



## RESOURCE MANAGEMENT COMMISSION MINUTES – JUNE 21, 2016

The Resource Management Commission (RMC) convened on Tuesday, June 21, 2016 at Town Lake Center, 721 Barton Springs Road, in Austin, Texas. The meeting was called to order by Chair Leo Dielmann at 6:04 p.m.

**Commissioners in Attendance:** Leo Dielmann, Chair; Cyrus Reed, Vice Chair; James Dwyer, Andrew Gill, Gregory Santiago, Shane Saum, Kaiba White and Michael Wong. Mr. Saum and Ms. White arrived shortly after the Call to Order. Susanne Vaughn was absent. (As a result of resignations from the Mayor's appointee and the Council District 1 appointee, there are two vacancies on the RMC.)

**Staff in Attendance:** Kristi Fenton, Martin Tower and Mark Jordan of Austin Water; Debbie Kimberly, Danielle Murray, Pat Sweeney, Kurt Stogdill, Heidi Kasper, Michael Husted and Toye Goodson of Austin Energy.

**1. APPROVAL OF MINUTES** – Approve minutes of the May 17, 2016 meeting. **Motion to approve by Chair Dielmann, seconded by Mr. Wong, passed on vote of 6-0 with Mr. Saum and Ms. White off the dais.**

### **2. CITIZEN COMMUNICATIONS: GENERAL**

Susan Peterson of Foundation Communities spoke in support of creating a Value of Solar tariff for commercial installations as the performance-based incentive program ramps down.

### **3. NEW BUSINESS**

Discussion and action regarding Austin Water Capital Improvement Projects located in the Drinking Water Protection Zone for inclusion in the utility's five-year capital spending plan as required by its financial policies. Kristi Fenton and Martin Tower presented information and answered questions regarding the proposed projects. **Motion by Chair Dielmann, seconded by Mr. Dwyer, to recommend approval of the Drinking Water Protection Zone projects related to new water and wastewater plants, capital expansions and growth-related projects to be included in the Austin Water's 5-Year Capital Improvement Program with final approval by City Council during the annual budget approval process. Motion passed on a vote of 8-0.**

### **4. STAFF BRIEFINGS AND REPORTS**

- a. Quarterly Report from Texas Gas Service by Julie Hatfield and Larry Graham.  
Speaker Paul Robbins provided suggestions including providing input on the Texas Gas Service budget and that Texas Gas Service include commercial transport customers in their conservation program. Chair Dielmann asked staff to include a budget overview when they returned for their next quarterly report.
- b. Annual update on the Value of Solar by Pat Sweeney, Director, Energy and Market Operations, Austin Energy.

### **5. OLD BUSINESS**

Discussion and possible action on a solar-ready amendment to the 2015 International Energy Conservation Code. Vice Chair Reed referred to handouts containing the most recent draft language for residential and commercial solar-ready amendments to the IECC, and summarized changes

proposed by the Working Group since the last RMC meeting.

**Motion by Mr. Wong, seconded by Mr. Santiago, to approve proposed language for the residential and commercial solar-ready amendment to the IECC with one change:**

In “Section C402.6 (2015 IECC) and 5.4.6 (ASHRAE 90.1-2013) Commercial Solar Ready,” under “Exceptions:” “4. When compliance with section ~~C406.5~~ C406 is demonstrated.”

**The motion failed on a vote of 3-3-2 with Mr. Wong, Mr. Santiago and Mr. Gill voting for; Vice Chair Reed, Ms. White and Mr. Dwyer voting against; and Chair Dielmann and Mr. Saum abstaining.**

**Motion by Vice Chair Reed, seconded by Ms. White to approve the proposed resolution and accompanying solar-ready amendment to the IECC. Ms. White offered the following friendly amendment which was accepted by Vice Chair Reed.**

RESOLVED, the Resource Management Commission recommends that:

1. The Austin City Council adopt a commercial and residential Solar-Ready Zone amendment to the Residential and Commercial Energy Codes that would go into effect six months after adoption by the City Council; and that
2. The Solar-Ready Zone amendments be included as part of the adoption of the technical codes being developed by the Development Services Department, ~~expected to or be sent to City Council before~~ by the end of the year.

**The motion to approve the proposed resolution, as amended, and accompanying language for the solar-ready amendment to the IECC was approved on a vote of 8-0.**

## **6. ITEM(S) FROM COMMISSIONERS**

Discussion regarding accelerating the target for local solar in the Resource, Generation and Climate Protection Plan. (Sponsors: Commissioner White, Vice Chair Reed)

Vice Chair Reed led the meeting for approximately 10 minutes while Chair Dielmann was off the dais.

