

Amendments offered by Commissioner White and Commissioner Reed
To offer in this order

1. On page 2 and on page 10, add the following to the list of bullet points: “**Aligning with City of Austin climate goals** - With the climate crisis worsening, it is critical that Austin Energy do everything possible to reduce and eliminate greenhouse gas emissions at point sources and upstream to align with the goals of the Austin Climate Equity Plan, which is heavily reliant on electrifying other sectors with carbon-free electricity to be provided by Austin Energy.” (White)
2. On page 3, make the following edits: “**Lead with Energy Efficiency** -Austin Energy will lead with energy efficiency as the first priority to reduce energy needs during peak times. With more than 40 years of industry-leading experience, we will continue to expand award- winning programs and promote energy efficiency that lowers customer energy use, sustains customer comfort and reduces electric bills. Austin Energy plans to save 9751,000 MW by 2027. In 2027, we will add~~shift~~ to tracking avoided greenhouse gas for our energy efficiency programs. Austin Energy will continue to report on the MW reduced from energy efficiency programs in all sectors.” (Reed)
3. On page 3, make the following edit: “~~Move from Megawatt Reduction to~~**Add Greenhouse Gas Avoidance** — Austin Energy will add ~~transition~~ to focus on greenhouse gas avoidance as a primary goal, in addition to megawatt reduction, for many of our demand-side management programs, in support of decarbonization.(Reed)
4. On page 3, make the following edit: “ **Incentivize Customer-Sited Batteries** — Austin Energy will develop and provide incentives for customer-sited battery storage to maximize benefits to customers and the electric grid, including adoption of a tariff that allows all customer classes to provide the utility access to customer-sited batteries. (White)
5. On page 4, make the following edits: “**Avoid Retiring Local Generation Prematurely (Sand Hill and Decker)** — If needed, Austin Energy will maintain our existing generation capacity at Sand Hill and Decker while seeking opportunities to replace these polluting resources with clean energy resources~~increase efficiencies, reduce emissions and reduce costs for customers.~~ Every effort will be made to replace all AE’s natural gas generation capacity with clean energy resources by 2035.” (White)
6. On page 4, strike the following text: “~~**Pursue Additional, More Efficient Natural Gas Peaker Units** — Austin Energy should build or contract for additional peaker units in support of the community’s reliability and resiliency priorities. These resources are used sparingly — only when needed — and Austin Energy will run the most efficient (least emissions) units first.~~” (White)
7. (only if #6 fails) On page 4, make the following edits: “**Pursue Additional, More Efficient Natural Gas Peaker Units as a Last Resort** — If, at the end of 2027 Austin Energy has achieved established energy efficiency, demand response, local solar, and battery storage goals, and believes that natural gas peaker units are needed to achieve acceptable reliability, we will perform an analysis, including siting and feasibility, of additional dispatchable resource options for the Council’s consideration. Such options should at a minimum include additional local solar, battery storage, geothermal

generation, and/or carbon-free power purchase agreements, but may include other options as Austin Energy deems appropriate. An independent third party will be contracted to review Austin Energy's analysis and do an independent analysis of whether or not carbon-free resources can be used to effectively meet the utility's needs should build or contract for additional peaker units in support of the community's reliability and resiliency priorities. These resources are will be used sparingly — only when needed to maintain reliability — and Austin Energy will run the most efficient (least emissions) units first. (White and Reed)

