



**AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE
MINUTES**

**REGULAR MEETING
THURSDAY, SEPTEMBER 24, 2015**

The Austin Energy Utility Oversight Committee convened in a regular meeting on Thursday, September 24, 2015 at 301 W. 2nd Street in Austin, Texas.

Chair Sheri Gallo called the committee meeting to order at 9:23 a.m.

Committee Members in Attendance:

Chair Sheri Gallo
Vice Chair Leslie Pool
Council Member Gregorio Casar
Council Member Ora Houston
Council Member Ann Kitchen
Council Member Sabino "Pio" Renteria
Mayor Pro Tem Kathie Tovo
Council Member Ellen Troxclair
Council Member Don Zimmerman

Committee Members Absent:

Mayor Steve Adler
Council Member Delia Garza

APPROVAL OF MINUTES

- 1. Approve the minutes of the Austin Energy Utility Oversight Committee meeting of August 27, 2015.**

The minutes of the August 27, 2015 meeting were approved on Mayor Pro Tem Tovo's motion, Council Member Zimmerman's second, on a 6-0 vote. Mayor Adler, Council Members Garza, Houston, Kitchen, and Renteria were off the dais.

CITIZEN COMMUNICATION: GENERAL

- 2. The first five speakers signed up before the meeting is called to order will each be allowed three minutes to speak.**
 - a. Karen Hadden wants time for the working group of the Electric Utility Commission to look at the assumptions of the analysis being performed by Navigant; and that adding renewables will bring costs down.
 - b. Joep Meijer stated that Navigant should be held to the original scope of work taking into account existing City policies for the analysis; and ensure that the Electric Utility Commission has time to review.

ITEMS FOR COMMITTEE CONSIDERATION

- 3. Discussion and possible action regarding negotiation and execution of a contract with 1ENERGY SYSTEMS INC., for the purchase of a 1.5 megawatt energy storage system to be installed at Austin Energy's Kingsbery Substation, in an amount not to exceed \$3,000,000.**

The presentation was made by Larry Weis, General Manager and Khalil Shalabi, Vice President, Energy Market Operations and Resource Planning.

A motion to recommend the item for approval by Council was approved on Vice Chair Pool's motion and Council Member Casar's second, on a 6-1 vote. Council Member Zimmerman voted against. Mayor Adler and Council Members Garza, Houston and Kitchen were off the dais.

BRIEFING

- 4. Briefing on assumptions used by Navigant Consulting in the independent study of the Austin Energy Resource, Generation and Climate Protection Plan to 2025.**

The presentation was made by Mark Dombroski, Senior Vice President and Chief Financial Officer and Dan Bradley, Navigant Consulting.

- 5. Briefing and discussion regarding a proposed electric rate schedule for primary voltage customers with an average load of at least 20 megawatts.**

The presentation was made by Larry Weis, General Manager and Mark Dombroski, Senior Vice President and Chief Financial Officer. Questions included the difference for these customers under the P3 tariff versus the proposed P4 tariff as well as their payments toward the customer benefit charge.

DISCUSSION AND POSSIBLE ACTION

- 6. Briefing, discussion and possible committee recommendation on purchases of utility scale solar.**

The following speakers addressed the committee:

- Todd Davey stated that entering into long term contracts for evolving technologies is not a good business decision; the cost of wind and solar is declining and purchasing all of the solar at this time is unwise.
- Karen Hadden stated she has concerns with the assumptions in the Navigant study, and it does not include many factors that Council directed to be in the analysis. She said the Electric Utility Commission has not been significantly included in the process, and the State of the Market Report done by the Electric Reliability Council of Texas should be included.
- Cyrus Reed said the Resource Management Commission was supportive of moving forward with 200 to 275 MW, and added City Council should look at the rest and see if ownership makes sense. He recommended taking time on the independent study.
- Joep Meijer stated that analysis should also look at how adding solar affects the portfolio. He also said rates will go down.
- Beki Halpin said there is a need to talk about air quality compliance, the effects a new gas plant will have, and if we will still be using a gas plant in 30 years.
- Richard Halpin stated he has issues with the Navigant study that was presented to the Electric Utility Commission including its reference to the 500+ plan that was voted down by the last Council.

- David King said the City is in a leadership role in regards to solar and that it is good for us in the short- and long-term.
- Kaiba White stated that she has an issue with the RCA that is before the Council, and that Austin Energy should bring forward the full 600 MW for consideration.
- Michael Osbourne said the price of solar used in the Navigant assumptions is good, but he has an issue with the study showing Austin Energy owning all the rest of the solar.

The presentation was made by Larry Weis, General Manager; Cheryl Mele, Chief Operating Officer; Khalil Shalabi, Vice President, Energy Market Operations and Resource Planning; and Mark Dombroski, Senior Vice President and Chief Financial Officer.

FUTURE ITEMS

7. Discussion of future agenda items.

This item was not addressed.

ADJOURN

Chair Sheri Gallo adjourned the meeting at 12:52 p.m. without objection.

The minutes were approved on this the 22nd day of October 2015 on Mayor Pro Tem Tovo's motion, Council Member Houston's second on an 8-0 vote. Council Members Garza, Kitchen, and Troxclair were off the dais.