



Electric Utility Commission

March 22, 2010

6:00 PM

**Town Lake Center, The Shudde Fath Conference Room
721 Barton Springs Road, Austin, Texas**

AGENDA

The Electric Utility Commission may go into a closed session, if necessary, under Chapter 551 of the Texas Government Code to discuss or take action on a "competitive matter" of Austin Energy as provided for under Section 551.086. Reading and Action on Consent Agenda: Item 4 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commission Member.

- 1. CALL TO ORDER – 6:00 PM, March 22, 2010**
- 2. APPROVAL OF MINUTES**
- 3. CITIZEN COMMUNICATIONS: GENERAL**
- 4. NEW BUSINESS** - Discussion and possible action on City Council agenda items related to Austin Energy
- 5. PUBLIC HEARINGS**
 - a. Conduct a public hearing to receive citizen input regarding the annual report on Austin Energy system information as required by Council Resolution No. 20051201-002
 - b. Conduct a public hearing to receive citizen input regarding possible amendments to the Competitive Matters Resolution No. 20051201-002 (Seven-minute presentations followed by speakers with three-minute time limit)
- 6. STAFF REPORTS AND BRIEFINGS**
 - a. Upcoming Procurements Report
 - b. Financial Report
 - c. Deferred Payment Arrangement and Disconnection Report
 - d. Briefing on the Property Assessed Clean Energy “PACE” Program Under HB 1937 – Council Resolution No. 20091022-039
- 7. FUTURE AGENDA ITEMS**
- 8. ADJOURNMENT**

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. If requiring Sign Language Interpreters or alternative formats, please give notice at least three days before the meeting date. Please call Toye Goodson Collins at Austin Energy at (512) 322-6450 for additional information. TTY users route through Relay Texas at 711.



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
FEBRUARY 22, 2010**

The Electric Utility Commission (EUC) convened in a regular meeting on February 22, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. CALL TO ORDER

Chair Phillip Schmandt called the meeting to order at 4:30 p.m.

Commissioners in attendance: Chair Phillip Schmandt, Shudde Fath, Vice Chair Linda Shaw, Steve Smaha, Steven Taylor, and Michael Webber. Gary 'Bernie' Bernfeld was absent. A quorum was present.

Staff in attendance: Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Jeff Vice, Karl Rabago, Pat Sweeney, Ann Little, Drusilla Saenz, Jim Collins, John Wester, Jamie Mitchell, Greg Troxell, Clyde Canady, Jawana 'J.J.' Gutierrez, David Kutach, Steve Machicek, Chris Smith, Sonny Poole, Scott Jarman, Fred Yebra, Rosemary Ledesma, David Wood, Stacy Neef, Sonya Harry, Toye Goodson Collins.

2. APPROVAL OF MINUTES

The minutes for the regular meeting of January 25, 2010 were approved on Commissioner Taylor's motion and Commissioner Fath's second, on a 6-0 vote.

3. CITIZEN COMMUNICATIONS

None.

4. STAFF BRIEFING - Planned construction of an electric substation on Manor Road. Cheryl Mele, Chief Operating Officer, introduced Sonny Poole, Acting Manager, Real Estate Services.

5. NEW BUSINESS

a. **Action on City Council agenda items related to Austin Energy** – The following Recommendations for Council Action (RCAs) were recommended for approval on consent, on Chair Schmandt's motion and Commissioner Smaha's second, on a 6-0 vote:

RCA 2 – Budget amendment and grant acceptance of \$20,000 from the DOE through Leonardo Technologies Inc. for programmatic support of the Central Texas Clean Cities Program.

RCA 3 – Budget amendment and grant acceptance of \$17,500 from the DOE through the Railroad Commission of Texas, and approval of a four-year agreement between the Central Texas Clean Cities Program and the Railroad Commission to promote the use of propane vehicles and improve related infrastructure, \$17,500 a year, for a total of \$70,000.

RCA 7 – Authorize amendment No. 1 to a contract with MYCOFF, FRY, PROUSE for recruitment services for Austin Energy's General Manager, \$46,000 for a revised total contract of \$69,000.