8. On page 4, make the following edits: **“Develop Emissions Guardrails for Natural Gas Generators All Peakers** — ~~Once additional peaker units are placed in service, w~~We will dynamically adjust our offering prices for our natural gas generators to reduce develop emissions over time limits for all peakers to and reduce our environmental impact. (White)
9. On page 5, make the following edits: **“Protect Local Air Quality** — Austin Energy will continue to assess emerging pollution control technologies to further reduce local emissions and look for innovative partnerships and opportunities. If emissions increase from the 2023 baseline, Austin Energy will pay a set fee per ton, based on the cost of local air pollution reduction projects funded by the Texas Commission on Environmental Quality, to the Austin Office of Sustainability to be used to reduce local air pollution from other sources. Austin Energy will pay this fee for all emissions that remain from its portfolio after 2035. (White)
10. On page 5, make the following edits: **“Maintain Black Start Utility Status** — Austin Energy will maintain black start capabilities in our generation portfolio to be part of the solution in a statewide grid blackout emergency. Austin Energy will work collaboratively with ERCOT to establish protocols for battery-based black-start resources and will implement such resources once they are approved. (Reed)
11. On page 5, make the following edits: **“Carbon Free as a Percentage of Load** — Austin Energy reaffirms the 2030 Plan's goal of 100% carbon-free by 2035 and sets a goal of serving 73% of our load with renewable energy by 2030. (Reed)
12. On page 5, make the following edits: **“Exit Coal and Reaffirm REACH** — Austin Energy will continue our efforts to move away from coal power generation at the Fayette Power Project (FPP) by shutting down Austin Energy's portion of FPP or converting it to run on a carbon-free and emissions-free energy source. (White)
13. On page 5, strike ~~“These actions and strategies are designed as outcome-based standards, rather than prescriptive mandates. As recognized by industry leaders, this approach provides us the flexibility to address immediate and future challenges while meeting our community's values.”~~ (White)
14. On page 19, make the following edits: “As we continue to work toward that goal, we must also consider how ceasing operations adds new financial and market risks and make a plan to mitigate those risks and consider the value of avoiding additional greenhouse gas emissions, utilizing the social cost of carbon calculations released in 2023. (White)
15. On page 19 (or top of page 20), add the following text: “The Austin Climate Equity Plan established goals for the Austin community to reach net-zero greenhouse gas emissions by 2040, with approximately 75% reduction in emissions by 2030. Emissions reductions

planned for other local sectors - such as transportation - rely on carbon-free electricity from Austin Energy.” (White)

16. On page 21, make the following edits: “As renewable resources continue to increase in the ERCOT system, we’re seeing new operational challenges. One example is curtailment for these resources when too much power is produced and the system can’t handle it. This makes that resource less valuable to our customers.

Local renewable energy, energy storage, energy efficiency and demand response investments avoid these challenges and will be especially important going forward.

Austin Energy will continue our leadership in this area, finding creative ways to reduce our contribution to the effects of climate change and provide an equitable clean energy transition.” (Reed)

17. On page 25, make the following edits: “There are other ~~potential~~ sources of voltage support, including batteries and synchronous condensers, which Austin Energy will use to replace existing generators over time. ~~but existing generation has the additional benefit of also providing power.~~
18. On page 26, add the following text: “More extreme weather makes this a bigger concern. Austin Energy must account for these events in our planning so we can remain financially stable and contribute to the reliability of the ERCOT system. Austin Energy also must account for the financial impacts of its greenhouse gas emissions by utilizing the social cost of carbon values approved by the federal government in 2023.” (White)
19. On page 29, include the graph from the public input survey indicating residential customer willingness to pay more per month for increase in percentage of carbon-free generation. Also include the respondent percentages for “ways in which respondents are willing to contribute to Austin Energy’s generation portfolio”. (White)
20. On page 30, remove the Public Citizen logo. The organization doesn’t consent to its use in this document. (White)
21. On page 46, make the following edits: “Porfolio #2: A reference case that studied achieving ~~the 2030 Plan, including~~ 100% carbon-free generation by 2035 and 65% renewable energy by 2027. It retired existing local natural gas generation in 2034 and procured new wind and solar power purchase agreements (PPAs), but not sufficient to meet Austin Energy customer demand.

Porfolio #12: Designed by the EUC and based on recommendations from the EUC Working Group, this portfolio increases DSM, local storage and remote wind and solar PPAs beyond any other portfolio in this initial run. Existing local natural gas generation retired by 2035. ~~The levels for both DSM and local storage were significantly higher than what is considered feasible based on market analysis and research.~~”

Porfolio #13 Designed by the EUC, this portfolio was similar to #12 but with DSM values limited ~~returning~~ to maximum projections provided by DNV and increased local storage levels.”

