City of Austin

Recommendation for Action

File #: 26-2096, **Agenda Item #:** 6. 7/23/2026

Posting Language

Authorize negotiation and execution of a battery storage agreement with Balcones Ridge Resiliency II, LLC, a Jupiter Power subsidiary, for up to 200 megawatts of electrical power capacity from a utility-scale battery facility, in an estimated amount not to exceed $16,000,000 per year, for a term of up to 20 years, for a total agreement amount not to exceed $320,000,000. Funding: Contingent upon available funding in future budgets.

Lead Department

Austin Energy

Fiscal Note

Funding is contingent upon budgetary approval in future budgets. Similar to power purchase agreements, battery storage agreement costs are recovered through the Power Supply Adjustment pass-through charge.

For More Information:

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Council Committee, Boards and Commission Action:

July 20, 2026 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

In November 2025, Austin Energy issued an All-Resource Request for Proposals (RFP) for local energy resources of all technology types. Out of this RFP process, Austin Energy (AE) received authorization from Council on May 21, 2026, to negotiate and execute a battery storage agreement with OCI Energy, LLC for up to 100 megawatts (MW) of electrical power capacity from a utility-scale battery facility, with operation slated for 2030. However, following this authorization, AE and OCI Energy, LLC were unable to come to agreement on commercial terms.

Jupiter Power, with whom AE already has a Council-approved tolling agreement for 100 MW of battery capacity, also participated in the All-Resource RFP. Jupiter Power included proposals for additional battery storage at its Austin site that is under development. AE's original evaluation favored OCI Energy's project because it provided geographic diversity. However, since the OCI Energy project is no longer viable, AE recommends moving forward with Jupiter Power's project instead.

The recommended 200 MW, two-hour battery agreement is larger than the one it will replace, and offers comparable economic benefits that will help protect and mitigate local wholesale load price risk when it begins commercial operation in 2030. The agreement will not require AE to invest in the construction or maintenance of the project.

This agreement will bring AE's battery storage portfolio capacity to 340 MW, exceeding the Resource, Generation and Climate Protection Plan's objective of studying the feasibility of installing 300 MW of battery storage by the end of 2030.