



## **ELECTRIC UTILITY COMMISSION RESOURCE MANAGEMENT COMMISSION MINUTES – October 12, 2015**

The Electric Utility Commission (EUC) and Resource Management Commission (RMC) convened in a special-called joint meeting on Monday, October 12, 2015 at Town Lake Center, 721 Barton Springs Road, in Austin, Texas.

**EUC members in attendance:** Carol Biedrzycki, Shudde Fath, Karen Hadden (vice chair), Brent Heidebrecht, Derrick Norris, Michael Osborne (chair), Ruby Roa, Mary Katherine Stout and Stefan Wray. Cary Ferchill was not present at the Call to Order, but arrived during the Executive Session. Naveed Mahmood was absent.

**RMC members in attendance:** Jennifer Cregar (vice chair), Leo Dielmann (chair); James Dwyer, Andrew Gill, Luke Metzger, Cyrus Reed, Susanne Vaughn and Kaiba White. Michael Wong was not present at the Call to Order, but arrived during Citizen Communications. Gregory Santiago was absent. One vacancy exists (District 3).

**Staff in Attendance:** Cheryl Mele, Khalil Shalabi, Pat Sweeney, Jeff Vice, Adrienne Brandt, Patricia Alofsin, Jamie Mitchell and Toye Goodson of Austin Energy.

**CALL MEETING TO ORDER** – The meeting was led by Michael Osborne (EUC chair) and Leo Dielmann (RMC chair). Mr. Osborne called the meeting to order at 6:02 p.m.

Each member present introduced themselves by stating their name and the name of the Council Member who appointed them.

### **CITIZEN COMMUNICATIONS**

Dave Cortez – urged members to ask questions about the proposed contracts including bill impact and how this would affect getting out of Fayette and Decker.

Paul Robbins – suggested that we had seen the best prices for the contracts already approved and that with PV costs declining, the City wait and build a solar power plant.

Al Braden – urged approval of 600 MW solar energy because year of delay puts 840,000 tons of CO<sub>2</sub> into the air.

Susan Lippman – would like to see the whole generation plan taken into account to see how the solar PPAs affect coal and gas generation.

### **NEW BUSINESS**

1. Discussion and possible action regarding a recommendation to adopt a plan for achieving 600 megawatts of utility-scale, solar generation capacity by 2017 in addition to solar capacity currently existing or under contract, and to authorize negotiation and execution of power purchase agreements with qualified offerors for up to 350 megawatts of utility-scale, solar-generated electricity (for a total acquisition of approximately 600 megawatts of new solar capacity, if available and affordable) for terms of up to 25 years, for a combined estimated annual amount of \$44,000,000 and combined total of \$1,100,000,000.

The meeting was recessed to go into Executive Session at 6:18 p.m.

The commission members went into Executive Session, pursuant to Chapter 551 of the Texas Government Code (Public Power Utility Competitive Matters – Section 552.133) to discuss Item 1.

Executive Session ended and Mr. Osborne called the meeting back to order at 8:20 p.m.

The EUC took action, followed by the RMC.

Motion by Mr. Heidebrecht, seconded by Mr. Norris, to not recommend approval of Item 1. After several members indicated they would vote against the motion, it was withdrawn by Mr. Heidebrecht.

Motion by Ms. Biedrzycki, seconded by Ms. Hadden, to recommend that the Austin City Council direct Austin Energy to authorize an additional 250 MW of utility-scale solar power from among the lowest bids received.

**The motion passed on a vote of 7-3 with Mr. Heidebrecht, Mr. Norris and Ms. Stout voting no.**

EUC members were excused.

Motion by Mr. Reed, seconded by Mr. Metzger, that the Austin City Council should direct Austin Energy to contract at least 162 MW and up to 312 MW of additional solar based on the contracts described as ‘up to 350 additional MW of solar,’ as long as the maximum expected PSA impact of all solar contracted in October of 2015 would be up to or less than 1 percent in 2017 on the residential class and up to or less than 1 percent on the large tech firm class, and furthermore, to the extent all 600 MW of the additional solar is not contracted, Austin Energy should present an updated plan for acquiring or owning any additional solar to City Council no later than January 31, 2017.

Mr. Metzger suggested a maximum PSA impact of 1.01% for large tech firms which was accepted as a friendly amendment. Ms. Cregar suggested the following changes which were accepted as friendly amendments: Austin City Council should direct Austin Energy to contract at least 400 MW and up to 600 MW of total solar based on the contracts...as long as the maximum expected PSA impact on all rate classes would be 1 percent or less, etc.

Mr. Dielmann asked Mr. Reed to restate the amended motion for a vote. Upon restating the motion, members agreed on additional changes which resulted in the following motion: The Austin City Council should direct Austin Energy to contract at least 100 MW and up to 300 MW of additional solar based on the contracts described as ‘up to 350 additional MW of solar,’ as long as the maximum expected PSA impact of all solar contracted in October of 2015 would be up to or less than 1.01 percent in 2017 for all rate classes. Furthermore, to the extent all 600 MW of total solar is not contracted in October of 2015, Austin Energy should present an updated plan for acquiring or owning any additional solar to City Council no later than January 31, 2017.

Ms. White offered the following amendment, which was not accepted: If additional solar, up to 600 MW, can be procured at escalating prices to avoid additional PSA impact in 2017, those options should be pursued.

Ms. Cregar suggested the recommendation be at least 101 MW, instead of 100 MW. This was accepted as a friendly amendment.

Mr. Reed restated the amended motion with two additional changes: Austin City Council should direct Austin Energy to contract at least 101 MW and up to ~~300~~ 312 MW of additional solar based on the contracts described as “up to 350 additional MW of solar,” as long as the maximum expected PSA impact of all solar contracted in ~~October~~ 2015 on all rate classes would be less than or equal to 1.01 percent in 2017. Furthermore, to the extent 600 MW of total solar is not contracted in 2015, Austin Energy should present an updated plan for acquiring or owning any additional solar to City Council no later than January 31, 2017.

**The motion passed on a vote of 8-1, with Ms. White voting no.**

**ADJOURNMENT** – Mr. Dielmann adjourned the meeting without objection at 8:41 p.m.