22. On page 47, make the following edits: “Portfolio #15 This portfolio was similar to #12 except with increased transmission capacity, DSM and local storage. ~~The levels for both DSM and local storage were significantly higher than what is considered feasible based on market analysis and research.~~”

Portfolio #16: This portfolio was similar to #15 but studied a different mix of DSM and local storage while keeping local natural gas generation through 2035. ~~The levels for both DSM and local storage were significantly higher than what is considered feasible based on market analysis and research.~~”

Portfolio #17: This matched #12 except it kept local natural gas generation through 2035. ~~The levels for both DSM and local storage were significantly higher than what is considered feasible based on market analysis and research.”~~”

23. On page 48, make the following edits: “• The maximum levels of DSM (energy efficiency, demand response and local solar) from the DNV study are not enough to reduce reliability risk. Additional modifications to programs providing these resources~~local solutions~~ are necessary.
- Retaining existing local natural gas generation from Sand Hill and Decker significantly decreases reliability and liquidity risks especially in the later years of the planning timeframe.
 - High levels of new DSM and battery storage only manage reliability and liquidity risks when we keep existing local natural gas generation ~~on~~ and when those new resources are brought on at a pace beyond what the DNV study found feasible.
 - Utility-scale battery storage provides the lowest emissions for dispatchable resources, but it comes at the highest cost. Battery storage supports reliability but only for events that last no longer than a few hours, unless long-duration storage is included.
 - Larger natural gas combined cycle units are a low-cost, dispatchable resource that support reliability but produce more emissions than other generation resources we studied because they run more often. They support reliability and affordability especially for longer duration events.
 - Natural gas peaker units are a lower-cost dispatchable resource and they produce fewer emissions than combined cycle units because they only run when prices are high~~absolutely needed.~~ However, many times when prices are high correspond with hot sunny summer days, when ozone formation peaks, making local pollution problematic. Peakers support reliability and affordability especially for longer duration events.
24. (Cyrus) On page 50, make the following edits: “**Lead with Energy Efficiency** Austin Energy will lead with energy efficiency as the first priority to reduce energy needs during peak times. With more than 40 years of industry-leading experience, we will continue to expand award- winning programs and promote energy efficiency that lowers customer energy use, sustains customer comfort and reduces electric bills. Austin Energy plans to save ~~975~~1,000 MW by 2027. In 2027, we will ~~add~~shift to tracking avoided greenhouse gas for our energy efficiency programs. Austin Energy will continue to report on the MW reduced from energy efficiency programs in all sectors.”

Austin Energy will continue to aim to meet at least 1 percent of its load through energy efficiency and demand response programs on an annual basis in the residential sector.

Austin Energy commits to being an industry leader on energy building codes and green building development, including adoption of the 2024 International Energy Conservation Code, as well as specific solar-ready, EV-ready, electric building-ready and net-zero requirements for commercial and residential construction, in current and future codes.

Austin Energy commits to achieving at least 40 MW of local thermal storage by 2030 and at least 50 MWs of local thermal storage by 2035.

Austin Energy will continue to aim for at least 25 percent of the population it serves with energy efficiency programs will be CAP-eligible and customers.” (Reed)