The following RCA was pulled from the Consent Agenda, discussed and recommended on Commissioner Webber's motion and Chair Schmandt's second, on a 4-2 vote, with Commissioners Shaw and Smaha voting nay:

RCA 1 – Recommend the use of approximately 5.87 acres for an electric substation, electric transmission lines, distribution lines and drainage area through dedicated parkland known as Morris Williams Golf Course.

The following RCA was pulled from the Consent Agenda, discussed and recommended on Commissioner Fath's motion and Commissioner Taylor's second, on a 6-0 vote:

RCA 4 - Rebate to REIT Management & Research for the installation of energy efficient reflective roofing at 12455 Research Blvd., \$82,981.44.

The following RCA was pulled from the Consent Agenda, discussed and recommended on Chair Schmandt's motion and Commissioner Webber's second, on a 5-0-1 vote with Commissioner Fath abstaining:

RCA 5 - Authorize design and construction of the Seaholm Substation perimeter wall as part of the Seaholm East Redevelopment District as a public art project as outlined in the Art in Public Places Ordinance, \$750,000.

The following RCA was pulled from the Consent Agenda, discussed and recommended on Commissioner Fath's motion and Commissioner Taylor's second, on a 6-0 vote:

RCA 6 - Amendment No. 3 to a contract with HPI to upgrade gas turbine controls at Decker Creek Power Station, \$238,565, for a revised contract amount of \$2,171,834.

- b. Adopt procedural rules for hearings regarding the Competitive Matters Resolution – Rules presented by a Subcommittee composed of Chair Schmandt and Commissioners Bernfeld and Smaha were discussed, amended, and approved on Chair Schmandt's motion and Commissioner Smaha's second, on a 6-0 vote. The rules and other documents related to the review of the Competitive Matters Resolution will be posted on the Austin Energy website early in March.

6. **MONTHLY FINANCIAL REPORT** by Steve Machicek, Corporate Accounting Director.

7. **FUTURE AGENDA ITEMS**

None.

8. **ADJOURNMENT**

Chair Schmandt adjourned the regular meeting of the Electric Utility Commission without objection at 5:32 p.m.

**Requests for Council Action (RCAs) related to Austin Energy
For Review by the Electric Utility Commission on March 22, 2010**

AUSTIN ENERGY

1. Authorize the acquisition of approximately 5.87 acres of permanent electric easements from City of Austin Parks and Recreation Department at the Morris Williams Golf Course located at 4305 Manor Road, Austin, Texas, for construction of an electric substation, transmission and distribution lines, and a drainage area, in an amount not to exceed \$1,500,000. (Council Agenda: 03/25/10; Staff Responsible: WOOD, POOLE)
2. Authorize the negotiation and execution of a 60-month lease agreement with VISTA PROPERTIES for approximately 4,597 square feet of retail space located at 8716 Research Blvd., Austin, TX 78757, for a new City of Austin-Austin Energy Customer Service Center, in an amount not to exceed \$641,146. (04/08/10; ALBA, GUTIERREZ)

PURCHASING

3. Authorize award and execution of a twelve-month requirements supply contract with SCHWEITZER ENGINEERING LABORATORIES, INC., Pullman, WA for substation relay panels in an estimated amount of \$1,411,468, with four 12-month extension options in an estimated amount of \$1,411,468 per extension option, for an estimated total contract amount of \$7,057,340. (04/22/10; WOOD)
4. Authorize award, negotiation, and execution of eight 24-month contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, for weatherization test in audit services in an amount not to exceed \$450,000 each and combined. (04/08/10; RABAGO, YEBRA)
5. Authorize award, negotiation, and execution of seven 24-month contracts with AIRTECH ENERGY SYSTEMS, INC., Austin, TX; CLIMATE MECHANICAL, INC., Austin, TX; EFFICIENT GREEN COLLAR OPERATIONS, LLC, Austin, TX; GO GREEN SQUADS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; VALDEZ REMODELING & WEATHERIZATION, INC., Austin, TX; and WEATHERIZATION MANAGEMENT GROUP, Dallas, TX, for weatherization measures and improvement services in an amount not to exceed \$4,825,490 each and combined. (04/08/10; RABAGO, YEBRA)
6. Authorize award, negotiation, and execution of eight 24-month contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX for weatherization final inspection audit services in an amount not to exceed \$250,000 each and combined. (04/08/10; RABAGO, YEBRA)

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 03/25/10
PAGE 1 of 1**

SUBJECT: Authorize the acquisition of approximately 5.87 acres of permanent electric easements from City of Austin Parks and Recreation Department at the Morris Williams Golf Course located at 4305 Manor Road, Austin, Texas, for construction of an electric substation, transmission and distribution lines, and a drainage area, in an amount not to exceed \$1,500,000.

