



BOARD/COMMISSION RECOMMENDATION

Resource Management Commission

Recommendation No. 20220322-009

Resolution on the Retirement of Austin Energy's Portion of the Fayette Power Project Recommendations

Whereas the Resource Management Commission would like to provide recommendations regarding the Fayette Power Project.

NOW, THEREFORE, BE IT RESOLVED that the Resource Management Commission has the following comments and recommendations regarding the Fayette Power Project:

1. Recommend that the Austin City Council direct Austin Energy to reject all annual budgets and expenses that come to the Fayette Management Committee, with the exception of expenses specifically for containing or cleaning up coal ash pollution from the facility, or other compliance issues. Council should direct Austin Energy to refuse to pay for any expenses not approved by the Fayette Management Committee.
2. Recommend that Austin City Council make all proposed budgets and expenses related to Fayette subject to City Council approval. Such items should be submitted to the EUC for a vote before they are sent to Council and all such budgets and expenses shall, at a minimum, properly classify costs or expenses as Capital Betterments or Station Work as those terms are defined in the Agreement. Any parts of the Austin Energy budget that are related to Fayette should be publicly shown as line items in the proposed City Budget.
3. Recommend that Council direct Austin Energy to provide a rate impact analysis based on the best offer that LCRA was willing to agree to and present that analysis to the EUC, RMC and City Council.
4. Recommend City Council direct Austin Energy to immediately resume negotiations with LCRA and explore every avenue available to achieve closure of Austin Energy's portion of Fayette as quickly as possible, in 2022 or 2023.
5. Recommend City Council direct Austin Energy to conduct a study on the cost of full decommissioning of Austin Energy's share of Fayette. Those costs should be incorporated into the ongoing cost of service study and upcoming rate case.
6. Recommend that City Council direct Austin Energy to run its portion of Fayette at its low sustaining limit (LSL), subject to ERCOT requirements, if it can't be closed by the end of 2022.
7. Recommend that City Council allocate adequate funding for environmental testing at the Fayette Coal Plant to assure full compliance with CCR and other environmental regulations.

8. Recommend that City Council direct Austin Energy to present to the EUC, RMC and City Council an analysis of the plant's current emissions and compliance with current and proposed environmental regulations, as well as current and future compliance costs at Fayette due to:

- ELG (Effluent Limitation Guidelines)
- CCR (Coal Combustion Residuals)
- Regional Haze (SO2 - PM stuff)
- MACT (Maximum Achievable Control Technology)
- Ozone
- "Good Neighbor" Plan (Cross-State Air Pollution Rule (CSAPR) NOX Ozone Season Group 3 Trading Program)
- Other Federal Regulations

Vote: 8-0

For: Commissioner Jonathon Blackburn, Chair; Commissioner Kaiba White, Vice Chair; Commissioner Charlotte Davis; Commissioner Shane Johnson; Commissioner Tom "Smitty" Smith; Commissioner Dana Harmon; Commissioner Rebecca Brenneman; Commissioner Lisa Chavarria

Against: None

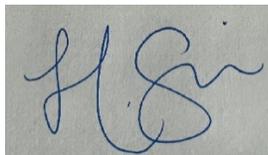
Abstentions: Commissioner Louis Stone

Off Dais: None

Absences: Commissioner Sam Angoori

Vacancies: District 7

Attest:



Natasha Goodwin, Staff Liaison