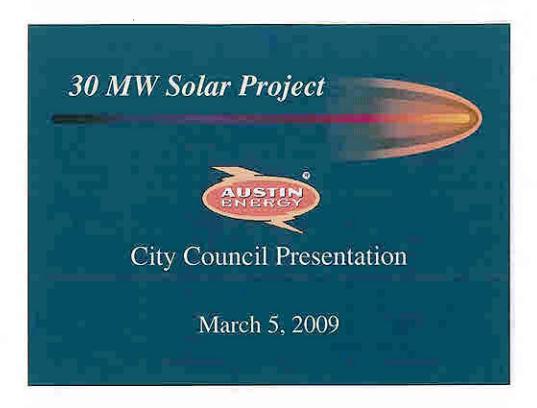
Late Backup



Customer Meeting

- Second Large Customer meeting held Feb 19th
- Representation from many segments:
 - Large Industrials including High Tech. Manufacturing, Data Centers
 - Large Commercials including Office Buildings, Hotels, Hospitals
 - Government
 - School Districts
- Discussed GreenChoice® Option / Stimulus Package



Late Backup

Federal Stimulus Package

- Benefits to private entities such as Geminipredominately tax related
 - Extension of Production Tax Credits for renewables
 - Extension of the 2008 increase in Bonus Depreciation for renewables
 - Investment Tax Credit with eash grant option for renewables
 - Advanced Energy Credit for establishment, expansion or retooling of applicable manufacturing facilities
- Gemini has agreed to pass through all available benefits prior to closing of their financing



GreenChoice® Option

- Austin Energy will establish one or more GreenChoice® offerings:
 - Solar only
 - Blended Solar / Wind / Biomass
- All offerings will reflect actual cost of supply
- Energy not sold as GreenChoice® will provide system supply and be recovered through Fuel Charge
- Tariff recommendations will be made closer to online date

Recommendation

- Recommend Agreement with Gemini Solar
 Development Company, LLC (GEM) subject to pass through of all applicable stimulus benefits
 - Best evaluated proposal
 - 25 year agreement
 - Online by year-end 2010
 - Fixed price with total estimated amount of \$250M over term



Benefits

- No carbon
- · No transmission congestion
- No fuel cost savings opportunity over long term
- Minimal impact to 2011 Fuel Charge of about 1.5% if not GreenChoice®
- · Production coincident with peak demand
- Green collar jobs



