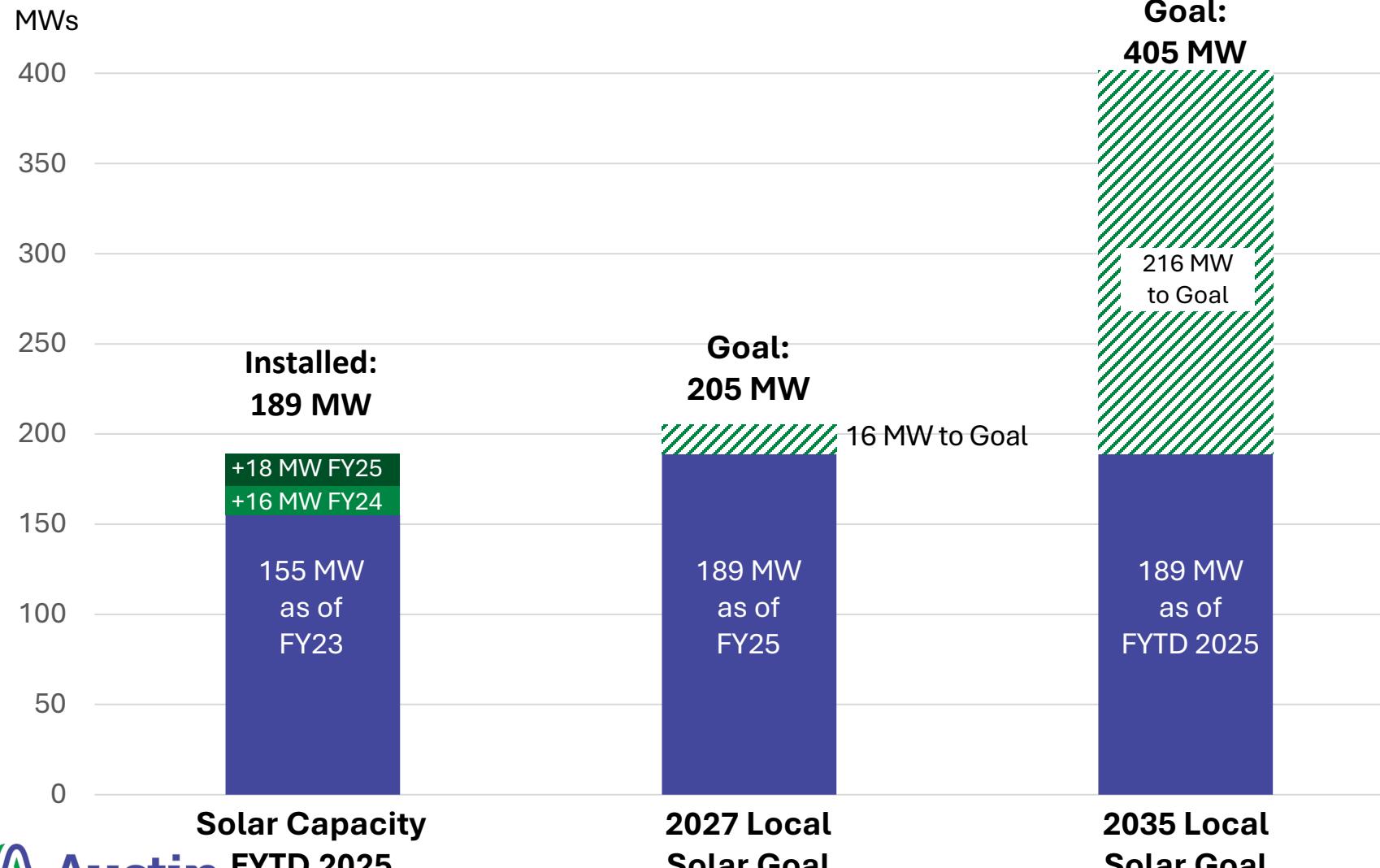
# Progress to Demand Response Goals



## Reaching the 2035 Goal

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