AMOUNT AND SOURCE OF FUNDING: Funding is available in the 2009-2010 Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is attached.

FOR MORE INFORMATION CONTACT: Sonny Poole, Acting Manager, Public Involvement and Real Estate, 322-6442.

PRIOR COUNCIL ACTION: February 25, 2010 – Set related public hearing.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 22, 2010.

The proposed acquisition of 5.87 acres of City-owned property at 4305 Manor Road at the Morris Williams Golf Course is required for the construction of a new electric substation, a 138 kV transmission line, distribution circuits from the substation to Manor Road, and a drainage area. The new substation is needed to deliver reliable electric service to a growing population in the Mueller area and surrounding neighborhoods.

In addition to this proposed \$1.5 million easements acquisition, the Memorandum of Understanding between Austin Energy and the Parks and Recreation Department (PARC) also includes the transfer of a 4.43 acre tract on 51st Street from Austin Energy to PARC, clearing of brush on the 51st Street property, the installation by Austin Energy of a solar array on the golf cart maintenance building, and landscaping around the new substation to minimize the view from Manor Road and the golf course.

RCA 2

CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: APRIL 8, 2010
PAGE 1 OF 2

SUBJECT: Authorize the negotiation and execution of a 60-month lease agreement with VISTA PROPERTIES for approximately 4,597 square feet of retail space located at 8716 Research Blvd., Austin, TX 78757, for a new City of Austin-Austin Energy Customer Service Center, in an amount not to exceed \$641,146.

AMOUNT & SOURCE OF FUNDING: Funding for the contract period is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 22, 2010.

FOR MORE INFORMATION CONTACT: Pat Alba, AE Chief Administrative Officer, 322-6066; Reeta Holmes, Facilities Management, Facility Manager, 322-6554; Sandra Strauss-Jones, Facilities Management, Project Manager, 322-6146

The proposed lease agreement for 4,597 square feet of retail space at 8716 Research Blvd. (near Ohlen Road) will accommodate a new City of Austin/Austin Energy Walk-in Customer Service Center designed to collect utility payments for Austin Energy, Austin Water Utility, Solid Waste Services, and other utility-related fees.

Austin Energy currently operates two walk-in customer service facilities, one at the Rosewood-Zaragosa Center at 2800 Webberville Road in East Austin and one at Town Lake Center (TLC), Austin Energy's headquarters at 721 Barton Springs Road. The TLC office, however, is poorly equipped to accommodate customers utilizing the service, due to its small size and configuration, lack of parking and limited waiting area. Austin Energy staff discovered that many customers using the TLC office lived in North Austin, therefore, staff determined that the TLC office be replaced with a full-service branch in North Austin to accommodate a growing need.

The customer service center will support the initiation of new services for residential and commercial customers, other service order requests, research and analysis of utility accounts, as well as other activities designed to help customers maintain or obtain utility services with the City of Austin. The facility has a room for training sessions or meeting space for Austin Energy's Customer Care Partners including Any Baby Can, Capital Idea, Services for the Elderly, Travis County and others. It also includes an area to display materials about the services offered by the City of Austin and Austin Energy, and a kiosk payment machine, similar to an ATM, available for customers to use during and after normal hours of operations.

Terms of the agreement include \$195,000 provided by the landlord for a finish-out allowance. Expenses include property taxes, insurance, and common area maintenance. Expenses will increase by \$1 per square foot annually due to anticipated property tax increases.

If approved, interior finish out of the facility is scheduled to be completed by September 15, 2010. Austin Energy will begin lease payments upon possession, but no sooner than October 1, 2010. The lease terms will include a 60-month extension option at the then-current market rate. If exercising the extension option is desired, the request will be brought back to Council for consideration.

Although a LEED (Leadership in Energy and Environmental Design) certification is not required due to the scope and budget of this project, Austin Energy will achieve levels of sustainability in the interior finish-out of this project to meet City of Austin Baseline Sustainability Criteria.

