



RESOURCE MANAGEMENT COMMISSION MEETING MINUTES JUNE 20, 2017

The Resource Management Commission (RMC) convened a regular meeting on Tuesday, June 20, 2017 at Town Lake Center, 721 Barton Springs Road, in Austin, Texas. The meeting was called to order by Chair Leo Dielmann at 6:35 p.m.

Commissioners in Attendance: Leo Dielmann, Chair; Cyrus Reed, Vice Chair; James Babyak, Scott Kohan, Derrick Lesnau, Natasha Madison, Susanne Vaughan and Kaiba White. Gregory Santiago was absent. Commissioners Madison and White arrived after the Call to Order. There is one vacancy on the Commission.

Staff in Attendance: Kristi Fenton, Martin Tower, Lauren King and Mark Jordan of Austin Water; Debbie Kimberly, Khalil Shalabi and Toye Goodson of Austin Energy.

CALL TO ORDER

1. **APPROVAL OF MINUTES** – Approve minutes of the May 16, 2017 meeting. **Motion to approve by Vice Chair Reed, seconded by Commissioner Vaughan, passed on 7-0 vote, with Commissioners Madison and White off the dais, Commissioner Santiago absent and one vacancy.**
2. **CITIZEN COMMUNICATIONS: GENERAL**
Paul Robbins spoke on Item 9, urging Commissioners to approve the recommendations of the Working Group for the Resource, Generation and Climate Protection Plan update.

NEW BUSINESS – CONSENT

3. Recommend approval of a rebate to Lodge at Stone Oak Ranch, LLC, for performing energy efficiency improvements at the Lodge at Stone Oak Ranch Apartments located at 5400 West Parmer Lane, in an amount not to exceed \$228,317 (District 6). **Motion to approve by Chair Dielmann, seconded by Commissioner Lesnau, passed on a 6-1 vote, with Commissioner Babyak voting against, Commissioners Madison and White off the dais, Commissioner Santiago absent and one vacancy.**
4. Recommend approval of a rebate to owner Matt Albrecht, for performing energy efficiency improvements at the Avalon Palms Apartments located at 9001 and 9300 Northgate Blvd., in an amount not to exceed \$121,849 (District 4). **Motion to approve by Chair Dielmann, seconded by Commissioner Lesnau, passed on a 6-1 vote, with Commissioner Babyak voting against, Commissioners Madison and White off the dais, Commissioner Santiago absent and one vacancy.**
5. Recommend approval of a rebate to Silver Tree Residential, LLC, for performing energy efficiency improvements at Travis Park Apartments located at 1100 E. Oltorf St., in an amount not to exceed \$124,333 (District 9). **Motion to approve on consent by Chair Dielmann, seconded by Vice Chair Reed, passed on a 7-0 vote, with Commissioners Madison and White off the dais, Commissioner Santiago absent and one vacancy.**
6. Recommend approval of a rebate to Texas Facilities Commission for performing energy efficiency improvements at 1100 W. 49th Street, in an amount not to exceed \$96,809. (District 9) **Motion to approve on consent by Chair Dielmann, seconded by Vice Chair Reed, passed on a 7-0 vote,**

with Commissioners Madison and White off the dais, Commissioner Santiago absent and one vacancy.

7. Recommend authorization to negotiate and execute a 15-year power purchase agreement (with a qualified respondent) for the full output of electricity from a 200 megawatt utility-scale wind-generation facility, in an amount not to exceed \$17,500,000 per year, for a total amount not to exceed \$262,500,000. **Motion to approve by Vice Chair Reed, seconded by Commissioner White, passed on a 7-0-1 vote, with Commissioner Vaughan abstaining, Commissioner Madison off the dais, Commissioner Santiago absent and one vacancy.**
8. Review and recommend approval to include Austin Water's Capital Improvement Projects located in the Drinking Water Protection Zone in its 5-year capital spending plan, as required by Austin Water's financial policy #8. **Motion to approve on consent by Chair Dielmann, seconded by Vice Chair Reed, passed on a 7-0 vote, with Commissioners Madison and White off the dais, Commissioner Santiago absent and one vacancy.**

OLD BUSINESS

9. Discussion and possible action regarding a resolution to ensure an early planning process for Texas Gas Service's Fiscal Year 2018 Conservation Budget. (Dielmann, Reed)
Larry Graham and Hayley Cunningham of Texas Gas Service presented suggestions for changes to the proposed resolution. Commissioners discussed possible amendments to the resolution.
Motion to approve the resolution, as amended and shown in the attachment, by Chair Dielmann, seconded by Commissioner Kohan, passed on a 9-0 vote, with Commissioner Santiago absent and one vacancy.

Following Item 9, the Commission considered Item 13.

13. Discussion regarding a resolution on City of Austin Participation in Austin Energy's GreenChoice Program. (Dielmann, White)
Commissioner White introduced the proposed resolution which was discussed at a recent meeting of the Joint Sustainability Committee. She also distributed information on additionality. Debbie Kimberly, Vice President, Customer Energy Solutions, answered questions from Commissioners. Paul Robbins offered a historical perspective about the City "buying its own product" by subscribing to GreenChoice.
Chair Dielmann suggested further discussion at a future meeting and requested that staff from the Office of Sustainability provide an update on City municipal operations achieving goals included in the Climate Plan.

