

**RESOLUTION NO.**

**WHEREAS**, the City of Austin is a national leader in renewable energy, with a 25-year track record of innovation in energy efficiency programs and distributed solar energy; and

**WHEREAS**, on 15 February 2007, the *Austin Climate Protection Plan* resolved to make Austin the leading city in the nation in the effort to reduce and reverse the negative impacts of global warming and to make Austin Energy the leading utility in the nation for greenhouse gas reductions; and

**WHEREAS**, the Austin Generation Resource Planning Task Force on 10 November 2009 unanimously recommended that Austin Energy should adopt a new and aggressive goal of creating a self-sustaining market for distributed renewable generation to add at least 300 MW of generating capacity by 2020; and

**WHEREAS**, in a memo dated 27 January 2010, Austin Energy proposed that Council adopt the Task Force recommended goal of 300 MW of distributed renewable generation by 2020 but that it be supported by a study of the technical and economic potential of a wide range of distributed generation technologies; and

**WHEREAS**, the City of Austin's 2011-2012 Approved Budget Goals specify that Austin Energy will create and sustain economic development by

providing contract opportunities for local businesses, attracting new businesses, and supporting the development of a clean energy industry; and

**WHEREAS**, the Austin City Council finds that an expanded distributed solar generation program could fulfill a public purpose to the citizens of Austin by reducing the negative health, welfare and economic impacts of greenhouse gas emissions, ground-level ozone emissions, and the need to add electrical power plants. Moreover an expanded distributed solar generation program could fulfill a public purpose to the citizens of Austin by increasing economic development activity in Austin; **NOW THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

That the City Council establishes an interim planning goal for Austin Energy to facilitate 300 megawatts of distributed renewable generation capacity located within its service territory by 2020, and directs the City Manager to develop and implement such studies and policies necessary to establish a permanent goal for distributed renewable generation that is feasible and most beneficial to the citizens of Austin:

This interim goal should include the following steps:

- (1) Establish a 300 MW interim planning goal for distributed renewable generation capacity by 2020, with provisions that:
  - (a) all distributed renewable generation technology be located within the Austin Energy service territory;
  - (b) technologies that have zero emission and zero water use should receive preference;
  - (c) intermediate planning targets of 20 MW by 2014 and 100 MW by 2016, reflecting the cost benefit to Austin of leveraging substantial federal tax incentives for solar power that expire in 2016;
  - (d) programs strive to effectively catalyze the market for distributed renewable generation installations, prioritize cost-effectiveness and maximum benefits to Austin, and, to the extent practical, reduce the overall revenue requirement of Austin Energy.
  
- (2) Expand Austin Energy's renewable energy programs to ensure that all customers have access to distributed renewable generation technologies, that at a minimum include solar and/or other distributed renewable energy programs designed for:
  - (a) commercial and industrial customers;

- (b) residential customers and homebuilders;
- (c) non-profit organizations and houses of worship;
- (d) community solar and/or other community renewable programs;
- (e) low-income consumers.

(3) Integrate work performed under this resolution with ongoing planning and analysis to the extent possible, including at a minimum:

- (a) the 2013 City of Austin budget process;
- (b) evaluation of options for Austin to discontinue use of the Fayette coal plant per Austin Resolution No. 20111006-059.

(4) Study the Cost and Benefits of a Goal for Distributed Renewable Generation for Austin, working with industry and necessary experts to:

- (a) determine the optimal size and timing of a goal for Austin;
- (b) determine how the Value of Solar approach should be modified through consideration of all appropriate factors, such as water savings and local economic development impacts, and reflected in the Value of Solar to be used in 2013;
- (c) identify solutions to implement possible financing programs and mechanisms for local distributed renewable generation, such as revolving funds, third-party financing and leases;

- (d) quantify to the extent practical the benefits of the goal with respect to local economic development benefits, emissions reductions, water savings, and impacts on public health;
  - (d) estimate the total cost of implementing the goal, including the direct cost of incentives and administrative costs;
  - (e) identify possible cost offsets in the Austin Energy budget due to the goal, including consideration of possible cost reductions stemming from displacing other planned generation projects or as part of a portfolio of solutions for Austin to discontinue use of the Fayette coal plant.
  - (f) estimate the net reduction in revenue requirement of the goal by evaluating the goal's direct costs and benefits over the lifetime of the distributed renewable generation technologies installed under the goal.
- (5) Using the improved information obtained through the actions identified above, establish a permanent goal for distributed renewable generation during the next update of Austin's Resource, Generation, and Climate Protection Plan based on the feasible level of distributed renewable generation found to be most beneficial to Austin. The permanent goal

for distributed renewable generation may be higher or lower than the interim planning goal established in this resolution.

**ADOPTED:** \_\_\_\_\_, 2012    **ATTEST:** \_\_\_\_\_  
Shirley A. Gentry  
City Clerk