



## **Electric Utility Commission**

**April 19, 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 4a 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, APRIL 19, 2010**
- 2. APPROVAL OF MINUTES**
- 3. CITIZEN COMMUNICATIONS: GENERAL**
- 4. NEW BUSINESS**
  - a. Discussion and possible action on City Council agenda items related to Austin Energy
  - b. Discussion and possible action on the proposed Austin Energy Resource, Generation, and Climate Protection Plan
- 5. STAFF REPORTS AND BRIEFINGS**
  - a. Upcoming Procurements Report
  - b. Financial Report
  - c. Austin Climate Protection Program Quarterly Report
  - d. Briefing: Austin Energy policies related to disconnection of electric service
  - e. Interim General Manager's Report: An update on the review of the Competitive Matters Resolution
- 6. FUTURE AGENDA ITEMS**
- 7. 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  
MARCH 22, 2010**

**The Electric Utility Commission (EUC) convened in a regular meeting on March 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 6:00 p.m.

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

Staff in attendance: Robert Goode, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Adrienne Brandt, David Wood, Steve Saenz, Karen Poff, Jeff Vice, Karl Rabago, Pat Sweeney, Ann Little, Drusilla Saenz, Jim Collins, John Wester, Jamie Mitchell, Clyde Canady, Matt Russell, Jawana 'J.J.' Gutierrez, David Kutach, Steve Machicek, Christopher Frye, Pat Alba, Sonny Poole, Scott Jarman, Fred Yebra, Brenda Harnsberry, Rosemary Ledesma, Toye Goodson Collins.

**2. APPROVAL OF MINUTES**

The minutes for the regular meeting of February 22, 2010 were approved on Commissioner Taylor's motion and Commissioner Fath's second, on a 6-0 vote.

**3. CITIZEN COMMUNICATIONS: GENERAL**

Scott Johnson – Central Texas Electric Lawnmower Program; Austin Climate Protection Program staffing

**4. NEW BUSINESS - Action on City Council agenda items related to Austin Energy**

The following Recommendation for Council Action (RCA) was pulled from the Consent Agenda for discussion. A motion to recommend approval was made by Commissioner Fath and seconded by Chair Schmandt. The vote resulted in a tie of 3-3 with Commissioners Fath, Schmandt and Taylor voting yes, and Commissioners Bernfeld, Smaha and Webber voting no.

RCA 1 – Acquisition of 5.87 acres of permanent electric easements from the Parks and Recreation Department at the Morris Williams Golf Course for construction of an electric substation, transmission and distribution lines, and a drainage area - \$1,500,000.

The following Recommendation for Council Action (RCA) was pulled from the Consent Agenda, discussed and recommended on Commissioner Fath's motion and Commissioner Smaha's second, on a 6-0 vote:

RCA 2 – 60-month lease with VISTA PROPERTIES for a new City of Austin-Austin Energy Customer Service Center - \$641,146.

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

RCA 3 – 12-month contract with SCHWEITZER ENGINEERING LABORATORIES, INC. for substation relay panels (\$1,411,468, with four 12-month extension options at \$1,411,468 per option, for a total contract amount of \$7,057,340).

The following revised RCA was pulled from the Consent Agenda, discussed and recommended on Commissioner Webber's motion and Commissioner Taylor's second, on a 6-0 vote. Chair Schmandt read aloud the underlined revisions made by the Purchasing Department prior to the meeting.

RCA 4 – Authorize award, negotiation, and execution of nine 24-month contracts with A-Plus Energy Management & A/C; American Conservation & Air; Apple Energy Group; ATC Engineering & Inspectors; City Conservation; McCullough Heating & Air Conditioning; Standard Renewable Energy; The Institute for Building Technology and Safety; and The Nelrod Company, for weatherization test in audit services - \$450,000 each and combined.

The following RCA was pulled from the Consent Agenda for discussion. The bid matrix was not yet available for review by the Commission. Commissioner Fath moved to recommend approval on the condition that the bid matrix be presented to City Council prior to their review of the item. Commissioner Taylor seconded the motion, which was approved on a 5-1 vote, with Commissioner Smaha voting no.

RCA 5 – Authorize award, negotiation, and execution of seven 24-month contracts with Airtech Energy Systems, Inc.; Climate Mechanical, Inc.; Efficient Green Collar Operations; Go Green Squads; McCullough Heating & Air Conditioning; Valdez Remodeling & Weatherization; and Weatherization Management Group for weatherization measures and improvement services - \$4,825,490 each and combined.

