



Austin Generation Resource Planning Task Force  
Meeting Minutes  
May 28, 2014

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

**CALL TO ORDER** – Michael Osborne called the meeting to order at 2:36 p.m.

Task Force members in attendance: Carol Biedrzycki, Barry Dreyling, Michael Osborne, Cyrus Reed, Tom “Smitty” Smith and Michele Van Hyfte. Clay Butler, Grace Hsieh and Mike Sloan were not present at the Call to Order, but arrived afterwards.

**APPROVAL OF MINUTES**

1. **The motion to approve minutes of the May 21, 2014 meeting, by Ms. Biedrzycki and seconded by Mr. Dreyling, passed on a vote of 6-0 with Mr. Butler, Ms. Hsieh and Mr. Sloan off the dais.**

**CITIZEN COMMUNICATION: GENERAL**

The following persons addressed the Task Force:

Scott Burton – urged expanding use of district chilling technology.

Paul Robbins – criticized a proposal to increase the free weatherization program saying there were better ways to lower cost, service more people, save energy and prevent pollution.

**BRIEFINGS AND PRESENTATIONS**

Mr. Osborne suggested moving up Item 3 to hear Task Force members’ presentation.

3. Presentations by Task Force members relating to Council Resolution No. 20140306-024, which formed the Task Force and set its mission to examine and make recommendations regarding an update to the Generation Plan. The following members made presentations:
  - a. Ms. Biedrzycki – “Low -Income Energy Efficiency Goals for 2024”
  - b. Mr. Reed – “Austin’s Clean Energy Future”
  - c. Mr. Dreyling and Ms. Van Hyfte – “Affordability, Availability, Clean/Renewable, DSM”
  - d. Mr. Sloan – “Mike Sloan on Austin Generation Planning”
  - e. Mr. Smith – “Creating a Clean Energy Future for Austin Energy”
  - f. Mr. Osborne – “Generation Task Force: Presentation by Michael J. Osborne”

Mr. Butler, Ms. Hsieh and Mr. Sloan arrived during presentations.

2. Presentation by Austin Energy on the methodology for determining the value of utility solar generation – Mr. Butler, Mr. Reed and Mr. Sloan provided clarification to Austin Energy staff on what was being requested by the Task Force for this presentation. Mr. Osborne postponed the presentation to the June 4 meeting.

Mr. Sloan suggested the Task Force review new materials provided by Austin Energy regarding Items 4 and 5. Mr. Osborne agreed.

**OLD BUSINESS**

4. Discussion of past Austin Energy presentation regarding wholesale real time market purchases including those related to unplanned outages (Item #4 on May 7, 2014 agenda) and net market purchases expressed as a percentage of AE load.
5. Discussion of past Austin Energy presentation regarding present and future costs associated with

each generation resource—the all-in production cost broken down on a dollar per watt basis incorporating all costs associated with that resource (Item #2 on May 7, 2014 agenda). Mr. Sloan thanked Austin Energy staff for the additional information. Sathibabu “Babu” Chakka, Manager, Energy Market Analysis, answered questions from Task Force members. Mr. Smith reiterated his request for a unit by unit cost on generation to determine cost-effectiveness.

6. Discussion regarding energy resources, peak demand and demand side resources – No discussion.
7. Discussion regarding generation plan scenarios – Mr. Reed asked about the timing on Austin Energy running the scenarios and providing the bill impact analysis of those scenarios. Mr. Chakka said the scenarios would be run in September. Mr. Reed asked, if requested by the Task Force in late June, whether Austin Energy would be able to run additional scenarios. Mr. Chakka estimated that staff would be able to run one or two additional scenarios. Mr. Reed suggested the Task Force request two scenarios for the utility to run. Mr. Butler asked about the utility’s progress on running the scenarios. Mr. Chakka said they about 10% complete.

Mr. Smith said the President would announce new carbon goals next week and asked that Austin Energy provide some initial information regarding the impact on the utility.

Mr. Butler asked for an update to the request for cost information on thermal plants. In response, Mr. Osborne suggested moving to Item 8.

8. Discussion of competitive issues and other obstacles to the Task Force – Mr. Osborne reported that Mr. Dreyling, Mr. Reed and Mr. Sloan met with Austin Energy staff to discuss requests for competitive data and asked for an update from those members. Mr. Reed said that the staff was partially responsive in that they could provide data by resource, but not per unit costs. Khalil Shalabi, VP, Energy Market Operations, said his staff provided data on Webberville and the biomass plant because much of the information was in the public realm. He said Austin Energy would provide them with the data they discussed regarding oil and gas, but was prohibited from providing data on coal and nuclear. Elaina Ball, VP, Power Production, explained that Austin Energy was not the sole owner of the coal and nuclear resources or the information regarding those plants, and releasing the proprietary information would not only undermine the competitive position of Austin Energy but that of the other owners as well. She said Austin Energy was in a unique space of being a City department and an electric utility operating in a competitive market every 15 minutes to optimize resources for the maximum benefit of our customers. **Mr. Butler made a motion, which was seconded by Mr. Sloan, that the Task Force work with City Council to obtain the all-in production costs of generating units in executive session. Mr. Smith suggested adding “current and anticipated per unit costs” to the motion. Mr. Butler accepted.** Ms. Biedrzycki said she was interested in an explanation as to the law governing the release of such data. **She suggested adding language to the motion that would allow them to utilize a different process in order to access the data, in case they were prohibited from holding an executive session. Mr. Butler agreed. Mr. Osborne restated the amended motion as, “The Task Force will work with City Council to obtain the all-in production costs—the current and anticipated per-unit costs—of generating units, in executive session or through an alternative appropriate process.” The motion was approved on a vote of 9-0.** Mr. Osborne stated this issue would be discussed tomorrow morning at the meeting of the Council Committee on Austin Energy.

