AUSTIN CITY COUNCIL

AGENDA

Thursday, February 01, 2007

Back Print

Austin Energy **ITEM No. 6**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve negotiate and execution of an agreement between the City and the Texas General Land Office for an option to lease state lands in west Texas for a solar power suitability study and to lease state lands for an optional production period for a solar-generated electricity project over a 50-year term in an amount not to exceed $1,048,770.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Approved Operating Budget of Austin Energy Funding for future years is contingent upon available funding in future budgets

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required

Additional Backup Material
(click to open)
No Attachments Available

For More Information: Michael McCluskey, Sr. Vice President, Wholesale and Retail Markets / 322-6295, Roberto Delgado, Energy Marketer / 322-6412

Boards and Commission Action: Recommended by the Electric Utility Commission (Related to items #23, 24 and 40)

The agreement between the City of Austin and the Texas General Land Office (GLO) proposes to lease up to 438 acres of state lands for future solar energy development. In 2003, the Austin City Council established a strategic energy policy that calls for the development and use of clean energy by Austin Energy and sets a goal that 20 percent of Austin Energy's generation resources be renewable energy sources by December 31, 2020 Leasing of state lands for the development of renewable solar energy in Texas provides an excellent opportunity for the City of Austin and the GLO to collaborate and promote mutual renewable energy goals Clean energy from a renewable resource such as solar is an integral part of the City's strategic energy policy

The recommended solar surface lease includes two phases Phase I provides for an option period for research and investigation of the site for solar feasibility and construction of a solar power plant Phase II provides for a 50-year term to operate a commercially producing solar-powered electric generation plant