

City of Houston's 50 MW Solar Power Purchase Agreement

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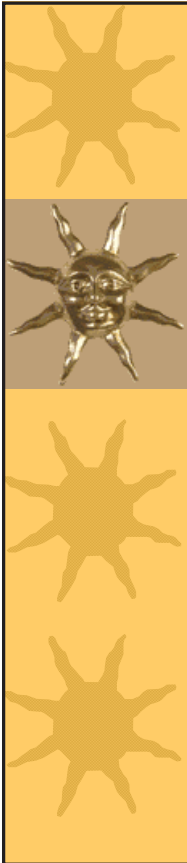
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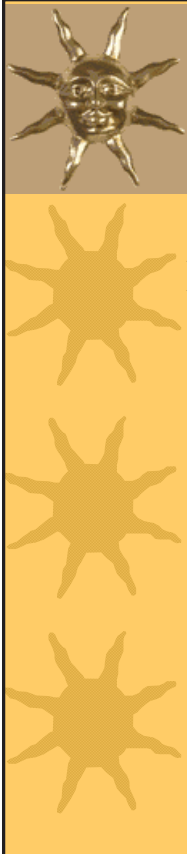
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Procurement Decision Drivers:

- Renewable Energy Leadership
- Save Taxpayers Money

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Renewable Energy Leadership

EPA's annual national top 100 green power users:

- # 8 purchaser of renewable energy in America
- # 1 local government purchaser of renewable energy in America



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Regulatory Challenges in Deregulated Market

Not a municipal utility like Austin Power or CPS Energy (San Antonio).

Deregulated market in Harris and surrounding counties.

Texas Public Utility Regulatory Act (PURA):

- A retail customer can only purchase electricity from a Retail Electric Provider (“REP”). PURA § 31.002(17)
- REPs cannot own generation assets. PURA § 31.002(17)
- Generators must sell electricity at wholesale. PURA § 31.002(10), § 39.351(a)

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Options for Renewable Power

- 1) Purchase Renewable Energy Credits (RECs)
- 2) Build solar or wind facilities on-site (“behind the meter”)
- 3) Negotiate complex three-party Power Purchase Agreement (PPA)

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