



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2
AGENDA DATE: Thu 01/08/2004
PAGE: 1 of 1**

SUBJECT: Amend Exhibit A of Ordinance No. 030908-4 to add a Batch-3 Green Power Charge for renewable energy sources to the Electric Rate Schedule GreenChoice® Energy Rider.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Michael McCluskey, Sr. VP, Wholesale & Retail Markets, 322-6295; Carol Harwell, GreenChoice Project Manager, 322-6562

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Recommended by the Resource Management Commission.
Recommended by the Electric Utility Commission.

PURCHASING: N/A

MBE / WBE: N/A

Austin Energy proposes to amend its electric rate tariffs to add a Batch-3 Green Power Charge for renewable energy sources to the GreenChoice® Energy Rider.

The Green Power Charge for Batches 1 and 2 are 1.7 cents per kilowatt-hour (kWh) and 2.85 cents per kWh, respectively. Austin Energy will offer Batch-3 at a rate of 3.3 cents per kWh to apply to 130 million kWh of sales per year. This amount of energy is expected to cover new GreenChoice® subscriptions for the foreseeable future. In the event sales exceed expectations, Austin Energy will request authorization to seek additional energy to be sold under this program.

The GreenChoice® program offers Austin Energy's customers the opportunity to support the growth of the renewable energy industry in Texas and to hedge against possible rises in fuel prices through the GreenChoice® rate for 10 years. All customer rate classes may participate in GreenChoice® Batch-3.

This program also supports the Council's goal of 5% renewable energy sources by the end of 2004 and the goal of an additional 1% per year of renewable energy in Austin Energy's energy mix and was forecast in the Austin Energy Strategic Plan approved by Council on December 4, 2003.



**RESOURCE MANAGEMENT COMMISSION
RESOLUTION TO AMEND THE GREENCHOICE RIDER TO THE ELECTRIC RATE
TARIFF**

Vote: 6-0-0-1-1

Motion by: A. Martinez
Second by: J. Hoffner
For: K. Strnad, C. Barron, K. Houser, J. Beckage
Against: 0
Abstain: 0
Absent: M. Kuhn
Vacant: 1
Motion: Passed

The Resource Management Commission recommends City Council approve Austin Energy's proposed amendment to its electric rate tariff GreenChoice® Energy Rider to establish GreenChoice Batch-3 of 130 million kilowatt-hours per year at a rate of 3.3 cents per kilowatt-hour. Austin Energy will review the Batch-3 Program revenue and expenses with the Resource Management commission annually, to see if opportunities to reduce this rate exist.

Austin Energy's GreenChoice® program has expanded beyond the capacity of Batch-2, and additional energy is being added to the program to continue to allow Austin Energy's electric customers the opportunity to choose renewable energy sources for their electricity and to support the City Council's goal of increasing the amount of renewable energy added to Austin Energy's energy portfolio.



Approved, Adán Martinez, Chair

December 16, 2003



Electric Utility Commission
December 15, 2003
Meeting

Amend Exhibit A of Ordinance No. 030908-4 to add a Batch-3 Green Power Charge for renewable energy sources to the Electric Rate Schedule GreenChoice® Energy Rider.

Motion by: Fath

Seconded by: Fernandez

Ayes: Fath, Fernandez, Kocurek, LeGette, Owens, Sarma, Shaw, and Skeith

Nays: NONE

Abstaining: NONE

Off the dais: NONE

Absent: NONE

The motion passed on an 8 – 0 vote.