

AGENDA



Thursday, December 17, 2009

Austin Energy
RECOMMENDATION FOR COUNCIL ACTION

Item No. 3

Subject: Approve a resolution adopting certain standards regarding integrated resource planning, rate design, and smart grid information under the Federal Energy Independence and Security Act of 2007.

Amount and Source of Funding: No funding is required.

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

For More Information: Andy Perny, Assistant City Attorney, 322-6277.

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

The Federal Energy Independence and Security Act of 2007 (EISA), which amends the Public Utility Regulatory Policies Act of 1978 (PURPA), requires that the City of Austin, as the owner of an electric utility, consider adopting standards that address:

- 1) integrating energy efficiency resources into its resource planning and adopting cost-effective energy efficiency as a priority resource;
- 2) modifying its rate design to promote energy efficiency investments; and
- 3) making smart grid information available to its customers and others.

The proposed resolution sets forth the recommendations of Austin Energy staff to City Council regarding the adoption of the standards incorporated into PURPA by the EISA. The City Council is not required under the EISA to adopt any of these standards --- it may adopt or decline to adopt any particular standard, or may choose to adopt one or more in modified form, as it deems appropriate to address the three stated purposes of PURPA, which are energy conservation, the optimal efficiency of utility resources, and equitable electric rates.

Both the Electric Utility Commission and the Resource Management Commission publicly considered these standards at the Commissions' October and November meetings. Information regarding the standards has been available on Austin Energy's website, and prior notice of the EUC and RMC hearings were posted in the Austin-American Statesman in addition to the normal posting process. Both the EUC and RMC have recommended that the Council adopt the federal standards – partially modified – in accordance with the recommendations of Austin Energy staff.

More detail regarding the standards and staff's recommendations are included as backup to this Request for Council Action.