

RESOLUTION NO. 20070201-005A

WHEREAS, the City Council has determined that increasing customer demand for electric service in the Austin Energy service territory will eventually require Austin Energy to develop new baseload generation capacity; and

WHEREAS, the City Council has determined that there are a limited and decreasing number of suitable locations for the construction and operation of a baseload power plant; and

WHEREAS, it is necessary and prudent for Austin Energy to plan for the acquisition or development of new baseload capacity to meet the needs of its customers and the citizens of Austin; and

WHEREAS, the planning, permitting, and construction of a baseload power plant is a multi-year endeavor, and the evaluation and acquisition of land is an essential and preliminary part of such endeavor; and

WHEREAS, the City Council believes it is prudent to begin acquiring land and other rights for the possible development of a baseload power plant should that option become the best means of acquiring additional baseload capacity; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

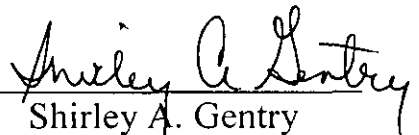
1. That the City Manager is authorized and directed to purchase land, options for the purchase of land, and related water rights at a site in Matagorda County, Texas, for the purpose of constructing and operating a baseload power plant should the Council later authorize such a project, and to obtain all permits, rights, and licenses necessary for the construction and operation of such a project; and
2. That the City Manager may enter into one or more agreements with the City Public Service Board of San Antonio for the joint acquisition and/or ownership of the property, and may enter into such other agreements as may be necessary or advisable to accomplish the purposes of this resolution; and
3. That the City Manager shall regularly report back to the City Council regarding the progress of the acquisition efforts; and
4. That the property acquired pursuant to this resolution shall never be used for the construction or operation of any generation unit that employs coal-burning technology other than "clean coal" technology.
 - a) The Council further stipulates that neither the City nor Austin Energy shall construct or operate, or partner in the construction or operation of, any future generation unit whatsoever that

employs coal-burning technology other than "clean coal" technology;

- b) that any future investment in coal-powered electric generation shall use the cleanest technologies available, reducing emissions of pollutants to lowest achievable emissions rates; and
- c) neither the City nor Austin Energy shall commercially operate any new coal-fired generation capacity unless associated emissions of carbon dioxide are captured and sequestered or put to a beneficial reuse.

ADOPTED: February 1, 2007

ATTEST:


Shirley A. Gentry
City Clerk