Following Item 13, the Commission considered Items 11 and 12.

NEW BUSINESS – NON-CONSENT

11. Recommend approval of the recommendations of the Electric Utility Commission Resource Planning Working Group for the Austin Energy Resource, Generation and Climate Protection Plan, including long-range planning through 2027.
12. Discussion and possible action regarding a resolution related to the Austin Energy Resource, Generation and Climate Protection Plan. (Reed, Dielmann)
Chair Dielmann, Vice Chair Reed and Commissioners Vaughan and White, who served on the Working Group, discussed the group's recommendations.
Vice Chair Reed proposed a resolution meant to enhance the recommendations of the Working Group.
Khalil Shalabi, Vice President, Strategy, Technology and Markets, provided an update on the recommendations for the Resource, Generation and Climate Protection Plan.

Members discussed renewable energy goals contained in the Working Group's recommendations. Commissioner White said she felt the goals could be more ambitious and suggested that members discuss other Working Group recommendations including distributed solar and energy efficiency.

Motion to approve the recommendations of the Working Group, by Commissioner Vaughan, seconded by Commissioner Babyak, passed on a vote of 7-1, with Commissioner White voting against, Commissioner Madison off the dais, Commissioner Santiago absent and one vacancy.

Vice Chair Reed made a motion to add section 3 of the proposed resolution to the Commission's recommendation for the Resource Plan: "That in addition to the goals and recommendations endorsed by the Working Group, including a study on the potential to reach 80% renewable energy by 2027, Austin Energy should also be directed to study the potential to meet the policy of reducing carbon dioxide from all city controlled generation resources to zero by 2030, and report back to ~~City Council~~, the RMC and the EUC by the end of 2019 on the potential benefits and costs of reaching this goal." Chair Dielmann seconded the motion. Commissioner Babyak made a friendly amendment to have staff report findings to the RMC and EUC. The motion, as amended above, passed on a vote of 7-1, with Commissioner White voting against, Commissioner Madison off the dais, Commissioner Santiago absent and one vacancy.

STAFF REPORTS AND BRIEFINGS

10. Quarterly Conservation Update from Austin Water by Mark Jordan, Conservation Program Coordinator.

OTHER BUSINESS

14. Discussion regarding the Annual Internal Review Report – Commissioners made edits and additions to the draft presented by the staff liaison. Next month, the Commission will vote on the final version to be submitted to the City Clerk.
15. Consider revising the 2017 Resource Management Commission meeting schedule – **Motion to postpone next month's meeting from July 18 to July 25, by Chair Dielmann, seconded by Commissioner Babyak, passed on a vote of 6-0 with Commissioners Madison, Vaughan and White off the dais, Commissioner Santiago absent and one vacancy.**
16. Discussion regarding potential future agenda items – Commissioners requested the following topics: Customer Energy Solutions budget and discussion of the City's participation in the GreenChoice program with staff from the Office of Sustainability including the amount of solar currently on City facilities.

ADJOURN – Chair Dielmann adjourned the meeting without objection at 9: p.m.

**Resolution to Improve
Texas Gas Service's Conservation Program in the 2018 Budget**

Whereas, Texas Gas Service (TGS) has been required by the City of Austin (COA) to operate energy efficiency programs as part of its franchise, and

Whereas, the Austin City Council considers lower gas use as a strategy to both lower Austin consumer's costs of living and ~~protect the environment~~ preserve conserve energy resources, and

~~Whereas, the efficiency programs of TGS in the past have not shown sufficient efficiency or energy savings,~~

Whereas, TGS efficiency programs run on an annual budget cycle that begins January 1st of each year,

THEREFORE BE IT RESOLVED by the Resource Management Commission that the Office of Telecommunications and Regulatory Affairs and TGS are requested to begin working with the Resource Management Commission to plan the efficiency program no later than ~~August~~ September 1st of each year, and

BE IT FURTHER RESOLVED that the Resource Management Commission recommends that efficiency programs are updated and revised to increase savings from efficiency improvements, such that natural gas usage is reduced by a cumulative total of 5% per year over the next 5 years, including at least 4.5% site natural gas savings, starting in 2018, and

BE IT FURTHER RESOLVED that the Resource Management Commission recommends that TGS explore efficiency programs include options for "transport gas", commercial, industrial, and institutional customers that are not currently served with efficiency programs, and include options for those customers where it would be feasible and cost-effective;

BE IT FURTHER RESOLVED that the Resource Management Commission recommends that all non-educational efficiency programs (with the exception of low-income and pilot programs) have a Benefit to Cost Ratio of greater than 1.0, i.e., that all programs provide a benefit at least equal to the cost to implement or higher, as calculated through the "Total Resource Cost Text Test." To the extent that individual programs do not meet a Benefit to Cost Ratio of greater than 1.0, TGS should justify why there is a need to continue that individual program.