



BOARD/COMMISSION RECOMMENDATION

Resource Management Commission

Recommendation No. 20241203-001

Recommendation on Austin Energy's Resource, Generation, and Climate Protection Plan

WHEREAS, the Resource Management Commission of the City of Austin has participated in the review and development of a proposed generation plan for Austin Energy that will be a guiding document through 2035; and

WHEREAS, the final document will be pivotal in development and implementation of clean energy programs that allow the utility to greatly reduce and possibly eliminate carbon emissions and air pollution while saving consumers money at the same time; and

WHEREAS, some parts of the draft generation plan can be improved;

NOW, THEREFORE BE IT RESOLVED that the Commission make the following recommendations to City Council to modify the generation plan.

1. **Leasing Instead of Owning Combustion Turbines:** To avoid both stranded investment of new combustion turbines that may not be used much beyond 2035, and to avoid increased cost of importing electricity until such time as transmission line upgrades are made, Council should consider leasing instead of owning combustion turbines.

2. **Require Heat Pump Water Heaters in Building Energy Code:** The Commission is on record recommending Council require heat pump water heaters for all-electric homes as a performance option in the energy building code because of the huge energy savings. A building code amendment process should take place, with implementation no later than October 1, 2025.

3. **Battery/Virtual Power Plant Program:** The Commission recommends that Council implement a pilot program to make use of batteries and other Demand Response technologies. This should begin October 1, 2025, and target a size of 10 MW by October 1, 2026.

4. **Goals for Renewable Energy and Demand-Side Programs**

The Commission recommends Council adopt the following clean energy goals:

- 70% renewable energy as a percentage of load by 2030, including both local and non-local renewable resources.
- at least 205 MWs of local solar energy by 2027, and at least 431 MW of installed local solar capacity by 2035 (including 160 MW of existing capacity).
- at least 400 MW of peak efficiency savings and 300 MW of demand response peak savings in both summer and winter by 2035 with 2027 interim goals are at least 132 MW of energy efficiency and 78 MW of summer and winter demand response.
- at least 40 MW of local thermal storage by 2030 and at least 50 MW of local thermal storage by

2035. At least one thermal storage installation should be targeted at a grocery store or food processing plants.

5. Remove Nuclear Language in Generation Plan: Since nuclear plants in the U.S. (including the South Texas Nuclear Project) have been plagued with cost overruns, do not have access to domestic fuel, and have unsolved environmental problems such as radioactive waste and potentially devastating accidents, the Commission recommends Council remove language supporting nuclear power as a future energy source.

6. Revise GreenChoice Program to Fund Dispatchable Renewable Energy Development (including Energy Storage): The Commission is on record recommending Council divert GreenChoice funding formerly spent on wind power to the more relevant challenge of renewable energy, dispatchability. This would include geothermal energy and storage batteries. We recommend Council place this policy in the generation plan.

7. Conservation-Based Electric Rate Pilot Program: Alternative rate structures such as Time-of-Use and Real-Time pricing incentivize innovative equipment such as batteries, off-peak electric vehicle charging, and electric vehicle connections to buildings. The Commission recommends Council create or expand alternative rate structures, to begin October 1, 2026.

8. Study of Ways to Reduce Rooftop Solar and Battery Systems in Buildings: The Commission recommends Council ask Austin Energy to investigate potential ways to reduce the cost of customer-owned solar, and battery systems, including installation practices in other countries. This study should be completed by March 1, 2026.

9. Create Tiered Incentive Roadmap for Structures That Exceed Energy Building Code: The Commission recommends Council create a tiered incentive structure and roadmap for eventual mandate for above code energy efficiency certification for new and existing structures implement an incentive program for buildings that exceed requirements in the energy code. This should be implemented no later than October 1, 2026.

10. Income-limited Households: The Commission recommends council ask Austin Energy to keep requirements of the 2030 plan for Customer Energy Solutions to target 25% of its customer engagement to be with income-limited households.

11. Grid-scale Battery Storage: The Commission recommends council ask Austin Energy to commit to installation of at least 125 MW of battery storage by 2027, recognizing that this is in line with modeling of installing both battery and natural gas peakers to meet peak demand. Austin Energy should further commit to studying installation of up to 300 MW of grid-scale battery by 2030.

12. Longer Duration Batteries: The Commission recommends council ask Austin Energy to study the usage of longer duration battery technologies and, once the utility has determined that they are economically viable, begin a process to procure these technologies as they are necessary for the utility to meet its future carbon-free goals.

13. Grid Enhancing Technologies: Austin Energy should work with ERCOT Transmission owners to maximize deployment of grid-enhancing transmission technologies, including reconductoring, on all transmission affecting the AE load zone.

Date of Approval: December 3, 2024

Vote: 7-1

For: Commissioner Paul Robbins, Vice Chair; Commissioner Charlotte Davis; Commissioner Trey Farmer; Commissioner Martin Luecke; Commissioner Dino Sasaridis; Commissioner Raphael Schwartz; Commissioner Alison Silverstein

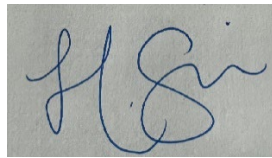
Against: Commissioner Louis Stone, Chair

Abstentions: None

Off Dais: None

Absences: Commissioner GeNell Gary; Commissioner Chelsey Scaffidi

Vacancies: Mayor's Office

A handwritten signature in blue ink, appearing to read 'H. Stone', is centered on a light gray rectangular background.

Attest:

Natasha Goodwin, Staff Liaison