Mr. Butler left the dais.

## **NEW BUSINESS**

9. Discussion of the Task Force's report format and timeline, and creation of a drafting committee – Mr. Osborne asked for the final report of the 2009 Task Force and Ms. Biedrzycki offered to distribute it.

Mr. Smith requested that the group return to discussion of Item 8 and Mr. Osborne agreed. Mr. Smith read an excerpt from the Texas Government Code, Section 552.133 pertaining to public information and confidentiality of public power utilities. Mr. Osborne requested this be a part of the public record. See attachment.

Continuing with Item 9, Mr. Osborne requested volunteers for the committee to draft the Task Force report and recommendation. The following members volunteered to serve: Ms. Van Hyfte, Mr. Sloan, Mr. Smith and Mr. Osborne. Mr. Osborne suggested that Mr. Reed work with Mr. Smith on drafting the report, and that Ms. Biedrzycki work with Ms. Van Hyfte to ensure her ideas are incorporated.

## **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 suggested that next week's meeting cover environmental issues such as climate change. Ms. Hsieh suggested adding building commissioning and behavioral-based programs to the agenda.

Mr. Osborne suggested rescheduling the June 11 meeting to the morning to accommodate Mr. Reed who is leaving the country that afternoon.

Mr. Osborne invited everyone to attend and speak at the public input session on May 29 at 5:00 p.m. in Council Chambers. He also announced the meeting of the Council Committee on Austin Energy tomorrow morning at 9:30am and that he and Mr. Dreyling would be addressing the Committee.

**ADJOURNMENT** - Mr. Osborne adjourned the meeting at 5:22 p.m. without objection.

ATTACHMENT

GOVERNMENT CODE  
TITLE 5. OPEN GOVERNMENT; ETHICS  
SUBTITLE A. OPEN GOVERNMENT  
CHAPTER 552. PUBLIC INFORMATION  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 552.133. EXCEPTION: CONFIDENTIALITY OF PUBLIC POWER UTILITY COMPETITIVE MATTERS. (a) In this section, "public power utility" means an entity providing electric or gas utility services that is subject to the provisions of this chapter.

(a-1) For purposes of this section, "competitive matter" means a utility-related matter that is related to the public power utility's competitive activity, including commercial information, and would, if disclosed, give advantage to competitors or prospective competitors. The term:

(1) means a matter that is reasonably related to the following categories of information:

(A) generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;

(B) bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;

(C) effective fuel and purchased power agreements and fuel transportation arrangements and contracts;

(D) risk management information, contracts, and strategies, including fuel hedging and storage;

(E) plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and

(F) customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies; and

(2) does not include the following categories of information:

(A) information relating to the provision of distribution access service, including the terms and conditions of the service and the rates charged for the service but not including information concerning utility-related services or products that are competitive;

(B) information relating to the provision of transmission service that is required to be filed with the Public Utility Commission of Texas, subject to any confidentiality provided for under the rules of the commission;

(C) information for the distribution system pertaining to reliability and continuity of service, to the extent not security-sensitive, that relates to emergency management, identification of critical loads such as hospitals and police, records of interruption, and distribution feeder standards;

(D) any substantive rule or tariff of general applicability regarding rates, service offerings, service regulation, customer protections, or customer service adopted by the public power utility as authorized by law;

(E) aggregate information reflecting receipts or expenditures of funds of the public power utility, of the type that would be included in audited financial statements;

(F) information relating to equal employment opportunities for minority groups, as filed with local, state, or federal agencies;

(G) information relating to the public power utility's performance in contracting with minority business entities;

(H) information relating to nuclear decommissioning trust agreements, of the type required to be included in audited financial statements;

(I) information relating to the amount and timing of any transfer to an owning city's general fund;

(J) information relating to environmental compliance as required to be filed with any local, state, or national environmental authority, subject to any confidentiality provided under the rules of those authorities;

(K) names of public officers of the public power utility and the voting records of those officers for all matters other than those within the scope of a competitive resolution provided for by this section;

(L) a description of the public power utility's central and field organization, including the established places at which the public may obtain information, submit information and requests, or obtain decisions and the identification of employees from whom the public may obtain information, submit information or requests, or obtain decisions;

(M) information identifying the general course and method by which the public power utility's functions are channeled and determined, including the nature and requirements of all formal and informal policies and procedures;

(N) salaries and total compensation of all employees of a public power utility; or

(0) information publicly released by the Electric Reliability Council of Texas in accordance with a law, rule, or protocol generally applicable to similarly situated market participants.

(b) Information or records are excepted from the requirements of Section 552.021 if the information or records are reasonably related to a competitive matter, as defined in this section. Information or records of a municipally owned utility that are reasonably related to a competitive matter are not subject to disclosure under this chapter, whether or not, under the Utilities Code, the municipally owned utility has adopted customer choice or serves in a multiply certificated service area. This section does not limit the right of a public power utility governing body to withhold from disclosure information deemed to be within the scope of any other exception provided for in this chapter, subject to the provisions of this chapter.

(c) The requirement of Section 552.022 that a category of information listed under Section 552.022(a) is public information and not excepted from required disclosure under this chapter unless expressly confidential under law does not apply to information that is excepted from required disclosure under this section.

Added by Acts 1999, 76th Leg., ch. 405, Sec. 46, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 1272, Sec. 7.02, eff. June 15, 2001. Renumbered from Sec. 552.131 by Acts 2001, 77th Leg., ch. 1420, Sec. 21.001(52), eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 925 (S.B. [1613](#)), Sec. 2, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1229 (S.B. [602](#)), Sec. 24, eff. September 1, 2011.