

**CITY OF EL PASO, TEXAS
AGENDA ITEM
AGENDA SUMMARY FORM**

DEPARTMENT: MAYOR AND COUNCIL

AGENDA DATE: AUGUST 8, 2017

CONTACT PERSON NAME AND PHONE NUMBER: REP ALEXSANDRA ANNELLO, 212-0002

DISTRICT(S) AFFECTED: ALL

STRATEGIC GOAL: (8) NURTURE AND PROMOTE A HEALTHY, SUSTAINABLE COMMUNITY

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable. Discussion and action regarding the position the City of El Paso has taken concerning the rate proposal by El Paso Electric affecting residential solar in the pending rate case. All Districts (Representative Alexandra Annello, (915) 212-0002

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns? These proposed changes have substantial implications for distributed solar installations in the City and EPE service region in Texas. Mayor and Council support the increased use of renewable energy, which can help reduce the burning of fossil fuels, reduce climate change, stimulate local jobs, and reduce the total costs of energy generation and power purchase that all customers must pay.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one? No

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer? N/A

*****REQUIRED AUTHORIZATION*****

RESOLUTION

WHEREAS, El Paso Electric Company, distributes electric power within the City Limits of the City of El Paso pursuant to a 25-year franchise granted to El Paso Electric Company dated as of July 15, 2005, and is an electric utility; and

WHEREAS, pursuant to applicable law, the City of El Paso maintains original jurisdiction over rates of El Paso Electric Company for rates charged within the City limits of the City of El Paso, and

WHEREAS, on February 13, 2017 El Paso Electric Company Statement of Intent to Increase Rates with the Public Utility Commission of Texas and for rates within the City of El Paso, seeking an overall increase in rates of \$42.5 million and also seeking to separate out residential customers who have distributed solar generation into a separate rate class and impose demand charges on those customers, and

WHEREAS, on June 12, 2017, after due consideration of the requests in the EPE statement of Intent, and the recommendation of its outside consultants, the City Council of the City of El Paso denied the requested increase and denied the rate proposals including the proposal to create a separate rate class for residential customers who have distributed solar generation, and

WHEREAS, on June 20, 2017, the El Paso Electric Company filed an appeal to the Public Utility Commission of the decision of the City Council, and

WHEREAS, on June 23, 2017, the City of El Paso, as a Party in the Appeal at the Public Utility Commission of Texas filed expert testimony in opposition to El Paso Electric Company's request to create a new rate class for residential customers with distributed solar generation, and

WHEREAS, the City Council of the City of El Paso heard additional public input on the issue at its regular meeting of August 8, 2017, and

WHEREAS, after consideration of the additional public input on August 8, 2017, the City Council desires to reaffirm its position on the proposal to create a separate rate class for residential customers with distributed solar generation, and

WHEREAS, in the context of distributed solar installations, increases in the customer charge, the imposition of demand charges, the requirement of Time of Use rates cause a reduction in the value of net metering that can have a significant negative impact on jobs and investment in the El Paso region's solar industry and curtail new installations of distributed solar, and

WHEREAS, the City was recently recognized at the highest performance level by the Department of Energy funded SolSmart program, that designated El Paso as a Gold level performer for its efforts to enable expansion of solar and distributed energy resources, reducing regulatory and code obstacles by incorporating policies that promote the use of solar power and other renewable energy sources, and

WHEREAS, the expansion of solar and distributed resources in El Paso also enables growth of an industry that brings high-quality high-paying Jobs to the region in materials supply, electrical technologies and installation contractor services, expanding Workforce Development, Recruitment, Retention of Talent, and business interests within El Paso's key economic sectors, including promotion of environmentally sensitive businesses and desert adapted technologies, goods and services tailored to the special needs of El Paso as a desert community with limited water resources and abundant Sun, and

WHEREAS, the City of El Paso has promoted the expansion of distributed Solar PV installations through the use of rebates aimed strategically to encourage a burgeoning new Solar Energy marketplace to establish a viable base of operation within the City to expand the presence of these Jobs for its Citizens, and

WHEREAS the presence of a Solar Energy market within the City aligns strategically with our region's mutual interests in both Sustainability and Resilience within a desert climate, reducing the impacts upon our limited water resources which are effectively consumed by fossil fuels based generation of electricity,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. The City Council reaffirms the position it took in opposition to the proposal to create a separate rate class for residential customers with distributed solar generation.
2. Nothing in this resolution shall be construed to limit the City of El Paso's original jurisdiction over the rates and services of El Paso Electric Company.

ADOPTED and APPROVED by the CITY COUNCIL of the CITY OF EL PASO, TEXAS, this 8th day of August, 2017.


CITY OF EL PASO

Dee Margo, Mayor

ATTEST:

Laura D. Prine, Interim City Clerk

APPROVED AS TO FORM:



Sylvia Borunda Firth, City Attorney