

RESOLUTION NO.

WHEREAS, in April 2010, the Austin City Council unanimously adopted the *Austin Energy Resource, Generation, and Climate Protection Plan to 2020 (the Generation Plan)*; and

WHEREAS, implementing the current Generation Plan would reduce the amount of energy Austin Energy receives from Fayette Power Plant (FPP) by about 24% by 2020;

WHEREAS, Item 40 in the Generation Plan calls for a reduction in the average annual capacity factor needed to serve AE's load from FPP. It also calls for periodic review of the plan with the target of accelerating the phase down, toward eventual closure of FPP by 2020, if economically and technologically feasible.

WHEREAS, City Council passed Resolution 20111006-059 on October 6, 2011 requesting a report to analyze various strategies for near-term resource, generation, and climate protection goals relating to FPP.

WHEREAS, a Memo "Generation Plan Update" dated September 17, 2012, recommended that the City issue a RFP seeking offers for the sale of Austin's interest in FPP and to concurrently evaluate opportunities to replace FPP capacity with natural gas based generation.

WHEREAS, the Fayette Power Plant (FPP) is co-owned with LCRA so any sale or retirement would have to be done in coordination. Also, because the City of Austin does not operate its portion at full capacity, the City recognizes that a sale of its portion could lead to a new user operating the plant a higher capacity.

WHEREAS, on May 20th 2013 the EUC passed a resolution recommending that the City Council request the City Manager to develop a plan to eliminate coal from Austin Energy's portfolio by the end of 2015, with the plan to be presented to City Council no later than December 31, 2013 subsequent to negotiations with the LCRA; **NOW THEREFORE**,

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

The City Manager is directed to develop a comprehensive plan to eliminate coal from Austin Energy's portfolio by 2015-2018, with the plan to be presented to City Council for consideration no later than December 31, 2013. The plan should include the options for the retirement, sale and further ramp down of the coal generation owned by the City, and a variety of replacement generation options, with the financial and legal implications of each option thoroughly analyzed. The plan should also include an analysis of the impact on rates, reliability and dispatchable capacity.

BE IT FURTHER RESOLVED:

If the council takes no action on any of the options after evaluating the December 31, 2013 plan, the City Manager will present an updated plan to the City Council at least once a year for the duration of the use of coal by Austin Energy.

ADOPTED: _____, 2013

ATTEST: _____

Janette S. Goodall
City Clerk