

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

4/28/11
Austin Energy

SUBJECT: Approve an ordinance amending the Fiscal Year 2010-2011 Austin Energy Capital Budget of Ordinance No. 20100913-003 to increase appropriations by \$5,500,000 for the Holly Street Power Plant decommissioning costs and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget of Ordinance No. 20100913-002 to increase the Non-Fuel Operations and Maintenance by \$5,500,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$5,500,000.

CURRENT YEAR IMPACT:

Project Name:	Holly Decommissioning RWIP
Project Authorization:	2010-2011 Capital Budget
Funding Source:	Non-Nuclear Decommissioning Funds
Fund/Dept/Unit:	3320-1107-7500

Current Budget	18,812,326
Unencumbered Balance	9,492,738
This Action	<u>5,500,000</u>
Estimated Available	<u>14,992,738</u>

ANALYSIS / ADDITIONAL INFORMATION: Austin Energy (AE) owns a 570 megawatt (MW) natural gas fired power plant, known as Holly Street Power Plant (Holly), which began operations between 1960 and 1974. Holly is sited in a neighborhood near downtown on Lady Bird Lake in Austin, Texas. Resolutions to close Holly were approved by Council in July 2002 and November 2003. In accordance with these resolutions, power production operations ceased at Holly Units 1 and 2 in October 2004 and Units 3 and 4 in September 2007. The plant's final decommissioning work or deconstruction is to begin in mid 2011. Austin Energy is seeking approval of this budget amendment to provide additional appropriations and related funding sources for decommissioning the Holly Street Power Plant.