

ORDINANCE NO.

AN ORDINANCE AUTHORIZING AND APPROVING THE CREATION OF PECAN STREET PROJECT, INC., A TEXAS NON-PROFIT CORPORATION; APPROVING THE CERTIFICATE OF FORMATION AND BYLAWS OF PECAN STREET PROJECT, INC.; APPROVING THE PURPOSES AND ACTIVITIES OF PECAN STREET PROJECT, INC.; AND APPROVING THE APPOINTMENT OF CITY REPRESENTATIVES TO SERVE ON THE INITIAL BOARD OF DIRECTORS FOR PECAN STREET PROJECT, INC.

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

PART 1. Findings. The city council finds that:

- (A) On September 25, 2008, the City Council adopted Resolution No. 20080925-084 directing the City Manager to work with the Environmental Defense Fund, the University of Texas, and other community stakeholders, including citizens, environmental advocates, public interest groups, and private sector businesses, to conduct an analysis of system improvements, technology advances, business models, and public investments that would enable Austin Energy to more fully develop its capacity for the distributed generation of clean energy including the potential to develop new products and revenue streams, in furtherance of the goals of the Pecan Street Project.
- (B) Distributed generation and smart grid technologies hold great potential to maximize energy efficiency and the use of renewable energy sources, but the full realization of these technologies will require advances and investments in energy generation, storage, transmission, and communications technologies.
- (C) A robust, reliable distributed generation supply within Austin Energy's distribution grid would make it possible to produce locally significant amounts of solar, wind and other types of emission-free energy, thereby improving local air quality, positively positioning the City in a potential carbon cap-and-trade system and potentially protecting consumers from the impact of transmission congestion costs and fuel-price volatility on their electric bills.
- (D) Distributed generation and smart grid technologies hold immense economic opportunities to create jobs through technology development, engineering, and manufacturing.

- 1 (E) New products, services, and systems could create new revenue for Austin
2 Energy and the City.
- 3 (F) The City desires to authorize and approve the creation of Pecan Street
4 Project, Inc., a Texas nonprofit corporation, to promote social welfare,
5 lessen the burdens of government and conduct scientific research in
6 connection with establishing Austin, Texas as America's clean energy
7 laboratory for developing clean, cost effective and efficient methods of
8 energy production and delivery.
- 9 (G) Pecan Street Project, Inc. will accomplish this goal by, among other things,
10 conducting and facilitating research aimed at designing and testing a
11 sustainable business model that relies on locally produced, user-managed,
12 clean energy.
- 13 (H) The formation of Pecan Street Project, Inc. is necessary and proper and is in
14 the public interest and it will carry out a public purpose.
- 15 (I) The City has been presented with and examined the Certificate of Formation
16 of Pecan Street Project, Inc. and the Bylaws, and the City Council finds that
17 the form and substance of such Certificate of Formation and Bylaws are
18 satisfactory, and finds that it is in the best interest of the public and the City
19 to authorize and approve the incorporation of Pecan Street Project, Inc.

20 **PART 2.** The City Council hereby authorizes and approves the incorporation of Pecan
21 Street Project, Inc. ("Corporation"), and hereby approves the Certificate of Formation and
22 Bylaws of the Corporation substantially in the forms presented to the City Council,
23 attached as Exhibit A. The Corporation is being created for the specific purpose of
24 promoting social welfare, lessening the burdens of government and conducting scientific
25 research as well as development and diversification of the economy of the state which
26 will result in the creation of jobs.
27

28 **PART 3.** The following persons are hereby appointed by the City Council to represent
29 the City on the Board of Directors of the Corporation and to serve as initial Directors of
30 the Corporation: Randi Shade, Councilmember and Roger Duncan, General Manager,
31 Austin Energy.

PART 4. The city council waives the requirements of City Code Section 2-7-63 (*Prohibition on Conflicts of Interest*) to Pecan Street Project, Inc.

PART 5. The City Council directs the City Manager to provide a monthly report of any financial or monetary contribution made by the City to Pecan Street Project, Inc.

PART 6. The council finds that the need to obtain the financial benefit to the city of federal stimulus funds under the American Recovery and Reinvestment Act, including compliance with application deadlines, constitutes an emergency. Because of this emergency, this ordinance takes effect immediately on its passage for the immediate preservation of the public peace, health and safety.

PASSED AND APPROVED

_____, 2009 §
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 § _____
 Lee Leffingwell
 Mayor

APPROVED: _____
 David Allan Smith
 City Attorney

ATTEST: _____
 Shirley A. Gentry
 City Clerk