

AGENDA



Thursday, December 11, 2008

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 118**

Subject: Conduct a public hearing and consider an ordinance amending the Electric Rate Schedule in Exhibit A of Ordinance No. 20080908-006 to (1) add a Batch 6 Green Power Charge to the GreenChoice® Energy Rider, (2) change the power factor adjustment in all billing demand clauses from 85% to 95%, (3) raise the cap on allowable on-site generation from renewable resources in the Large Primary Service – Special Contract Riders I & II and the Large Primary Service Special Contract – Industrial Rider from 20kw to 500kw, and (4) repeal the Load Cooperative Rider.

Amount and Source of Funding: No funding is required.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Cheryl Mele, Sr. Vice President for Electric Service Delivery, 322-6062.

Boards and Commission Action: Recommended by the Electric Utility Commission and by the Resource Management Commission.

Prior Council Action: November 20, 2008 - Set public hearing.

The proposed ordinance will amend the electric rate schedule to add a Batch-6 Green Power Charge for renewable energy sources to the GreenChoice® Energy Rider. Through its nationally acclaimed GreenChoice® program, Austin Energy has fully subscribed Batch-5 to residential and commercial customers, and therefore is establishing a Batch-6 Green Power Charge to continue the growth of its renewable energy program. Under Batch 6, customers would have the option of subscribing for a five-year term fixed at \$.08/kwh, with two subsequent five-year renewal options at the then prevailing price, or for a term of ten years fixed at \$.095/kwh. The increase in price over previous batches is due primarily to increasing transmission congestion costs to move wind power out of the West Texas area.

The ordinance will also raise the 20kw limit on renewable on-site generation for large industrial customers to 500kw. This will allow Austin Energy to accommodate these customers' increasing desire to install on-site renewable generating facilities, primarily solar, and is consistent with the City's goals under the Climate Protection Program.

The proposed amendment to the power factor adjustment clauses will bring Austin Energy in line with the industry standard of 95% and will assist it in complying with the ERCOT-mandated standard of 97% with respect to its own facilities.

Lastly, the ordinance will repeal the Load Cooperative Rider so that Austin Energy may put into place new market-based energy efficiency incentive programs to allow greater flexibility to tailor electric peak load management efforts to specific customer needs.