

Austin Community Landfill Renewable Energy Project

WMRE and DELL

LMOP
Baltimore, MD
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Dave Unger
Director
WM Renewable Energy



Austin Community Landfill - Initial thoughts

- Located in Texas
 - ❑ Austin, dry conditions but now have proven gas flows
 - ❑ ERCOT is good power market because natural gas sets wholesale price for peak power
 - ❑ Standard air permit for LFG to electricity – 3 months
 - ❑ Municipals like long term stable pricing, less risk for us
 - ❑ Austin is very environmentally progressive city, local permitting should be easy
- There are easy ones and challenging ones, this should be easy



Municipal Utilities – (haves and have nots)

- ❑ Often had access to low cost electricity when they were developed
- ❑ Some still have contracted low cost energy
- ❑ Many are coming off long term contracts and face paying significantly higher market costs
- ❑ Load growth forcing municipals to purchase additional capacity

Austin Energy had low cost energy, compared to the market, and plenty of capacity



Austin prices = WMRE “a have not”

- ❑ Capital costs had been climbing for equipment and construction with rising energy costs
- ❑ Austin Energy didn't have a large exposure to rising energy prices
- ❑ Pricing would not support building a new facility

We needed a renewable premium in order to sell to Austin Energy



King Mountain – 278 MW
(near McCamey)



Not much of a Premium

- ❑ Texas REC values had been falling for years
- ❑ Market over supplied because of the success of wind development in West Texas, no sign of change
- ❑ Voluntary market setting REC price, about \$2-\$3

Although Austin had low cost energy, they were leaders in renewable energy



Austin Energy

One of the most successful programs

GreenChoice®

At 750 million kilowatt-hours (kWh) in subscriptions and growing, Austin Energy's GreenChoice® is the nation's most successful utility-sponsored green energy program. GreenChoice electricity comes from clean, renewable sources.

Already fully sourced



Working together to find a solution

- ❑ Need to get market pricing by entering ERCOT
- ❑ Austin was a non-opt in utility
- ❑ Wheel power on Austin Energy distribution lines
- ❑ Register the generator in ERCOT

***Austin Energy had low cost energy, they were leaders
in renewable energy***



**CITY OF AUSTIN D/B/A AUSTIN ENERGY
TARIFF FOR
WHOLESALE TRANSMISSION SERVICE – DISTRIBUTION VOLTAGE**

Effective Date: July 31, 2007
Section IV
Revision: One

Sheet No.
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A. Application

The Service provided pursuant to this tariff is transmission service, as defined in Public Utility Commission of Texas (Commission) Substantive Rule 25.191, using City of Austin's facilities rated less than 60 kilovolts. The City of Austin will make the service available in accordance with application for service as required under Commission Substantive Rule 25.191.

If adequate facilities are not in place at the time service is requested the City of Austin will construct new facilities or alter existing facilities as necessary, and make the service available, as soon as reasonably possible.



Finding customers, we already have.

- ❑ Large organizations have to communicate internally
- ❑ Our waste customers have a demand for renewable energy
- ❑ Location is very important
- ❑ REC's are good but specific projects are better

Dell was a perfect fit for Austin Community Landfill



Helping Dell go Green

- ❑ Texas power prices are set by the prices natural gas (\$5 - \$14)
- ❑ Risk for the buyer and the seller
- ❑ Fixed price, term contract minimizes risk
- ❑ Enabled development of the LFG power plant
- ❑ Dell had an RFP for retail supply services
- ❑ Austin Community landfill supplies more than 40% of the power to Dell's corporate campus in Round Rock Texas

WM and Dell partnership

