

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	24306	Agenda Number	3.
Meeting Date:	5/23/2013			Department:	Austin Energy
Subject					
Approve an ordinance amending the Fiscal Year 2012-2013 Capital Budget of Austin Energy (Ordinance No. 20120910-002) to increase appropriations by \$7,000,000 for the Holly Street Power Plant Decommissioning Project and amending the Fiscal Year 2012-2013 Operating Budget of Austin Energy (Ordinance No. 20120910-001) to increase the transfers out by \$7,000,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$7,000,000. Related to Item # 14.					
Amount and Source of Funding					
Funding in the amount of \$7,000,000 is available from the ending balance of the Fiscal Year 2012-2013 Operating Budget of Austin Energy.					
Fiscal Note					
A fiscal note is attached.					
Purchasing Language:					
Prior Council Action:	September 10, 2012 - Approved the Fiscal Year 2012-2013 Budget.				
For More Information:	Ann Little, Sr. Vice President, Finance and Corporate Services, 322-6148; Linda Arredondo, Project Manager, 322-6274.				
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on May 20, 2013.				
MBE / WBE:					
Related Items:					

Additional Backup Information

Austin Energy seeks approval of this budget amendment to provide additional appropriations and related funding sources for decommissioning the Holly Street Power Plant. This budget amendment will provide additional funding needed for engineering services in addition to environmental and soil remediation to complete the project and prepare the property for future use.

Holly Street Power Plant – Austin Energy owns a 570 megawatt natural gas fired power plant, known as Holly Street Power Plant (Holly), which began operations between 1960 and 1974. Holly is sited near a neighborhood close to downtown Austin on Lady Bird Lake. Resolutions to close the plant were approved by Council in July 2002 and November 2003. In accordance with the 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 began in mid 2011. This funding is needed for additional engineering services as well as environmental and soil remediation not in the original scope of the project.

Appropriation – Austin Energy seeks authorization to amend its Fiscal Year 2012-2013 Capital Budget (Ordinance No. 20120910-002) to increase appropriations by \$7,000,000 for costs associated with the decommissioning of the Holly Street Power Plant. This budget amendment is related to another Council agenda item brought forward by the Purchasing Department requesting authorization to negotiate and execute a contract to provide environmental and soil remediation services for the decommissioning project.

Funding Source for the Appropriation - Austin Energy also seeks authorization to amend its Fiscal Year 2012-2013 Operating Budget (Ordinance No. 20120910-001) to increase Transfers Out to CIP by \$7,000,000 for the Holly Street Power Plant decommissioning account and decrease its Operating Fund ending balance by \$7,000,000. This additional funding for the decommissioning account will add funding sources needed for the additional appropriations as described above. In the Fiscal Year 2012-13 Budget, Austin Energy has a budgeted positive ending fund balance which will be used to fund this amendment.