

## **RESOLUTION NO.**

**WHEREAS**, through the Energy Policy Act of 2005, the United States Congress amended the Public Utility Regulatory Policies Act of 1978 (PURPA)(16 U.S.C.A. §2601 et seq.) to require that state commissions and certain municipal utilities, including Austin Energy, consider implementing certain standards for net metering, fuel sources diversity, fossil fuel generation efficiency, time-based metering and communications, and interconnection of distributed generation; and

**WHEREAS**, on May 1 and May 8, 2007, the City of Austin published notices in the *Austin American-Statesman*, and on May 11, 2007, caused notice to be posted by the City Clerk of the City of Austin, that public hearings would be conducted on May 14 and June 18, 2007, before the Electric Utility Commission to consider Austin Energy's recommendations regarding whether to implement (with or without modification) or decline to implement the federal standards set forth in the Energy Policy Act of 2005 relating to net metering, fuel sources diversity, fossil fuel generation efficiency, time-based metering and communications, and interconnection of distributed generation, and whether to thereafter make a recommendation to the Austin City Council; and

**WHEREAS**, on May 14 and June 18, 2007, pursuant to notice duly given, the Electric Utility Commission conducted public hearings pursuant to 16 U.S.C.A. § 2621; and

**WHEREAS**, the net metering standard of 16 U.S.C.A. § 2621(d)(11) requires that each electric utility make available upon request net metering service to any electric customer such that electric energy generated by the customer and delivered to local distribution facilities may be used to offset electric energy provided by the electric utility to the customer during the applicable billing period; and

**WHEREAS**, as currently provided for in the Distributed Generation from Renewable Sources Rider, Austin Energy offers net metering to retail customers for an on-site generating facility from a renewable source; and

**WHEREAS**, the fuel sources standard of 16 U.S.C.A. § 2621(d)(12) requires that each electric utility develop a plan to minimize dependence on one fuel source and ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies; and

**WHEREAS**, as shown in the *City of Austin's Official Statement*, dated November 16, 2006, at pp. 17-18, Austin Energy either owns or has an ownership interest in a diverse mix of generation sources, including 30.9% coal, 27.0% natural gas and oil, 27.5% nuclear power, and has renewable energy installations or contracts for purchased power of 5.4% (wind 4.9%; landfill methane .5%; and solar .01%); and

**WHEREAS**, the fossil fuel generation efficiency standard of 16 U.S.C.A. § 2621(d)(13) requires that each electric utility develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation; and

**WHEREAS**, Austin Energy already has developed a program, which is updated yearly and looks forward on a rolling five year basis, that has had demonstrated efficiency impacts for its fossil fuel generation at Holly, Decker, Sand Hill, and Fayette; and

**WHEREAS**, the time-based metering and communications standard of 16 U.S.C.A. § 2621(d)(14) requires that each electric utility offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level, and provide each customer requesting a time-based rate with a time-based meter capable of metering in accordance with such rate; and

**WHEREAS**, Austin Energy currently offers time-based rate schedules to large commercial customer classes, and the City intends to make time-based rate schedules available to nearly all major customer classes as soon as 2011, based upon Austin Energy's ability to implement the necessary metering and billing systems; and

**WHEREAS**, the interconnection standard of 16 U.S.C.A. § 2621(d)(15) requires that each electric utility make available, upon request, interconnection service for an on-site generating facility to any customer, based upon IEEE Standard 1547 and agreements and procedures that are just and reasonable and not unduly discriminatory or preferential; and

**WHEREAS**, Austin Energy has in place a process that makes available, upon request, interconnection service to any customer (see *Austin Energy's Technical Requirements for Distributed Generation Interconnection (for facilities under 10 MW)*) that is based on current best practices and IEEE Standard 1547, and that is applied with regularity but that, where necessary, may allow for the detailed specifications of IEEE Standard 1547 to be applied on a case-by-case, site specific basis without undue discrimination or preference; and

**WHEREAS**, the above reflect the determinations of the Electric Utility Commission following consideration of Austin Energy's recommendations, discussion, and public input; **NOW, THEREFORE**,

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

That the Austin City Council adopts as the policy of the electric utility and directs the City Manager to take steps as may be reasonably necessary to implement the following recommendations of the Electric Utility Commission:

1. That the City of Austin implement the net metering standard of 16 U.S.C.A. § 2621(d)(11) with the modification that, as currently

provided for in the Distributed Generation from Renewable Sources Rider, net metering will be offered to a retail customer only for an on-site generating facility fueled by a renewable source.

2. That the City of Austin implement the standard of 16 U.S.C.A. § 2621(d)(12), recognizing that Austin Energy already has a well-developed and ongoing plan to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies.
3. That the City of Austin decline to implement the standard of 16 U.S.C.A. § 2621(d)(13) to the extent that it requires development of a new plan to achieve the goal of fossil fuel generation efficiency, because Austin Energy already has a developed and ongoing program to increase the efficiency of its fossil fuel generation that satisfies the intent of the standard.
4. That the City of Austin implement the time-based metering and communication standard of 16 U.S.C.A. § 2621(d)(14), subject to implementation by Austin Energy of the necessary metering and billing systems.
5. That the City of Austin implement the interconnection standard of 16 U.S.C.A. § 2621(d)(15).

**ADOPTED:** July \_\_, 2007

**ATTEST:** \_\_\_\_\_

Shirley A. Gentry  
City Clerk

*Draft*