DRAFT

**CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 4/22/2010

PAGE 1 OF 2

VENDOR NAME: SCHWEITZER ENGINEERING LABORATORIES, INC.

SUBJECT: Authorize award and execution of a twelve-month requirements supply contract with SCHWEITZER ENGINEERING LABORATORIES, INC., Pullman, WA for substation relay panels in an estimated amount of \$1,411,468, with four 12-month extension options in an estimated amount of \$1,411,468 per extension option, for an estimated total contract amount of \$7,057,340.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$588,112 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining seven months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Terry Nicholson, Senior Buyer/512-322-6586

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 03/22/10.

PURCHASING: Lowest bid of seven bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

The contract will provide AE substations with a continuous supply of relay panels. Electrical relays are used to protect AE's high voltage transmission lines, substation equipment and distribution system. The Relay panel's house the relays along with other related equipment used to monitor the systems equipment and during unexpected conditions will isolate, protect or continue operation as required.

MBE/WBE solicited: 4/5

MBE/WBE bid: 0/0

VENDOR NAME: SCHWEITZER ENGINEERING LABORATORIES, INC.

BID TABULATION

**IFB No. TVN0047
Substation Relay Panels Annual Agreement
(14 line items)**

| <u>Vendor</u> | <u>Total Bid</u> |
|--|-------------------------|
| Schweitzer Engineering Laboratories, Inc. Pullman, WA | \$1,411,468 |
| System Controls Iron Mountain, MI | \$1,564,331 |
| Keystone Electrical Des Moines, IA | \$1,615,286 |
| Control Panels USA, Inc Georgetown, TX | \$1,652,800 |
| Electrical Power Products, Inc. Des Moines, IA | \$1,856,693 |
| Lower Colorado River Authority Austin, TX | \$2,011,550 |
| Texas Meter & Device Austin, TX | \$2,149,487 |

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Eighty four notices were sent including four MBEs and five WBEs. Seven bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents an 8% increase to the last contract award made February 2005.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Schweitzer Engineering Laboratories, Inc. is the current provider of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 04/08/2010
PAGE 1 OF 2**

SUBJECT: Authorize award, negotiation, and execution of eight 24-month contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, for weatherization test-in audit services, in an amount not to exceed \$450,000 each and combined.

AMOUNT & SOURCE OF FUNDING: Funding is available from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of October 1, 2009 to August 31, 2011. No match is required.

FISCAL NOTE: A fiscal note is attached.

PURCHASING: Best eight qualification statements of twenty received.

PRIOR COUNCIL ACTION: November 19, 2009 – Approved acceptance of \$2,900,000 grant from DOE amending the budget and approved related Interlocal Agreement with Travis County

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 3/22/10.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

FOR MORE INFORMATION CONTACT: Shawn Harris, Supervising Sr. Buyer/505-7351

This contract is for the purchase of home energy performance audits for 500 homes annually for two years. The audit determines the appropriate building tightness levels, carbon monoxide levels, comprehensive air infiltration levels and ensures that all approved weatherization measures/improvements identified by the National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA) systems are detailed and documented as prescribed within the solicitation.

The “Test-In” energy audit assessment performed on each home pre-determines the energy efficient measures that can be performed and are cost-effective by ensuring that the discounted savings-to-investment ratio (SIR) is greater than or equal to one. The energy audit assessment will establish the priority of weatherization measures necessary to increase the energy efficiency level of a particular home.

On November 19, 2009, Council approved the acceptance of \$2,900,000 of grant funds for the 2009-2010 fiscal year from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) to weatherize homes for low income, elderly, and disabled customers within Austin Energy's service area. Council also approved an Interlocal Agreement between the City of Austin/Austin Energy and Travis County allowing the sharing of expertise and resources including those provided by these contractors.

This Federal Weatherization Assistance Program complements Austin Energy's existing Free Home Energy Improvement program which is on-going. The goals of both programs are to increase the energy efficiency of the home, increase the comfort level of the homes inhabitants, reduce energy consumption, lower utility bills, and improve the health and safety of residents.

A team of Austin Energy and Travis County employees with expertise in weatherization and testing scored the qualifications based on staff experience, number of assessments performed, testing experience and training, certifications and licenses. The team unanimously chose the top eight from those submitted as the best qualified firms.