The following revised RCA was pulled from the Consent Agenda, discussed and recommended on Commissioner Taylor's motion and Commissioner Bernfeld's second, on a 6-0 vote. Chair Schmandt read aloud the underlined revisions made by the Purchasing Department prior to the meeting.

RCA 6 – Authorize award, negotiation, and execution of nine 24-month contracts with A-Plus Energy Management & A/C; American Conservation & Air; Apple Energy Group; ATS Engineering & Inspectors; City Conservation; McCullough Heating & Air Conditioning; Standard Renewable Energy; The Institute for Building Technology and Safety; and The Nelrod Company for weatherization final inspection audit services - \$250,000 each and combined.

## **5. PUBLIC HEARINGS**

- a. A public hearing was conducted to receive citizen input regarding the annual report on Austin Energy system information, as required by Council Resolution No. 20051201-002. Cheryl Mele, Chief Operating Officer, presented the report.

Speaker: Mike Sloan, with donated time from Chris Searles and Anthony Capraro.

Commissioners requested that the report be revised to include data such as CO2 emissions by fuel type, capacity factors for all units and energy efficiency measurements. Commissioners requested that the revised report will be presented in April or May.

- b. A public hearing was conducted to receive citizen input regarding possible amendments to the Competitive Matters Resolution No. 20051201-002.

Speakers: Mike Sloan (seven-minute presentation); Carol Biedrzycki, Texas ROSE; Tony Capraro; Roger Wood, Freescale, CCARE and Austin Generation Resource Planning Task Force; Andy Wilson, Public Citizen; Paul Robbins, environmental activist (with donated time from Chris Searles and Scott Johnson).

Commissioners requested that Austin Energy staff provide responses to questions and suggestions posed by Mike Sloan, Roger Wood and Paul Robbins. The speakers' presentations and comments, and staff responses, are to be posted to the Austin Energy website before the next public hearing to be held at the Commission's meeting in April.

Chair Schmandt asked that staff address two additional issues: 1) might releases of information reflecting prices paid by Austin Energy for fuel or other raw materials increase utility costs by allowing potential bidders to use the disclosed prices as a "floor" for their own bids, as they would know Austin Energy had already accepted such prices; and 2) what information currently considered confidential will be made public once the utility is in the nodal market, and what is the downside of releasing such information prior to the commencement of the nodal market?

#### **6. STAFF REPORTS AND BRIEFINGS**

- a. Upcoming Procurements Report by Rosemary Ledesma, Purchasing Manager.
- b. Financial Report by Steve Machicek, Corporate Accounting Director.
- c. Deferred Payment Arrangement and Disconnection Report by J. J. Gutierrez, Customer Care Vice President. Commissioners requested monthly written reports with oral presentations in "critical" summer months.
- d. Briefing on the Property Assessed Clean Energy "PACE" Program Under HB 1937 – Council Resolution No. 20091022-039 by Karen Poff, Market Research, Planning and Development staff member.

#### **7. FUTURE AGENDA ITEMS**

Commissioners requested the following agenda items:

- Staff responses regarding the Competitive Matters Resolution
- Public Hearings on the Competitive Matters Resolution in April, May and possibly June
- Six-month M/WBE Participation Update
- Quarterly Austin Climate Protection Program Update

#### **8. ADJOURNMENT**

Chair Schmandt adjourned the regular meeting of the Electric Utility Commission without objection at 9:17 p.m.

**Requests for Council Action (RCAs) related to Austin Energy  
For Review by the Electric Utility Commission on April 19, 2010**

