



Overview of Austin Energy's wholesale market utilization of power production resources

**Austin Energy Utility Oversight
Committee
May 26, 2016**





Fleet Overview & Capability

- South Texas Project (STP) 1 & 2 - 436 MW nuclear
- Fayette Power Project (FPP) 1 & 2 – 602 MW coal
- Sand Hill 5 – 270 MW natural gas
- Sand Hill Gas Turbines – 300 MW natural gas
- Decker 1 & 2 – 726 MW natural gas
- Decker Gas Turbines - 200 MW natural gas

	Prod Cost	Fixed Cost	Capacity	Responsiveness
STP				
FPP				
SH5				
SHGT				
D12				
DGT				

Wholesale business is in place for revenue (cost reduction) and risk management for customers

2,534 MW valuation range (\$76K-\$22.8M/hr)

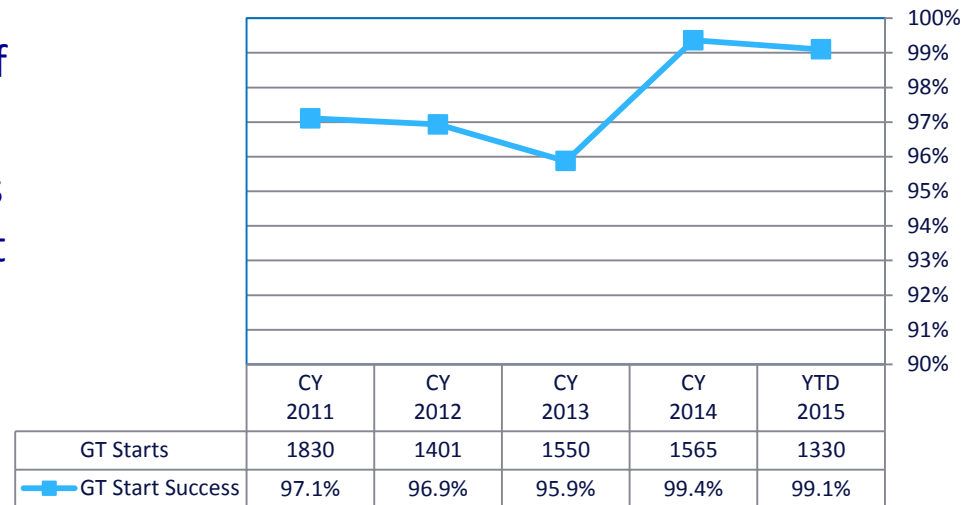




Commercial Availability/Start Reliability*

- We measure the effectiveness of our thermal assets in 2 ways
- **Commercial Availability** is % of time a generator is available when the price of generation is < than market price
- **Start Reliability** for simple cycle units is defined as the percentage of starts that are successful within 10 minutes of request
- High commercial availability and successful starts result in earned revenue (lower PSA) and price protection for AE customers

GT (Simple Cycle) Start Success



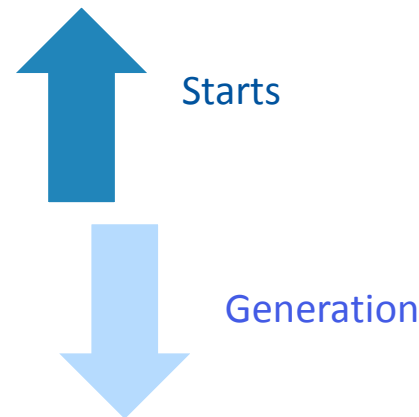
*Unaudited data through 9/2015



Generation Trends*

Gas Unit Starts						
Unit	CY 2011	CY 2012	CY 2013	CY 2014	YTD 2015	5 Year Trend
CC	45	21	102	78	30	
Steam	45	47	166	121	188	
GT	1830	1401	1550	1565	1330	

Gas Unit Gross Generation (MWhrs)						
Unit	CY2011	CY2012	CY2013	CY2014	YTD 2015	Trend
CC	1,259,171	1,354,725	1,078,817	997,283	1,150,001	
GT	428,777	330,781	361,112	302,887	324,145	
Steam	1,209,093	1,084,421	568,609	360,640	492,511	



- Goal is to provide energy to our customers at the lowest cost
- Dispatch of assets is based on market value (in-merit), not to follow load, or based on “displacement” by other assets
- Less-economic run time has been reduced by cycling/low load operations

*Unaudited data through 9/2015





Key Power Production Initiatives

- South Texas Project (STP)
 - site wide cost control
 - reliability performance improvements
 - long term asset management, plant investment planning
- Fayette Power Project (FPP)
 - implement environmental retrofits
 - cost control
- Sand Hill Energy Center (SHEC) & Decker
 - improve operating margin through cycling, turndown
- Gas Turbines (GTs)
 - improve start reliability to increase net revenues
- Marketing lower capacity factor units to increase value to customers





Questions