MBE/WBE solicited: 34/8

MBE/WBE bid: 0/1

PRICE ANALYSIS

- a. Adequate competition.
- b. Five hundred and twenty-five notices were sent, including thirty-four MBEs and eight WBEs. Twenty Qualification Statements were received, including one WBE and no response from the MBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated qualification statements received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.

SUBJECT: Authorize award, negotiation, and execution of seven 24-month contracts with AIRTECH ENERGY SYSTEMS, INC., Austin, TX; CLIMATE MECHANICAL, INC., Austin, TX; EFFICIENT GREEN COLLAR OPERATIONS, LLC, Austin, TX; GO GREEN SQUADS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; VALDEZ REMODELING & WEATHERIZATION, INC., Austin, TX; and WEATHERIZATION MANAGEMENT GROUP, Dallas, TX, for weatherization measures and improvement services in an amount not to exceed \$4,825,490 each and combined.

AMOUNT & SOURCE OF FUNDING: Funding is available from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of October 1, 2009 to August 31, 2011. No match is required.

FISCAL NOTE: A fiscal note is attached.

PURCHASING: Best seven qualification statements of twelve received.

PRIOR COUNCIL ACTION: November 19, 2009 – Approved acceptance of \$2,900,000 grant from DOE amending the budget and approved related Interlocal Agreement with Travis County

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 3/22/10.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority –Owned and Women-Owned Business Enterprise Procurement Program) by meeting the goals with 14% MBE and 2% WBE subcontractor participation.

FOR MORE INFORMATION CONTACT: Shawn Harris, Supervising Sr. Buyer/505-7351

This contract is for the purchase of weatherization measures/improvements for 500 homes annually for two years. The National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA) systems will recommend weatherization retrofit measures/improvements tailored to a particular home by determining the appropriate building tightness levels, carbon monoxide levels, and comprehensive air infiltration levels and ensures that all approved weatherization measures/improvements identified by the National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA) systems are completed as identified within the solicitation.

The weatherization measures/improvements performed on each home will maintain and improve energy efficiencies that can be shown are cost-effective by ensuring that the discounted savings-to-investment ratio (SIR) is greater than or equal to one. Improvements would include measures such as caulking, adding insulation or duct work and the tune-up, repair or replacement of heating and cooling systems.

This federal grant is for \$5,800,000 for the 24 month grant period. On November 19, 2009, Council approved the acceptance of \$2,900,000 of grant funds for the 2009-2010 fiscal year from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) to weatherize homes for low income, elderly, and disabled customers within Austin Energy's service area. Austin Energy will bring to Council a request for the acceptance of the \$2,900,000 for the second year of grant funding for the 2010-2011 budget. Council also approved an Interlocal Agreement between the City of Austin/Austin Energy and Travis County allowing the sharing of expertise and resources including those provided by these contractors.

This Federal Weatherization Assistance Program complements Austin Energy's existing Free Home Energy Improvement program which is on-going. The goals of both programs are to increase the energy efficiency of the home, increase the comfort level of the homes inhabitants, reduce energy consumption, lower utility bills, and improve the health and safety of residents.

A team of Austin Energy and Travis County employees with expertise in weatherization and testing scored the qualifications based on staff experience, number of assessments performed, testing experience and training, certifications and licenses. The team unanimously chose the top eight from those submitted as the best qualified firms.

MBE/WBE solicited: 34/8

MBE/WBE bid: 1/1

M/WBE Summary

Participation goals stated in the solicitation were 14% MBE and 2% WBE. The recommended firms provided MBE/WBE Compliance Plans that met the goals of the solicitation and were approved by the Small and Minority Business Resources Department.

PRICE ANALYSIS

- a. Adequate competition.
- b. Five hundred and twenty-five notices were sent, including thirty-four MBEs and eight WBEs. Twelve Qualification Statements were received, including one MBE and one WBE.

APPROVAL JUSTIFICATION

- a. Best evaluated qualification statements received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.

SUBJECT: Authorize award, negotiation, and execution of eight 24-month contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX for weatherization final inspection audit services in an amount not to exceed \$250,000 each and combined.

AMOUNT & SOURCE OF FUNDING: Funding is available from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of October 1, 2009 to August 31, 2011. No match is required.

