

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	10842	Agenda Number	133.
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Meeting Date:	12/8/2011	Department:	Austin Energy
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Subject

Conduct a public hearing and approve an ordinance amending the GreenChoice® Energy Rider in Ordinance No. 20110912-007 to extend the Batch 6 subscription expiration date to December 31, 2021.

Amount and Source of Funding

Fiscal Note

Purchasing Language:

Prior Council Action:

August 20, 2009 – Approved Ordinance No. 20090820-062 amending the pricing of GreenChoice® Batch 6; September 12, 2011 – Approved the Fiscal Year 2011-2012 Austin Energy Budget including the GreenChoice® Energy Rider; November 10, 2011 - Set date for public hearing.

For More Information:

Karl R. Rábago, Vice President, Distributed Energy Services, 322-6098.

Boards and Commission Action:

Recommended by the Electric Utility Commission and the Resource Management Commission.

MBE / WBE:

Related Items:

Additional Backup Information

Austin Energy proposes to extend the expiration date of GreenChoice® Batch 6 from December 31, 2014 to December 31, 2021, effective January 1, 2012. The price of 5.7 cents per kilowatt-hour remains the same.

In August 2009, GreenChoice® Batch 6 was reoffered at a lowered price of 5.7 cents per kilowatt-hour through December 31, 2014. Austin Energy now wants to offer Batch 6 subscribers comparable long-term benefits as was available to previous batches.

The value of extending the terms to 2021 is predicated on the reality of fuel price volatility, projected by many industry observers to be a critical issue over the near and long-term future with regard to energy supplies. GreenChoice® customers purchasing Batch 6, while currently paying a premium over the traditional fuel charge, are locking in the advantage of price certainty over the next 10 years. It is this benefit we propose to share with the City

of Austin, and by extension, the region's citizens as well as current and future Batch 6 subscribers. This is one of the fundamental reasons GreenChoice® has been an attractive option for many of Austin Energy's customers, and the impetus behind the national success of the GreenChoice® program.

All GreenChoice® Batch 6 customers subscribing prior to January 1, 2012 will receive letters or amended agreements offering the term extension. These documents must be signed and returned to the GreenChoice® office in order to receive the extension. No extensions will be made without a customer's approval. Any subscriptions not amended by customer signature will remain under the original terms and will expire on December 31, 2014.

All customer rate classes may participate in GreenChoice® Batch 6, subject to supply availability and compliance with program offering requirements. This program supports the Council's goal of achieving 35% of Austin Energy's energy supply from renewable sources by the end of 2020.