



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Denton Municipal Electric

CM/ ACM: Todd Hileman

Date: May 2, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, authorizing a waiver for the Texas Municipal Power Agency's (TMPA) decommissioning plan deadline for the Gibbons Creek power plant, and authorizing TMPA to develop a decommissioning plan within a reasonable time if its efforts to sell the plant are abandoned; and providing an effective date. The Public Utilities Board recommends approval (6-0).

BACKGROUND

The City of Denton is a member of the Texas Municipal Power Agency that owns transmission, generation, and related assets that deliver electric power to TMPA member cities (City of Denton, City of Bryan, City of Garland, City of Greenville). On June 28, 2016, the City Council of Denton, as a member city of the TMPA, authorized adoption of a Joint Operations Agreement (JOA), as did the other TMPA member cities on various dates. The JOA sets forth the governance rules for how the member cities wish TMPA to conduct its business. Section 5.3.1 of the JOA requires TMPA to develop a decommissioning plan for its Gibbons Creek power plant within 12 months of the adoption of the agreement. Based on the effective date of the JOA, that deadline is on or about September 1, 2017.

Due to the ongoing negotiations between TMPA and a potential buyer of the Gibbons Creek plant, the decommissioning plan development may not be necessary. Therefore, the deadline for decommissioning should be delayed via waiver authorized by the TMPA member cities. A deadline waiver would constitute a modification of the JOA. The agreement states that such a modification may be accomplished only upon the mutual consent of all of the member cities, in writing.

TMPA is requesting that its member cities authorize a waiver of the power plant decommissioning deadline, pending TMPA's ongoing efforts to sell the power plant.

OPTIONS

1. Adopt an ordinance that the City of Denton authorize a waiver of the deadline for TMPA to develop a decommissioning plan for Gibbons Creek power plant, and authorizing TMPA to develop a decommissioning plan within a reasonable time if its efforts to sell the plant are abandoned.
2. Do not adopt an ordinance that the City of Denton authorize a waiver of the deadline for TMPA to develop a decommissioning plan for Gibbons Creek power plant.

RECOMMENDATION

DME staff recommends authorizing a waiver of the deadline for TMPA to develop the decommissioning plan, and authorizing TMPA to develop a decommissioning plan within a reasonable time if its efforts to sell the plant are abandoned.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

April 24, 2017 - The Public Utilities Board recommended adoption of an ordinance authorizing a waiver of the deadline for TMPA to develop the decommissioning plan, and authorizing TMPA to develop a decommissioning plan within a reasonable time if its efforts to sell the plant are abandoned by a vote of 6-0.

FISCAL INFORMATION

No appropriation is requested.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Public Infrastructure**

Related Goal: **2.3 Promote superior utility services and facilities**

EXHIBITS

Ordinance

Respectfully submitted:

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General Manager

Prepared by:

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