

**Texas Commission on Environmental Quality
New Technology Implementation Grant (NTIG) Program
Quarterly Project Status Report**

Contract

Number:

582-15-54066-1471

Grantee:

City of Austin – Austin Energy (AE)

Report for the

Monthly Period:

Q3 2016 (Jul-Sep 2016)

Date

Submitted: September 30, 2016

Section I. Accomplishments

Provide a bulleted list of project accomplishments as well as a description of their importance to the project.

- 1Energy Services, LLC (1Energy) changed its name to Doosan GridTech Services, LLC (Doosan) after being acquired by Doosan Heavy Industry & Construction (DHI) on June 30, 2016. The public announcement of this acquisition occurred on July 11, 2016. The key employees of 1Energy assigned to the Pilot ESS project are remaining with the company post the acquisition, and AE has experienced no impact to the project. Doosan GridTech Services, LLC, based in Seattle, WA, is now a U.S. subsidiary of DHI.
- Continued negotiations with the energy storage integrator, Doosan. Final contract review is underway and AE expects to have a fully executed contract with Doosan in early October 2016.
- PowerFin submitted the solar PV facility site plan to the City of Austin Development Services Division (DSD), and it is currently under review.
- PowerFin is in the process of soliciting three different proposals for construction and expects to receive them by early Q4 2016.

Indicate which part of the Grant Activities as defined in the grant agreement, the above accomplishments are related to:

- The first bullet relates to Grant Activities in general. 1Energy is referenced in the Project Overview.
- The second bullet relates to Task 1. The contract with Doosan must be in place for AE to meet Task 1 deliverables.
- The third and fourth bullets above relate to Tasks 2 and 5. PowerFin Partners is AE's selected vendor for construction and operation of the adjacent solar PV facility as stated in Task 2. PowerFin will select their subcontractors for construction after they receive proposals.

Section II: Problems/Solutions

Problem(s) Identified: Report anticipated or unanticipated problem(s) encountered and effect(s) on the progress of the project

- a) AE financial tracking for the ESS Pilot Project may not align to the Project Budget Categories originally identified in the Grant Contract.
- b) Contracting with the energy storage integrator, Doosan, has been delayed in part due to the change in battery supplier and warranty negotiations. This has resulted in a delay in meeting Grant Activity deadlines.

Proposed Solution(s): Report any possible solution(s) to the problem(s) that were considered/encountered

- a) AE to request amendment to the Approved Grant Budget section of the Grant Contract. The intent is to make this change at the same time as the update to the Grant Activity deadlines described below.
- b) AE and Doosan are working to complete contract negotiations for the Energy Storage System. After this item is resolved and updated project schedules are available, AE will request amendment to the Grant Contract to adjust Grant Activity deadlines.

Action(s) Conducted and Results: Describe the action(s) taken to resolve the problem(s) and effect(s) had

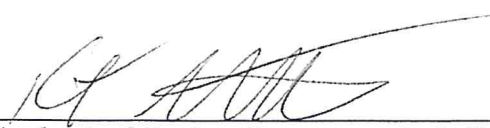
- a) AE discussed its proposed changes with TCEQ staff during a face-to-face meeting at TCEQ offices in February 2016. Proposed changes involve consolidating AE's cost share funds to two categories: equipment and contract services. Also, once a contract is signed with Doosan, AE will reach out to TCEQ with the grant contract amendment that includes updated project schedules. AE does not foresee any change to the overall TCEQ grant project total.
- b) Negotiations and contract finalization between AE and Doosan are underway with contract execution expected in early October 2016.

Section III. Goals and Issues for Succeeding Period:

Provide a brief description of the goal(s) you hope to realize in the coming period and identify any notable challenges that can be foreseen

During Q4 2016 and regarding the ESS Pilot Project, AE expects to enter into a contract with Doosan. AE, through its contract with Doosan, plans to continue preparatory work necessary in advance of site construction. Such work includes initiating detailed design.

During Q4 2016 and regarding the adjacent solar PV facility, AE, through its PPA with PowerFin Partners, plans to receive approve site plan from the City of Austin, and begin construction in December 2016.



Authorized Project Representative's Signature

Date: 9/29/16

NOTE: *Please attach any additional information that you feel should be a part of your report or that may be required to meet the deliverable requirements for tasks completed during this reporting period.*