

RESOLUTION NO. R2016-014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS REGARDING THE PROPOSED "RENEWABLE DENTON PLAN" ADOPTED AS AN INTEGRAL PART OF PROVIDING ELECTRIC SERVICE TO RATEPAYERS IN THE DENTON MUNICIPAL ELECTRIC SERVICE TERRITORY.

WHEREAS, the City Council of the City of Denton, Texas has previously directed the City of Denton's electric department, Denton Municipal Electric ("DME"), to develop a comprehensive plan to increase the amount of renewable energy in DME's energy portfolio, while at the same time, maintaining competitive rates and providing reliable electric power; and

WHEREAS, DME has diligently examined and re-examined numerous possible scenarios for increasing the amount of renewable energy in DME's portfolio and has presented projected rate impacts and reliability issues, as well as the risks that are associated with each scenario; and

WHEREAS, after extensive briefings by DME staff, considerable discussions and deliberations of the City Council, this "Renewable Denton Plan" ("RDP") information was first publicly presented to the citizens of Denton and the DME ratepayers by means of a press conference held on October 6, 2015. This press conference was followed by DME's development and implementation of an information website and comment form. DME has conducted open house meetings on October 19, 2015 and October 27, 2015; a Public Hearing was held by the Public Utilities Board ("PUB") on December 14, 2015; and

WHEREAS, the City Council in an effort to provide an opportunity for discussion by the public and to gather more information for itself about the RDP, the Council conducted a Work Session, a Public Hearing and a Closed Meeting on December 15, 2015; a Work Session followed by a Closed Meeting was held on January 4, 2016; a Closed Meeting was held on January 12, 2016 by the Council; a Public Meeting was held on Saturday, January 23, 2016, after notice, in order to provide members of the public an opportunity to ask questions and receive answers from subject matter experts; a Work Session and a Closed Meeting were held on January 26, 2016 by the Council; a Work Session was held on February 1, 2016 by the Council; a Work Session was held on February 16, 2016 by the Council; and the Council at that time recommended that a reputable and experienced outside consultant be selected by the City Manager, with the advice and consent of the Council, in order to provide a disinterested assessment and evaluation of the RDP; and

WHEREAS, thereafter, on March 22, 2016, on its Consent Agenda, the Council considered and approved a Professional Services Agreement with The Brattle Group, Inc. for consulting services to examine, and to study and analyze the RDP; and

WHEREAS, on May 24, 2016 the Council conducted a Closed Meeting regarding the RDP; the Brattle Group presented a draft of its report to the Council in early June 2016, and an Executive Summary of the draft report was made public on June 7, 2016; on June 7, 2016, the Council held a Work Session and received the draft report of the Brattle Group and a presentation from The Brattle Group staff regarding the RDP; and the Council later held a Closed Meeting on that date; the Council then additionally agreed to hold a Work Session on June 14, 2016 to discuss said RDP, particularly the issue of the methods of financing the RDP; and the Council, on June 21, 2016 proceeded to consider the RDP as an item for individual consideration; and

WHEREAS, the Public Utilities Board, as the duly-appointed citizen's Board by the City Council to consider all matters pertaining to utility operations, after considering all public comment and having heard and considered the recommendations of DME staff, by a vote of 6-1, recommended approval of the "Renewable Denton Plan" to the City Council at the PUB's Closed Meeting of December 14, 2015; the Public Utilities Board was in attendance for the Joint Meeting of the Council and the PUB on June 7, 2016; and

WHEREAS, the City Council, after considering all of the relevant facts and circumstances, is of the opinion that the "Renewable Denton Plan" will enable DME to supply power to the City of Denton, Texas in such a way which maintains Denton's position as a national leader in the area of renewable energy, while having a positive effect on emissions, a positive effect on electric rates, as well as providing electric reliability to the ratepayers of the City; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitals which are set forth in the preamble of this Resolution are incorporated herein and are made a part of this Resolution for all purposes.

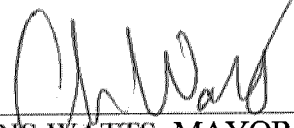
SECTION 2. The City Council hereby approves the "Renewable Denton Plan," which includes the following elements:

1. Achieve seventy (70%) percent renewable energy for all DME ratepayers through the execution of Power Purchase Agreements from varying sources of wind and solar power by 2019;
2. Financing as necessary and appropriate for an amount up to \$265,000,000 by means of revenue bonds, for the implementation of the Renewable Denton Plan, including the construction of a quick-start generation facility to be owned by the City; and
3. Secure all environmental permits which are necessary and relevant for implementation of the Renewal Denton Plan; and
4. Configure the Renewable Denton Plan on one (1) site with twelve (12) generating units.

SECTION 3. Nothing expressed herein shall be deemed to limit the City's use of renewable energy in the future, to the amount of seventy (70%) percent of its load, as the City Council specifically endorses and sets a goal of achieving one hundred percent (100%) renewable by 2035, while continuing to offer competitive electric rates and electric reliability to its customers.

SECTION 4. This resolution shall take effect immediately from and after its adoption.

PASSED AND APPROVED this the 21st day of June, 2016.


CHRIS WATTS, MAYOR

ATTEST:

JENNIFER WALTERS, CITY SECRETARY

BY: Jennifer Walters

APPROVED AS TO LEGAL FORM:

ANITA BURGESS, CITY ATTORNEY

BY: Anita Burgess