

# Utility Purchase of Renewable Energy: How We Do It

Mark Kapner P.E.
Mark.kapner@austinenergy.com
Senior Strategy Planner
March 14, 2006





#### Features of AE's Recent Solicitation

- Desire to purchase up to 200 MW of renewable energy along with Renewable Energy Credits
- Multiple Awards Possible
- Term Up to 20 years
- Either Power Purchase Agreement and/or sale of facility to AE (using CREBs)
- Prefer fixed non-escalating price for term stated in \$/MWH. If escalated, use GDP Implicit Price Deflator
- AE to take delivery at busbar of the facility
- AE not responsible for proposer's inability to deliver as a result of transmission or ERCOT imposed constraint





#### **Information Required**

- Location
- Projected Commercial Operations Date
- ERCOT Bus connecting facility to ERCOT transmission
- Expected Capacity and Capacity Factor
- Applicable ERCOT interconnection/transmission studies
- Max and Min capacities
- Ramp rates
- Operational Control and Assignment of the QSE Services
- SCADA / AGC Capabilities
- Mfg Warranties (Assignable to AE)





### **Information Required**

- Real Estate Ownership, Easements, Regulatory Authorizations for Use
- Permits, Licenses or Other Approvals
- Scheduled Maintenance
- Projected Forced Outage Rate
- Staffing Plan
- Business Organization and Corporate Capability
- Experience in ERCOT Wholsale Market.
- Track Record in Similar Projects





## **Proposal Evaluation**

•	Full Dispatch	25 points
•	Demonstrated Corporate Experience	10
•	Proposal Financial Strength / Viability	15

Total Evaluated Cost

Interview Optional

