RESOLUTION NO. 20111006-060

WHEREAS, Austin Energy is a recognized leader in municipally-owned utilities; and

WHEREAS, demand side management (DSM) and energy efficiency programs have been proven to be the cheapest form of energy; and

WHEREAS, Austin Energy has already achieved over 800 MW of peak demand reduction by implementing DSM programs, which reduces the need for expensive new generation; and

WHEREAS, in February 2011, the City Council adopted the Resource, Generation and Climate Protection Plan to 2020 (the "Generation Plan"); and

WHEREAS, the Generation Plan includes a goal of reaching 800 MW of peak demand reduction by 2020; and

WHEREAS, the Generation Plan includes additional objectives to conduct an energy efficiency potential study, to review the cap for individual investments in energy efficiency, to investigate development of an auction system for Austin Energy's commercial efficiency and conservation programs, and to examine refocusing energy efficiency programs to target base-load efficiency programs that reduce carbon emissions; and

WHEREAS, the City has a conservation rebate program to drive energy efficiency upgrades which results in increased customer satisfaction by lowering electricity bills; and

WHEREAS, the budget for the Conservation Rebates and Incentives for Energy Efficiency program was reduced for fiscal year 2011-2012, and

Austin Energy does not expect to meet the Peak Demand Megawatt savings goal for the current fiscal year; and

WHEREAS, Austin Energy is undergoing a rate redesign that may provide dedicated funding for energy efficiency programs; **NOW, THEREFORE,**

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

That the City Manager and General Manager of Austin Energy are directed to report back to Council on the current strategy to reach the adopted goal of 800 MW of peak demand savings by 2020. The report should address, at a minimum:

- the status of the energy efficiency potential study and any related analysis on revising the stated energy efficiency goal;
- progress made on exploring an auction-based system for large commercial energy efficiency projects;
- the status of reviewing the limit for funding energy efficiency projects;
- current and future budget levels needed to achieve the goals adopted by prior City Council action, specifically considering the proposed rate redesign currently underway and how its passage may affect progress;
- any other related initiatives being considered by the utility.

The Austin Energy General Manager shall seek feedback and input from the Resource Management Commission and the Electric Utility Commission before reporting back to Council by December 2, 2011.

ADOPTED: October 6, 2011 **ATTEST:** Shirley A. Gentry

Shirley A. Gentry
City Clerk