25. On page 50 make the following edits: “**Lead with Demand Response** An equally important priority is leveraging demand response programs to shift electricity use away from high-demand times. With decades of experience creating and promoting innovative demand response programs, Austin Energy will expand our offerings, planning to reach at least 270 MW and up to 470 MW of achieved summer reductions by 2035, including at least an additional 102 MW by 2027. This includes customer-sited batteries and managed electric vehicle charging. Austin Energy will structure demand response programs to compensate for actual contribution to peak load reduction for each event the customer is called on to participate in. Looking ahead, Austin Energy will analyze our winter energy use and develop a demand response goal for that season as well. (Reed)
26. On page 50 make the following edits: “**Move from Megawatt Reduction to Add Greenhouse Gas Avoidance** For decades, earlier than much of the U.S., Austin Energy developed and managed cost-effective energy efficiency and high-efficiency building code programs. ~~Because of that early adoption and success, there is no more “low-hanging fruit” in this area.~~ Progress toward megawatt reduction goals is harder with less return for each effort. To open up new opportunities and measures, Austin Energy will transition to tracking avoided greenhouse gases as ~~the~~ a primary goal, in addition to megawatt reduction. for many of our DSM programs. This change will support our decarbonization and beneficial electrification progress. For example, shifting from natural gas heating in a home to electric heat pumps would increase electricity use. If we track avoided greenhouse gases as well ~~instead~~, we will be able to measure how that same shift reduces pollution and supports the clean energy transition. (Reed)
27. On page 51, make the following edits: “ **Incentivize Customer-Sited Batteries** — Austin Energy will develop and provide incentives for customer-sited battery storage to maximize benefits to customers and the electric grid, including adoption of a tariff that allows all customer classes to provide the utility access to customer-sited batteries. (White)
28. (Kaiba) On page 51, make the following edits: “**Promote Innovative Local Solar Solutions** Leveraging our 20 years of industry-leading and innovative solar solutions, Austin Energy is working to expand clean energy access for all customers through programs like Solar for All and Standard Solar Offer. Producing solar locally, where it is

used, reduces congestion on the transmission grid and lowers prices. To better capture this benefit, the 2035 Plan defines local solar as any solar located within Austin Energy's load zone. This helps us prioritize resources that will reduce local reliability risk and load zone price separation. Austin Energy will plan to reach at least 205 MW by 2027 and 600~~405~~ MW of installed local solar capacity by 2035 — including 160 MW of existing capacity. Austin Energy will maintain robust programs to incentivize behind-the-meter solar for residential and commercial customers." (White)

29. On page 52, make the following edits: "**Include Local Utility-Scale Batteries** With our experience from Austin SHINES, Austin Energy will incorporate utility-scale batteries to provide another type of local, dispatchable resource. Batteries offer flexibility and are currently well-suited to solve short duration events — two to four hours. Longer duration batteries are also being developed which may be a useful tool in the future. Today, battery prices are higher than other local solutions, but as with most evolving technology, battery prices are expected to decrease over time. Within the bounds of affordability, Austin Energy will build or contract for local utility-scale batteries to supply energy during solar ramp down, provide ancillary services, supplement existing local generation and help fill the gaps from weather-dependent power production. Austin Energy will commit to installation of at least 200 MW of battery storage by 2027, 300 MW by 2030, and 500 MW by 2035. (Reed)
30. On page 53, make the following edits: "**Avoid Retiring Local Generation Prematurely** Following through on a commitment reaffirmed in the 2030 Plan, Austin Energy successfully retired two older, gas-powered steam generators at Decker. Decker Steam Unit 1 (300 MW) retired in September 2020, and Decker Steam Unit 2 (425 MW) retired in March 2022, reducing local energy supply by 725 MW. In summer 2022, Austin's service area saw load-zone price separation significantly increase, leading to congestion costs exceeding \$135 million for the year. In 2023, congestion costs exceeded \$150 million. The combination of retiring a significant amount of local generation without local replacements, market changes in the aftermath of Winter Storm Uri and transmission constraints across Texas and into the Austin Energy service area, creates significant reliability and affordability risks for the Austin community. To avoid increasing the risks, Austin Energy will not prematurely retire existing generation capacity at Sand Hill and Decker while seeking opportunities to increase efficiencies, reduce emissions and reduce costs for customers. Decker has four peakers, and Sand Hill has six peakers and a combined cycle unit. As the energy landscape evolves, Austin Energy will regularly assess our generation needs and will seek to replace these polluting resources with clean energy resources~~potential retirements where possible.~~ Every effort will be made to replace all AE's natural gas generation capacity with clean energy resources by 2035." (White)
31. On page 53, make the following edits: "**Pursue Additional, More Efficient Natural Gas Peaker Units** The resource planning analysis shows the local solutions listed above are not enough to solve the local reliability risks and load zone price separation we currently experience, especially for events lasting longer than a few hours. Peakers are smaller, modular power units that only run to meet peak electricity needs. This type of generation has become more and more efficient over time. When compared to Austin Energy's

peakers at Decker — installed in the 1980s — a newer peaking unit is approximately twice as efficient. That means it would use about half as much natural gas to produce the same the same amount of power, thus reducing emissions by about half as much as well, if it replaces an older unit that is retired.

