

AUSTIN UTILITIES

MINUTES OF MEETING

7:00 am February 21st, 2024
Date

Board Work Session

Jay Lutz
President

Members Present:

Jay Lutz, Commissioner
Steve Greenman, Commissioner
Tyler Hulsebus, Commissioner
Kristin Johnson, Commissioner
Jeanne Sheehan, Commissioner

Others Present:

Mark Nibaur, General Manager
Alex Bumgardner, Utility Operations Director
Kory Robinson, Finance & Customer Care Director
Jess Dunlap, Utility Operations Supervisor

President Jay Lutz called the meeting to order at 7:03 am.

Introductions were completed.

John Christensen, 1898 Company shared a backdrop of his company and a short bio. He then shared power supply planning fundamentals and processes used to build a power supply. John and his team have provided several power supply plans for clients.

He discussed industry trends, resource planning elements and basic industry and resource data.

After answering questions from the board, John proceeded to introduce the AU Power Supply Plan Analysis. John highlighted that AU staff and SMMPA were very valuable in providing an accurate model for the future of AU's power supply. The Board was provided the electric load profile, forecasting projections and market pricing and considerations.

Once the fundamental inputs were reviewed, John proceeded to present energy resource options, capital costs for generation resources and some of the differences in the resource cost projections due to industry perspectives/ or positions. Additionally, working to provide the most comprehensive analysis (apples to apples), the analysis included all MISO costs that AU would incur if they selected to manage their own electric power supply.

The study covered three different cases.

Base Case – (CROD) AU self-supply and manage all factors of an electric power supply.

Partial Case – partial CROD and partial power agency.

Full Requirements – continue to contract with a power agency for all electric resource needs.

The presentation will focus on the Base Case and Full Requirements due to the Net Present Value (NPV). Partial Case was eliminated due to the higher costs.

Staff, John, and Board discussed model changes / iterations as more data become available, legislative changes such as 100% carbon free by 2040, and SMMPA updates.

The base case and full requirements case NPV through 2043 were nearly identical. Staff and board discussed risks, rewards, local generation options, action steps and timelines.

After further review of pros and cons, the Board asked Staff to review the SMMPA power sales contract 2030 – 2050. The board will be reviewing the material and if they have questions they will contact the GM. Staff will schedule another meeting with the board to review the study, power sales contract, and discuss next steps and options.

The board thanked John Christensen, 1898 Company, and staff for the good work and comprehensive analysis.

Moved by Kristin Johnson, seconded by Tyler Hulsebus, to adjourn. Motion passed unanimously. Adjourn at 8:55 am.

President

Secretary