

Draft Resolution/Recommendation for November 8, 2021 EUC

Whereas the Austin City Council unanimously approved the 2030 Austin Energy Generation Plan in March of 2020, which commits Austin Energy to a zero-carbon goal by 2035;

Whereas a key strategy of the 2030 Plan, as well as previous plans such as the 2014 and 2017 Generation Plans, was to commit Austin Energy to cease the burning of coal at the portion of the Fayette Coal Plant owned by Austin Energy by the end of 2022:

Whereas Austin Energy has been working on negotiating a solution with the Lower Colorado River Authority, which co-own the plant for several years;

Whereas Austin Energy, after consulting with City Council, officially announced on November 1st, 2021 that it had been unable to reach a reasonable and beneficial agreement with LCRA on how to assure retirement of either one unit at Fayette, or a virtual retirement of the approximately 600 MWs of coal owned by Austin Energy by the end of 2022;

Whereas emissions of carbon dioxide from the Fayette Power Plant account for approximately 80% of the emissions controlled by Austin Energy and there is no way to meet the goals of the Austin Energy 2030 Resource Plan without ending our use of coal;

Therefore, Resolved, the Electric Utility Commission forms a Fayette Power Plant Resource Plan Working Group that will collaborate with Austin Energy to explore options for reducing and ending our use of coal as soon as possible, including:

- Continued negotiations with the LCRA to either shut down a unit at Fayette, or virtually shut down the equivalent amount of coal-fired power plants through running the unit less by the end of 2022, or another date in the near future, such as 2023 or 2024;
- Expanded use of REACH to bid into the market at a higher price, and therefore reduce the use of coal;
- Expansion of zero-carbon resources such as solar and storage at or near the Fayette plant to help in the transition away from coal sooner.

Resolved, to the extent the Resource Management Commission also takes a similar action, the EUC working group can meet in person or virtually with members of the RMC to discuss these options, and jointly consider solutions.

Resolved, the Fayette Power Plant Resource Plan working group will present recommendations to the full EUC for possible action no later than January 31st, 2022