



MEMORANDUM

TO: Mayor and Council Members
CC: Marc Ott, City Manager
FROM: Roger Duncan, General Manager
DATE: November 12, 2009
SUBJECT: Generation Resource Planning Task Force Recommendations and Minority Reports

On behalf of the Austin Generation Resource Planning Task Force, Austin Energy presents the Task Force's recommendations on the Resource and Climate Protection Plan to 2020, as required by Resolution No. 20090611-039. A diverse group of customer and community interests served on the Task Force, including the chairs of the city's Electric Utility and Resource Management Commissions, representatives of environmental interest groups and commercial and industrial customers, and a renewable energy consultant. The Task Force was directed to examine and make recommendations regarding Austin Energy's resource plan in parallel with the on-going public participation process, consistent with achieving the goals established by the Austin Climate Protection Plan. The Task Force met weekly from July 15 to November 4, 2009.

Task Force members voted on their support of different resource plan scenarios with the following results:

- A majority (five of nine members) of the Task Force voted in favor of Austin Energy's recommended resource plan with the provision that Austin Energy review the plan in two years with the target of accelerating the phase-down of the Fayette Power Project (FPP) coal plant toward its eventual closure by 2020 if economically and technologically feasible.
- Three members of the Task Force voted in favor of the scenario known as "Task Force Scenario #2," a relatively lower capital cost alternative.
- One member of the Task Force voted in favor of the scenario known as "Task Force Scenario #1," which would result in the City of Austin's divestiture of FPP by 2014.

The Task Force unanimously voted in favor of a series of recommendations related to Austin Energy's Resource and Climate Protection Plan to 2020 regardless of the specific resource plan adopted by the Austin City Council. The Task Force formulated nine main recommendations for the City Council and City Manager to review. Some of the recommended actions are already under development or are consistent with Austin Energy procedures, while some actions would require additional staff and financial requirements for the utility.

Additionally, four minority reports were submitted by individual members and groups of individuals on the Task Force:

1. Minority Report by Task Force Member Cary Ferchill and Task Force Chair Phillip Schmandt
2. Minority Report by Task Force Members Matthew Johnson and Cyrus Reed
3. Minority Report by Task Force Members Ron Rogerson, John Sutton, and Roger Wood
4. Minority Report by Task Force Member Mike Sloan

The Task Force recommendations and minority reports are attached.

Please let me know if you have any questions. I can be reached at 322-6157.

A handwritten signature in black ink, appearing to read 'RD', with a long horizontal flourish extending to the right.

Roger Duncan
General Manager