



# City of Austin

## Recommendation for Action

**File #:** 24-6432, **Agenda Item #:** A2.

12/10/2024

### **Posting Language**

Approve adoption of Austin Energy's Resource, Generation and Climate Protection Plan to 2035, which provides a flexible management framework to meet changing conditions, and strategies for energy needs, generation supply, demand response, energy efficiency, and equity. Funding: Approving the 2035 Plan does not have immediate fiscal impact. The future financial impact will be determined as specific projects are presented to City Council to implement the plan over the next few years.

### **Lead Department**

Austin Energy

### **Fiscal Note**

Approving the 2035 Plan does not have immediate fiscal impact. The future financial impact will be determined as specific projects are presented to City Council to implement the plan over the next few years.

### **Prior Council Action:**

December 1, 2022 - Council approved a resolution regarding updates to the 2030 Austin Energy Resource, Generation, and Climate Protection Plan.

March 26, 2020 - Council approved the Austin Energy Resource, Generation, and Climate Protection Plan to 2030.

### **For More Information:**

Lisa Martin, Deputy General Manager and Chief Operating Officer 512-322-6457; Amy Everhart, Director, Local Government Affairs 512-322-6087.

### **Council Committee, Boards and Commission Action:**

November 19, 2024 - Council's Austin Energy Utility Oversight Committee considered the briefing by AE on the Resource, Generation and Climate Protection Plan to 2035.

December 2, 2024 - AE's Resource, Generation and Climate Protection Plan to 2035 to be reviewed by the Electric Utility Commission.

### **Additional Backup Information:**

Austin Energy requests approval of the Austin Energy Resource, Generation and Climate Protection Plan to 2035 ("Resource Plan"). Austin Energy is currently operating under the resource plan adopted in March 2020 and seeks adoption of the Resource Plan due to market changes, increased load growth, and reliability concerns. This Resource Plan retains the overarching goal of being carbon free by 2035 and provides Austin Energy additional operational flexibility to achieve success in light of changed conditions.

Austin Energy seeks to build on its reputation as a national leader on renewable energy, energy efficiency, and demand response investments while ensuring its energy portfolio can endure extreme circumstances and remains affordable and reliable for customers.

The Resource Plan recommendations were developed via input from the community utilizing a customer survey with 7500+ customer respondents and diverse Community Stakeholder meetings as well as extensive work with the Electric Utility Commission.

Reliability was considered the highest priority by the respondents to the survey and by participants in the stakeholder meeting followed by affordability and environmental sustainability.

Austin Energy also incorporated support from community and industry experts Rifeline, Ascend Analytics, DNV Energy Insights, the University of Texas at Austin Webber Energy Group (Dr. Michael E. Webber), Texas Energy Poverty Research Institute (TEPRI) and Electric Power Research Institute (EPRI).

The Community Stakeholder group comprises community members representing a cross section of the Austin and surrounding areas. The Stakeholder group met five times over a period of six months:

Stakeholder Workshop #1: June 7, 2024 -Values & Definitions

Stakeholder Workshop #2: July 26, 2024 - Risks & Tolerances (Dr. Webber)

Stakeholder Workshop #3: August 22, 2024 - Risks & Impacts, Priorities, Equity & Objectives

Stakeholder Workshop #4: October 3, 2024 - Reviewing Outcomes, Objectives Part 2, Equity

Stakeholder Workshop #5: November 13, 2024 - Modeling Insights, Tools in the Toolbox

The Resource Plan was considered and discussed at eleven Electric Utility Commission meetings:

March 18, 2024 - Process Update; Moving Forward

April 15, 2024 - Rifeline Introduction

May 13, 2024 - Rifeline Engagement

June 10, 2024 - Engagement Framework; Workshop #1 Summary; Values Feedback

July 15, 2024 - Modeling Framework; Ascend Analytics Introduction; RFP Summary

August 12, 2024 - Workshop #2 Summary; Dr. Webber Presentation; Portfolios and Sensitivities

September 9, 2024 - Workshop #3 Summary; Ascend Modeling Overview

September 30, 2024 - Initial Modeling Results

October 21, 2024 - Workshop #4 Summary; Modeling Update

November 18, 2024 - EUC Survey Feedback; Aligning with Community Feedback

December 2, 2024 - Consideration of Resource Plan

Austin Energy also made Resource Plan presentations to the Resource Management Commission (May 21 and November 19, 2024) and the Joint Sustainability Committee (November 20, 2024).

The Resource Plan is a high-level policy regarding the ways in which Austin Energy meets Austin's rising energy needs and is intended to be flexible and dynamic, allowing it to reflect and adapt to changing circumstances. The process of developing the Resource Plan involves extensive analysis of the expected and potential risks and opportunities regarding Austin Energy's generation supply portfolio. It also brings together demand and energy management options over the planning horizon to provide a full suite of resources to serve our community in alignment with their values and priorities.