



Austin Generation Resource Planning Task Force
Meeting Minutes
May 7, 2014

The Austin Generation Resource Planning Task Force ('the Task Force') convened in a meeting at Austin City Hall, Room 1029, 301 West Second Street, Austin, Texas.

CALL TO ORDER – Michael Osborne called the meeting to order at 2:35 p.m.

Task Force members in attendance: Carol Biedrzycki, Clay Butler, Barry Dreyling, Michael Osborne, Cyrus Reed, Mike Sloan, Tom "Smitty" Smith and Michele Van Hyfte. Grace Hsieh and was absent.

APPROVAL OF MINUTES

1. **The motion to approve minutes of the April 30, 2014 meeting, by Ms. Biedrzycki and seconded by Mr. Dreyling, passed on a vote of 8-0.**

CITIZEN COMMUNICATION: GENERAL

The following persons addressed the Task Force:

Lanetta Cooper – Energy efficiency is not part of the Generation Plan update until page 3 where it is listed as part of the Climate Protection Plan; there are no programs for moderate income customers; reports to the RMC are not transparent in regards to the budget and what is spent on programs; SB 1434 mandates that 10% of a utility's energy efficiency budget has to be spent on low income customers; AE has an \$850K budget and has only spent \$250K.

Dave Cortez – In areas like Dove Springs, people are unaware of AE's rebate programs; volunteers with Climate Buddies are educating people; urged more community-based efforts in these areas.

BRIEFINGS

2. Presentation by Austin Energy of present and future costs associated with each generation resource to include "all in" production cost broken down on a dollar per watt basis that shall incorporate all costs associated with that resource including, but not limited to, the following: Operations and Maintenance Cost (Planned and Unplanned); Cost to Capital (e.g., Debt and Finance Cost); Fuel Hedging Contracts; Fuel Costs; and any Future Cost Related to New Environmental Regulations.
3. Presentation by Austin Energy of key assumptions and outputs analyzed by Austin Energy staff in generation plan scenarios that shall also include retirement scenarios related to Decker and FPP. The retirement scenarios should include planned retirement dates and actual projected costs associated with early retirement of FPP.
4. Presentation by Austin Energy of wholesale real time market purchases since the adoption of the nodal market broken down by months. Market purchases related to unplanned outages of Austin Energy generation resources should be separated out and tied to the particular resource which was down.

Austin Energy staff members Sathibabu "Babu" Chakka, Manager, Energy Market Analysis, and John Wester, Manager Energy Supply and Risk Management, began their presentation related to Items 2-4. Mr. Butler stopped the presentation, stating the information requested by the Task Force was not being provided. Mr. Chakka explained that certain data such as the production cost per unit was considered competitive information. Members discussed options for requesting such information. Mr. Osborne suggested discussion of item 5, related to scenarios.

OLD BUSINESS

5. Discussion regarding generation plan scenarios. Referring to Henry Hub prices used in AE's presentation, Mr. Reed suggested that a scenario using higher gas prices be run. Mr. Osborne suggested that members find other gas futures available online at no cost. He requested that AE staff overlay historical gas prices on Slide 12 (referring to AE's presentation under Items 2-4) and report back with an updated slide.
6. Discussion of Austin Energy resources and peak demand and demand side resources. Mr. Osborne requested that Items 5 and 6 be included on next week's agenda.

NEW BUSINESS

7. Discussion regarding economic benefits of various generation resources and demand side resources. Stan Pipkin of Lighthouse Solar made a presentation entitled "Jobs & Economic Benefits." He also referred to the Austin Local Solar Advisory Committee report and recommendations.
8. Discussion of affordability metrics. Mr. Dreyling spoke of the City Council's affordability goal which calls for AE to operate so as to control all-in rate increases for all customers to 2% per year.
9. Discussion of residential affordability issues. Ms. Biedrzycki said that in the residential sector, affordability is measured by energy burden, the percent of income spent on utilities. She said AE completed an energy burden study during the rate case and she urged that the study be updated. She said it showed that low-income customers spend 39% of their income on electricity. She said the data she received from AE more recently on the low-income weatherization program conflicted with data in the study. She wants to see part of the energy efficiency goal dedicated to the low income population. Ms. Biedrzycki also suggested taking a look at cost pass-throughs, such as the community benefit charge, to determine whether they should be a part of the affordability discussion.

FUTURE AGENDA ITEMS

10. Discussion regarding future agenda items, including a schedule of topics, and issues raised during briefings and Citizen Communications during this meeting. Mr. Osborne said the May 14 agenda would include presentations and discussions on storage and demand side management (DSM), excluding solar because that would be discussed at the May 21 meeting. Mr. Smith suggested that the performance of STP be discussed at a future meeting and that a STPNOC representative be invited to speak. He urged for an analysis before the City spends funds on relicensing the plant. He said this issue was the number one thing Council Member Morrison asked him to get into. Members suggested adding the topic to the May 21 agenda.

ADJOURNMENT – Mr. Osborne adjourned the meeting at 5:08 p.m. without objection.