FISCAL NOTE: A fiscal note is attached.

PURCHASING: Best eight qualification statements of twenty received.

PRIOR COUNCIL ACTION: November 19, 2009 – Approved acceptance of \$2,900,000 grant from DOE amending the budget and approved related Interlocal Agreement with Travis County

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 3/22/10.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

FOR MORE INFORMATION CONTACT: Shawn Harris, Supervising Sr. Buyer/505-7351

This contract is for the purchase of home energy performance final inspection audits for 500 homes annually for two years. The inspections will verify that the appropriate building tightness levels, carbon monoxide levels, and comprehensive air infiltration levels were attained as determined by the National Energy Audit (NEAT) and the Manufactured Home Energy Audit (MHEA) systems and all work has been completed to standards identified within the solicitation.

The “Test-Out” energy audit assessment performed on each home determines that the approved weatherization construction measures/improvements have been completed correctly and ensure that a savings-to-investment ratio (SIR) greater than or equal to one is achieved.

On November 19, 2009, Council approved the acceptance of \$2,900,000 of grant funds for the 2009-2010 fiscal year from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and

Reinvestment Act (ARRA) to weatherize homes for low income, elderly, and disabled customers within Austin Energy's service area. Council also approved an Interlocal Agreement between the City of Austin/Austin Energy and Travis County allowing the sharing of expertise and resources including those provided by these contractors.

This Federal Weatherization Assistance Program complements Austin Energy's existing Free Home Energy Improvement program which is on-going. The goals of both programs are to increase the energy efficiency of the home, increase the comfort level of the homes inhabitants, reduce energy consumption, lower utility bills, and improve the health and safety of residents.

A team of Austin Energy and Travis County employees with expertise in weatherization and testing scored the qualifications based on staff experience, number of assessments performed, testing experience and training, certifications and licenses. The team unanimously chose the top eight from those submitted as the best qualified firms.

MBE/WBE solicited: 34/8

MBE/WBE bid: 0/1

PRICE ANALYSIS

- a. Adequate competition.
- b. Five hundred and twenty-five notices were sent, including thirty-four MBEs and eight WBEs. Twenty Qualification Statements were received, including one WBE and no response from the MBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated qualification statements received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.

**RULES for EUC Hearings Regarding Possible Amendments
to City Council Competitive Matters Resolution**

Revised and approved by the Electric Utility Commission on February 22, 2010

Rules for First Hearing in March (Presentations by Public)

1. **7 Minute Presentation Eligibility Requirements.** Anyone who has submitted a presentation, whether in writing or as a power point, by noon on the Friday before the hearing, may have 7 minutes to present that presentation. The presentation will have been loaded onto the computer or distributed in advance to the EUC Commissioners, so no changes may be made to the presentation once it is submitted. No assignment of time is allowed among persons making 7 minute presentations as each person should present his or her own submitted presentation. 7 minute presentations will be the first ones heard at the hearing.
2. **3 Minute Presentations.** If a person does not qualify to give a 7 minute presentation, then that person has only 3 minutes, provided that minutes may be assigned among persons signing up for 3 minute presentations. Up to four persons who are present at the hearing may assign their time to one speaker. To be eligible to give a 3 minute presentation, a person must sign in before the last speaker addressing the Commission has finished. A person with a 7 minute presentation may not also sign up for a 3 minute presentation. If a person making a 3 minute presentation has a specific comment (see item 3 below), they may submit it in writing by the end of the hearing in order for it to be posted with the other materials per item 4.
3. **Requirements for Written Comments.** Speakers or other individuals who submit written comments should provide the following: specific references to the provisions of the resolution that they believe should be deleted or their proposed alternative language for the resolution and/or a list of specific information categories that are currently considered confidential, along with a rationale for how release of such information would be useful to the public. The Commission OR A SUBCOMMITTEE OF THE COMMISSION shall determine which comments meeting these requirements shall be submitted to staff for response.
4. **Internet Access to Presentations/Questions.** All properly submitted presentations and written comments will be posted on the www.austinenergy.com website.
5. **Time Limits.** For all speakers, the first bell will ring 30 seconds before time is up to allow for wrap up. No extensions of time will be allowed after second bell rings. No exceptions.