The following speakers addressed the Commission:

- Stan Pipkin, Lighthouse Solar, spoke about the success of the residential Value of Solar (VOS) tariff and in support of applying a VOS tariff to commercial installations.
- David Dixon, Native Solar, said the goal of 70 MW of customer sited solar by 2020 would easily be met and, therefore, supported increasing the goal to 140 MW; he was also in favor of a commercial VOS as solar rebates ramped down.
- Travis Moller, Meridian Solar, spoke in support of shifting the successful residential VOS to commercial sector and increasing the local solar goal to 140 MW by 2020.
- Steve Beuerlein, commercial customer and developer, said a commercial VOS made good sense, and that from his standpoint as a small commercial developer, clarity in the code is important; he also suggested educating the architecture community about incorporating solar early in the planning phase.

Vice Chair Reed suggested incorporating this discussion within the context of the Resource, Generation and Climate Protection Plan, to be reviewed later in the year. He asked staff to report back on where we were in terms of meeting the solar goals. Ms. White distributed copies of the Plan and Commissioners reviewed goals related to solar energy. Chair Dielmann observed that in the 12 years since solar incentives began, the City had a little over 37 MW and the proposal discussed was to quadruple that in four years. He asked for comment from Austin Energy staff. Ms. Kimberly made two points. She said the utility was in the midst of a rate proceeding and the issue was raised by intervenors during the hearings. She said that Austin Energy was committed to looking at the goals, but they did not believe it was within the scope of the rate proceeding, and that it could have affordability implications on programs. For example, in terms of incentives and O&M costs, about

\$34 million was recovered in the Energy Efficiency Services tariff. Of that, \$9 million related to solar and \$25 million related to energy efficiency and demand response. Last year, that \$9 million reached 1,000 customers and the \$25 million reached 36,000 customers. She said it would be challenging to try to reach the larger goal without impacting affordability. Also, with respect to affordability, electric rates, especially for commercial and industrial customers, were not in the bottom 50% of Texas utilities, which was being addressed in the rate proceeding. The second point made by Ms. Kimberly was that Austin Energy had met with Solar Austin's board and discussed a commercial VOS to follow the sunset of the PBI. She said there were fundamental differences in a residential VOS and commercial VOS with regards to the rate structure and how the utility collects its costs. She encouraged the Commission to look at a commercial VOS holistically, after the conclusion of the rate proceeding in September.

Commissioners agreed to form a Working Group composed of Chair Dielmann, Vice Chair Reed and Ms. White; and Ms. Vaughan would be invited to participate.

## **7. ANNUAL INTERNAL REVIEW REPORT**

Discussion regarding the Annual Internal Review Report to be submitted by July 31, 2016 to the Office of the City Clerk. Commissioners thanked Mr. Dwyer for gathering the information for the draft report. Commissioners requested that the Staff Liaison make the changes listed below and provide the revised version for consideration at the July meeting.

- Under "1. Actions supporting the mission statement," add actions taken at tonight's meeting.
- On the third page, under "The following additional recommendations were offered," move the language of the first two hollow bullets regarding the LICATF to Recommendation 20160216-004.
- Before Item 2, add that Ms. White was appointed to the Joint Sustainability Committee.
- Under the appropriate recommendations, add related Working Groups.
- Add the recommendation relating to the adoption of the IECC.
- Change the word "alternative" to "emerging" technologies, and list examples.
- Add "and water" where the document refers to conservation goals.
- Reword Goal d. to include language about encouraging people to conserve energy through better building practices, etc.
- Add goals or add language to existing goals reflecting the following topics: monitoring compliance with the energy code and water restriction policies; monitoring regular reports from Fleet Services; and support the upcoming community solar project.

## **8. FUTURE AGENDA ITEMS**

Chair Dielmann requested that Texas Gas Service include a budget overview when they returned for their next quarterly report. Vice Chair Reed asked Austin Energy staff to report back on where we were in terms of meeting the solar goals in the Resource, Generation and Climate Protection Plan. He also reiterated two budget related topics that had been brought up by Commissioners: a preview of Austin Energy's solar and energy efficiency budget and a discussion on the Development Services Department's staffing levels for inspectors included in their budget.

**ADJOURN** – Mr. Dielmann adjourned the meeting without objection at 8:51 p.m.