If, at the end of 2027 Austin Energy has achieved the energy efficiency, demand response, local solar, and battery storage goals below, and believes that natural gas peaker units are needed to achieve acceptable reliability, we will perform an analysis, including siting and feasibility, of additional dispatchable resource options for the Council's consideration. Such options should at a minimum include additional local solar, battery storage, geothermal generation, and/or carbon-free power purchase agreements, but may include other options as Austin Energy deems appropriate. An independent third party will be contracted to review Austin Energy's analysis and do an independent analysis of whether or not carbon-free resources can be used to effectively meet the utility's needs.

- Demand Response: 102 MW peak demand reduction
- Energy Efficiency: 153 MW peak demand reduction
- Local Solar: 262 MW capacity
- Local Battery Storage: 200 MW

Before any investment in resources that produce local air pollution such as peakers, an independent third party should be contracted to review Austin Energy's analysis and do an independent analysis of whether or not carbon-free resources can be used to effectively meet the utility's needs. As part of this process, Austin Energy will issue an all-resource RFP to meet the energy and/or capacity needs identified by Austin Energy and prioritize non-polluting resources.

To the extent that any new investment such as gas peakers could increase air pollutants, such as nitrogen oxides, Austin Energy must utilize the maximum achievable control technology to control NOx and hazardous air pollutants and the best system of emissions reduction for greenhouse gases and must run their owned and contracted units in a way to minimize local air pollution. If it is not possible to reduce air pollution from its own sources, Austin Energy will pursue efforts to reduce air emissions from other parts of the airshed, such as through electrification of transportation, further investments in energy efficiency or working collaboratively with other point sources of pollution to reduce pollution. Austin Energy may pursue the use of utility funds, state or federal funding to help reduce air emissions of NOx.

Austin Energy will continue to support utility industry organizations working to develop best practices to prevent methane and hydrocarbon leaks in natural gas fields and in pipelines, and support implementation of the adopted EPA 2023 methane rule intended to reduce methane emissions by more than 80 percent from oil and gas infrastructure.

Austin Energy should assess the need to build or contract for no more than 300 MW of more efficient local peaker units. These units ~~will~~could significantly reduce load zone price separation risk and provide voltage support for reliability. We would use these units only when needed, and we will run our most efficient (least emissions) units first. The older, existing peakers will be used as a last resort. Having peaker units acts like an insurance policy for events that would last beyond battery durations and aligns with the community's objective of prioritizing reliability and resiliency. Once these additional units are placed in service, Austin Energy will apply guardrails to the operations of all our peaker units to reduce the negative effects on human health and the environment. More on this below.

On page 53, make the following edits: "**Develop Emissions Guardrails for All Natural Gas Generators ~~Peakers~~** Because natural gas ~~generating~~peaker units produce emissions, Austin Energy will apply guardrails to our units to reduce our environmental impact. Of all the resource types in the ERCOT market, natural gas peaking units are typically the last to be used to meet power needs. Their main purpose is to fill in the gaps for unexpected circumstances like days with extremely high demand and when the weather reduces available generation on the ERCOT system. Using peakers in this way means they don't run very often, typically between 6% to 14% of the time. To limit carbon emissions Austin Energy only uses peaker units to meet peak energy needs, and we run the most efficient (lower emissions) units first. ~~Once additional peaker units are placed in service, w~~We will dynamically adjust our offering prices for our natural gas generators to reduce develop emissions over time limits for all peakers toand reduce our environmental impact. We will develop detailed emissions limits for all natural gas generating units ~~peakers~~ that will result in the strictest run time restrictions on the highest emitting units. With those limits established, Austin Energy will review and propose updated emissions limits in response to changing conditions, with a goal of strengthening them as cleaner resources become available to meet local needs. (White and Reed)