Rules for Second Hearing (likely to be held in April or May):

1. The public will again be invited to make 3 minute verbal comments per normal rules of public comments.
2. If numerous presentations or comments are submitted in the first hearing, it is possible the second hearing will be held 60 or more days following the first hearing (instead of 30 days) in order to give staff sufficient time to prepare responses.
3. Staff responses will be posted on the www.austinenergy.com website by noon on the Friday before the hearing.
4. The Commission will post supplemental rules regarding the amount of time a person may submit follow up comments during subsequent hearings once it is known how many commentators there are and the number of comments received.

| UPCOMING PROCUREMENTS BY AUSTIN ENERGY | | | | | |
|--|--|------------------|-------------------------------|-------------------|--|
| | PROJECT NAME | ESTIMATED AMOUNT | CUSTOMER | ESTIMATED COUNCIL | DESCRIPTION |
| 1 | Street Light Poles & Fixtures | \$343,000 | Distribution/ Transmission | April | Shoe-box Street Light Poles & Fixtures |
| 2 | Transporter remittance processor | \$500,000 | Customer Care | April | Sole Source with Unisys. IT procurement of new transporter used for the remittance payment processing of checks to be utilized by the Customer Care business unit. |
| 3 | Transformer bushings | \$258,000 | Distribution/ Transmission | April | Sole Source with Power Supply, Inc. Annual supply of 115 kV and 138kV transformer bushings to replace bushings that fail periodic maintenance testing. |
| 4 | Switchgear, SF6 synthetic gas, pad-mounted | \$2,300,000 | Distribution/ Transmission | May | Inventory purchase for annual supply of SF6 pad-mounted distribution switchgear items for the Decker steel yard. |
| 5 | Circuit breakers | \$369,000 | Distribution | May | Circuit breaker replacement, substation, 15 kV, vacuum interruptor |
| 6 | Crane rental and related services | \$143,000 | Distribution/ Transmission | May | Crane rental and operator services |
| 7 | Potential Transformers | \$167,900 | Distribution/ Transmission | May | Potential transformers needed for completion of upgrades and replacement of old equipment at various AE substations. |
| 8 | Conductor wire | \$180,000 | Kramer Warehouse | June | Inventory purchase for Electric transmission line conductors to be stocked at the Kramer Warehouse |
| 9 | Switchgear relays and panels | \$1,000,000 | Distribution/ Transmission | June | Annual supply of replacement relays for switchgear and relay panels. Includes purchases for copper cable and fiber optic receivers as well. |
| | | | | | |
| | | | | | |

EUC March 22, 2010

AUSTIN ENERGY
FY 2010 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

| | January 2010 Year to Date Actual | January 2010 Year to Date Budget | Variance | Percent |
|---|--|--|-----------------|---------------|
| REVENUES | | | | |
| Service Area Base Revenue | \$ 179,314 | \$ 176,510 | \$ 2,804 | 1.6% |
| Bilateral & Ancillary Service Sales | 4,609 | 10,567 | (5,958) | -56.4% |
| Transmission Service Revenue | 19,165 | 19,179 | (14) | -0.1% |
| Miscellaneous Revenue | 12,653 | 13,723 | (1,070) | -7.8% |
| Interest Income | 2,987 | 4,805 | (1,818) | -37.8% |
| Total Operating Revenue Without Fuel Revenue | 218,728 | 224,784 | (6,056) | -2.7% |
| Fuel & Green Choice Revenue | 114,788 | 153,602 | (38,814) | -25.3% |
| Total Operating Revenue | 333,516 | 378,386 | (44,870) | -11.9% |
| Total Revenue | 333,516 | 378,386 | (44,870) | -11.9% |
| OPERATING REQUIREMENTS | | | | |
| Fuel and Green Power Expense | 116,647 | 152,983 | 36,336 | 23.8% |
| Department O&M Without Fuel | | | | |
| Department O&M | 60,067 | 71,907 | 11,840 | 16.5% |
| Transmission Service Expense | 20,282 | 20,345 | 63 | 0.3% |
| South Texas Project O&M | 24,042 | 21,034 | (3,008) | -14.3% |
| Fayette Power Project O&M | 5,366 | 7,030 | 1,664 | 23.7% |
| Call Center | 7,626 | 8,478 | 852 | 10.1% |
| Energy Conservation Rebates | 4,837 | 3,159 | (1,678) | -53.1% |
| Bad Debt Expense | 1,233 | 1,043 | (190) | -18.2% |
| Administrative Support Transfer | 3,631 | 3,631 | 0 | 0.0% |
| Total Operating O&M Without Fuel | 127,084 | 136,627 | 9,544 | 7.0% |
| Total Operating Requirements | 243,731 | 289,610 | 45,880 | 15.8% |
| DEBT SERVICE REQUIREMENTS | | | | |
| Revenue Bond | 48,099 | 48,619 | 520 | 1.1% |
| Other Obligations | 315 | 953 | 638 | 66.9% |
| Total Debt Service Requirements | 48,414 | 49,572 | 1,158 | 2.3% |
| TRANSFERS/USES OF COVERAGE | | | | |
| General Fund Transfer | 50,500 | 50,500 | 0 | 0.0% |
| Electric CIP Transfer | 19,903 | 19,903 | 0 | 0.0% |
| Revenue Bond Retirement Reserve Transfer | 44,000 | 44,000 | 0 | 0.0% |
| Total Transfers | 114,403 | 114,403 | 0 | 0.0% |
| Total Requirements Without Encumbrances | 406,548 | 453,585 | 47,038 | 10.4% |
| Total Encumbrances | 13,158 | 13,158 | 0 | 0.0% |
| Total Requirements | 419,706 | 466,743 | 47,037 | 10.1% |
| CHANGE TO BEGINNING BALANCE | \$ (86,190) | \$ (88,357) | \$ 2,167 | -2.5% |

