

## AGENDA



Thursday, August 6, 2009

**Item(s) to Set Public Hearing(s)**  
**RECOMMENDATION FOR COUNCIL ACTION****Item No. 41**

---

**Subject:** Set a Public Hearing to receive public comment on an amendment to the Electric Rate Schedule in Exhibit A of Ordinance No. 20080908-006 amending the Batch-6 Green Power Charge to the GreenChoice® Energy Rider. (Suggested date and time: August 20, 2009, 6:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX).

**For More Information:** Cheryl Mele, Chief Operating Officer, 322-6062.

**Prior Council Action:** September 8, 2008 - Approved Ordinance No. 20080908-006.

---

The current Batch 6 GreenChoice® price, set in December 2008, is 8 cents per kilowatt hour (kWh) for a 5-year term or 9.5 cents/kWh for a 10-year term. The price included congestion costs based on what had been a year of significantly greater transmission congestion. The estimated congestion costs in the original pricing assumed that the Hackberry wind plant which supplies Batch 6 would be assigned to ERCOT's "West Zone" for congestion purposes and would therefore have higher congestion costs. However, Hackberry was ultimately assigned to the North Zone, thereby reducing its exposure to transmission congestion costs. In addition, ERCOT implemented protocol and grid operational changes which have resulted in reduced transmission congestion statewide.

The proposed public hearing on August 20, 2009 is for City Council to consider a revised tariff for GreenChoice® Batch 6 of 5.7 cents per kilowatt-hour for a five-year term. This price reflects the cost of the contracted wind energy, ERCOT fees and charges associated with the energy, and Austin Energy's GreenChoice® administrative costs. Transmission congestion costs associated with importation of Batch 6 wind energy from West Texas would be recovered through the standard fuel charge. Recovering Batch 6-related transmission congestion costs through the fuel charge is necessary because while congestion has decreased, some congestion is expected.