32. On page 53, **Protect Local Air Quality, add the following sentence.** Austin Energy works to minimize emissions from our local generating units and improve local air quality. For example, our existing units at Decker and Sand Hill have NOx emissions controls — with the Sand Hill peakers using Selective Catalytic Reduction (SCR) technology to reduce those emissions by 80% to 95%. Other technologies include low NOx burners and certain operational parameters. Austin Energy will commit to using maximum achievable control technology to control NOx emissions and other hazardous air pollutants. Austin Energy will use SCR technology on any new peakers, and we will continue to assess emerging pollution control technologies to further reduce local emissions. In addition, we will look for innovative partnerships and opportunities to support our progress in this area. As part of these efforts, we will seek to leverage state and federal grant funding. (Reed)
33. On page 54, make the following edits: "**Maintain Black Start Utility Status** Concerns about black start in ERCOT have grown since the system came minutes away from a complete blackout during Winter Storm Uri in 2021. To help bring the grid back online in a blackout emergency, Austin needs black start resources. Black start is the process for

restoring the electric grid after a full or partial blackout. It is a worst-case event — low probability but very high impact — that grid operators must plan for. There are strict requirements to be certified as a black start resource in ERCOT, and only certain units can meet these standards. Black start resources must be able to start without an external power source, and they must always be available and ready to start. Natural gas peaking units can meet these requirements. Batteries, on the other hand, have the potential to be partially or fully discharged at any time, preventing them from meeting ERCOT's current availability requirements. Austin Energy will monitor developments at ERCOT if and when those requirements change such that batteries could provide this blackstart capability. Austin Energy will implement batteries for that purpose. Austin Energy will maintain black start capabilities in its generation portfolio to be part of the solution in a statewide grid blackout emergency. (Reed)

34. On page 54, adjust Carbon Free as a Percentage of Load section

Austin Energy reaffirms the 2030 Plan's goal of 100% carbon-free generation as a percentage of load by 2035 while recognizing the need for technology evolution as an enabling factor. The intent is to have enough carbon-free energy generated to cover all of our customer load in 2035 and beyond. If barriers stand in our way, we will take the approach of "do your best and clean up the rest," mitigating or offsetting any remaining carbon emissions starting in 2035. As a milestone along the way and recognizing that most carbon-free sources are renewable, Austin Energy sets a goal of ~~730%~~ renewable energy as a percentage of load by 2030. This goal will include both local and non-local renewable resources. This gives us the flexibility to convert the remaining ~~2730%~~ to carbon free by 2035 using a mix of nuclear (currently about 22%), renewable or other carbon-free sources that best meet community needs.

Austin Energy will promote reliability and affordability in alignment with community values and priorities as we advance these environmental sustainability goals. We will be transparent and communicate proactively on developments in this area. (Reed)

35. On page 56, make the following edits: "**REPORTING FOR THE 2035 PLAN** As Austin Energy moves forward with implementing the 2035 Plan, we will provide a report annually to highlight the progress we've made, the changes we're seeing and the actions needed to continue forward on reliability, affordability and environmental sustainability. A review of the Resource, Generation and Climate Protection Plan, including a technology readiness assessment, will be conducted by the end of 2027 to be responsive to changing technologies and market conditions. (Reed)
36. On page 55, add the following text: "**Carbon-Free Generation** Austin Energy will make every effort to achieve 100% carbon-free/greenhouse gas emissions-free generation by the end of 2035, in alignment with the past commitment. There value in directly reducing and eliminating emissions, and in providing a model for how to decarbonize. Working to achieve this vision is in alignment with the goals of the Austin Climate Equity Plan and with Austin Energy's history of innovation." (White)
37. On page 55/56, make the following edits: "**Solar Standard Offer** Solar Standard Offer is another flagship program demonstrating Austin Energy's culture of innovation. Targeting

rooftops that otherwise might not be incentivized to host local solar, this program provides a new rate so it's easier for renewable developers to partner with commercial customers to lease their rooftop space and host solar for our Community Solar program. Austin Energy receives the power, and in exchange, developers receive compensation and share it with the commercial customers according to an agreement that works for both parties. Austin Energy is initiating this innovative program with commercial customers and plans to add residential offerings by January 2026~~once we have enough experience with the program.~~ (White)