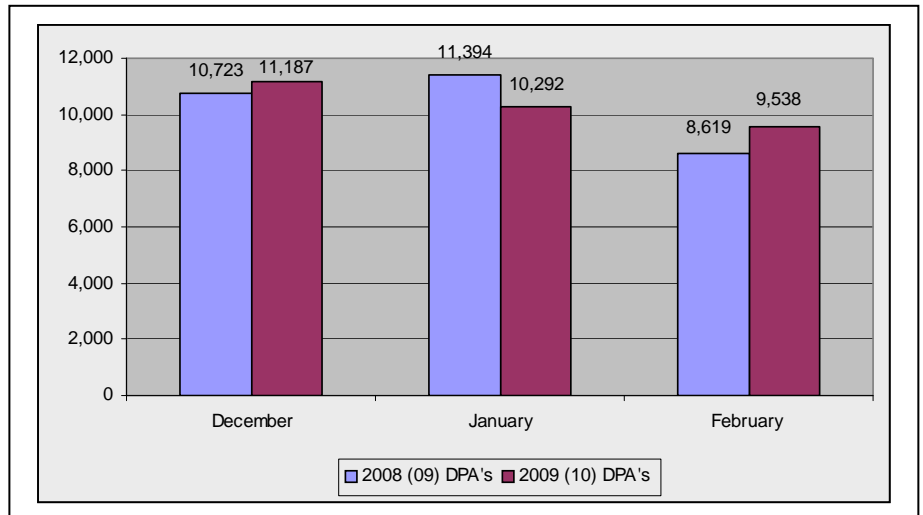


Disconnect and DPA Report 3/18/10

Deferred Payment Agreements

| Month | 2008 (09) DPAs | 2009 (10) DPAs |
|----------|-------------------|-------------------|
| December | 10,723 | 11,187 |
| January | 11,394 | 10,292 |
| February | 8,619 | 9,538 |
| Total | 30,736 | 31,017 |

Note: In February 2010 there was a 10% increase in the number of DPAs written compared to the number written in February 2009.



For the period August 21, 2009 through September 30, 2009, 12,925 Summer 6-month DPAs were written. As of March 11, 2010, 24% of Summer 6-month DPAs are current on their terms. 5,403 of the customers who defaulted on a 6-month DPA have requested a 4-month DPA; 42% of these customers are current on their terms.

Residential Disconnections

| Month | 2008(09) Disconnects | 2009 (10) Disconnects |
|---------------|-------------------------|--------------------------|
| December | 3,020 | 3,785 |
| January | 3,166 | 3,762 |
| February | 3,293 | 3,301 |
| Monthly Total | 9,479 | 10,848 |