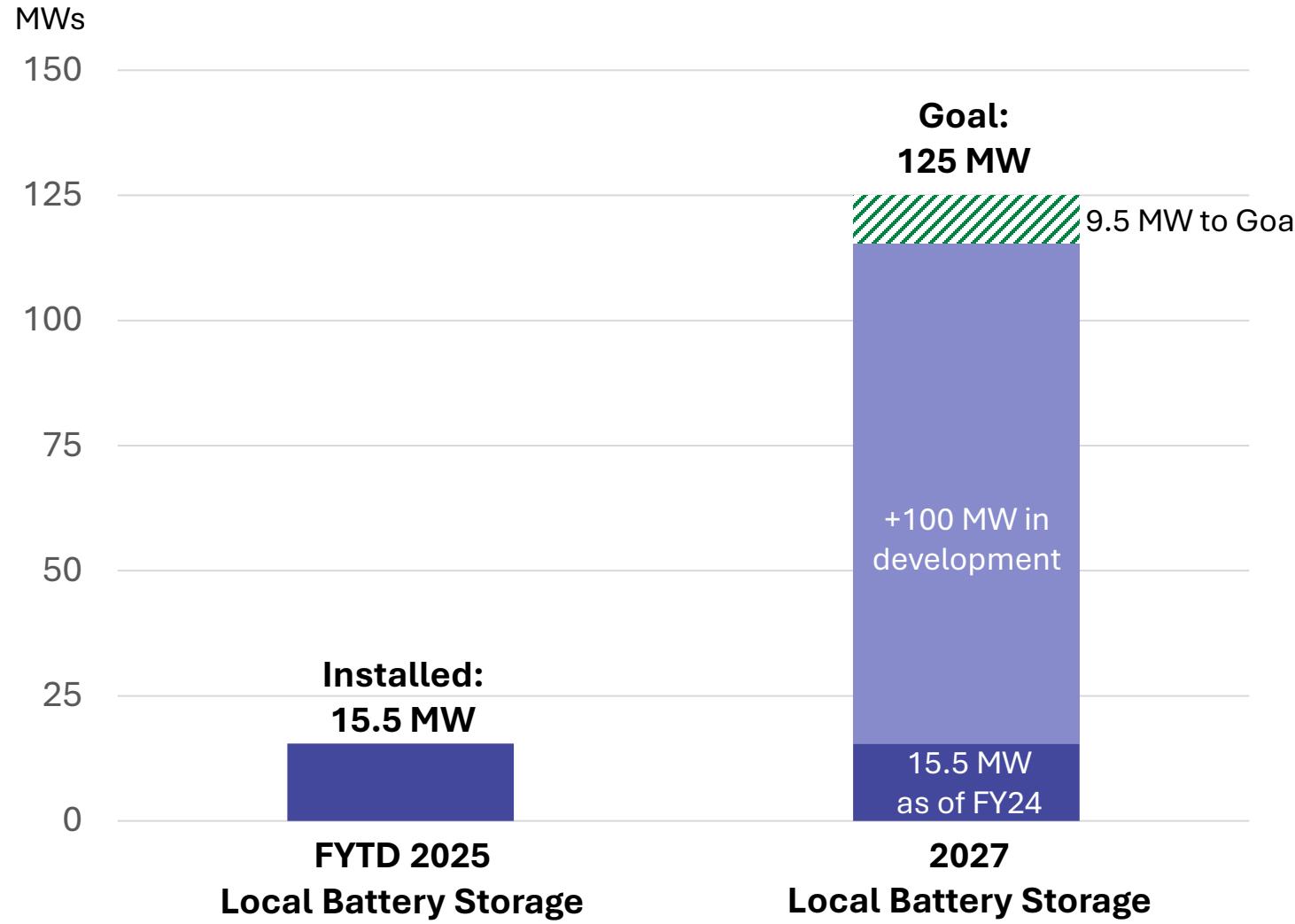
# Progress to Local Solar Goals



## 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