**AUSTIN ENERGY**

1. Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 1.449 acre electric easement out of the William Caldwell Survey Number 66, Abstract Number 162, Travis County, Texas in the amount of \$38,359. The owner of the needed property interest is Willie Mae Burns. (Council Date: 04/29/10; Staff Responsible: WOOD, POOLE)
2. Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 1.44 acre electric easement out of the William Caldwell Survey Number 66, Abstract Number 162, Travis County, Texas in the amount of \$43,760. The owners of the needed property interest are Edna Killian and Earl Brackett. (04/29/10; WOOD, POOLE)
3. Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 7.53 acre electric easement out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas) in the amount of \$186,017. The owner of the needed property interest is HM Pfluger Ltd. (04/29/10; WOOD, POOLE)
4. Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 2.69 acre electric easement out of the William Caldwell Survey Number 66, Abstract Number 162, Travis County, Texas in the amount of \$69,220. The owner of the needed property interest is Mark A. Szygenda. (04/29/10; WOOD, POOLE)
5. Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 3.36 acre electric easement out of William Caldwell Survey Number 66, Abstract Number 162, Travis County, Texas) in the amount of \$109,266. The owners of the needed property interest are Maxine W. Whitehead, Louis G. Whitehead, Jr., Shelly Susan Collins nka Shelly Susan Robinson and Maxine W. Whitehead, individually and as Trustee of the Whitehead By-Pass Trust. (04/29/10; WOOD, POOLE)
6. Approve an ordinance authorizing acceptance of \$450,000 in grant funds from the U.S. Department of Energy and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$450,000 to promote the use of solar energy as part of a special project in partnership with the Department of Energy's Solar America Cities program. (05/13/10; RABAGO, LIBBY)
7. Authorize negotiation and execution of a 24-month Interlocal Agreement with the Austin Independent School District for work associated with a Department of Energy's Solar America Cities Special Project, "Solar Curriculum Development and Demonstration

Projects,” including the installation of solar photovoltaic systems at 21 schools. (05/13/10; RABAGO, LIBBY)

#### **CONTRACT AND LAND MANAGEMENT**

8. Authorize execution of a supplemental amendment to the professional services agreement with WESTON SOLUTIONS, INC., Austin, TX for construction phase services for the Holly Street Power Plant Decommissioning Project in an amount not to exceed \$4,255,497.99 for a total contract amount not to exceed \$7,007,347.39. (04/29/10; GARRETT, SAN MIGUEL)
9. Authorize negotiation and execution of amendments as required for construction phase services with DPR Construction, Inc., Austin, TX (Construction Manager at Risk) for Austin Energy's System Control Center for an estimated construction budget not to exceed \$67,000,000. (04/29/10; WOOD, FRANKS)

#### **PURCHASING**

10. Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY INC., Austin, TX, for 115kV and 138kV transformer bushings for Austin Energy in an estimated amount not to exceed \$258,150, with four 12-month extension options in an estimated amount not to exceed \$258,150 per extension option, for an estimated total contract amount not to exceed \$1,290,750. (05/13/10;WOOD)
11. Authorize award and execution of a 36-month requirements supply contract with PRIESTER-MELL & NICHOLSON, Austin, TX, for the purchase of Sulfur Hexafluoride gas (SF6) padmount switchgear for Austin Energy in an estimated amount not to exceed \$7,177,179 with three 12-month extension options in an estimated amount not to exceed \$2,392,393 per extension option, for a total estimated contract amount not to exceed \$14,354,358. (05/13/10;WOOD)
12. Authorize award and execution of a contract with KBS ELECTRICAL DISTRIBUTORS INC., Austin, TX, for the purchase of 20,000 feet each of four-sizes of wire for Austin Energy in an amount not to exceed \$136,200. (05/27/10;WOOD)
13. Approve the ratification of a contract with SOLAR TURBINE INC., Houston, TX, for inspection and repair services on a gas turbine at Austin Energy's Mueller Energy Center in an amount not to exceed \$278,994. (05/27/10; COLLINS)
14. Authorize award and execution of a contract with OLYMPUS NDT, INC., Waltham, MA, for the purchase of a video borescope for use on gas turbines in an amount not to exceed \$68,715. (05/13/10; CANADY)
15. Authorize award, negotiation, and execution of a 24-month requirements service contract with SIMGENICS, CORP., Grand Junction, CO, for operator simulator training services in an estimated amount not to exceed \$236,800, with two 12-month extension option in an estimated amount not to exceed \$118,400 per extension option, for a total estimated contract amount not to exceed \$473,600. (05/13/10; CANADY)

16. Authorize award and execution of two contracts through the Houston-Galveston Area Council of Governments Cooperative Purchasing Program (HGAC) with CALDWELL COUNTRY CHEVROLET, Caldwell, TX, for the purchase of 16 light-duty vehicles in an amount not to exceed \$454,767, and DALLAS DODGE, Dallas, TX, for the purchase of three light-duty vehicles in an amount not to exceed \$58,478. (04/29/10; FRANCIS)
17. Authorize award and execution of a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD, Nederland, TX, for the purchase of 86 light-duty vehicles in an amount not to exceed \$2,242,025.81. (04/29/10; FRANCIS)

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

**AGENDA DATE: 04/29/10**

**Page 1 of 1**

**SUBJECT:** Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 1.449 acre electric easement out of the William Caldwell Survey Number 66, Abstract Number 162, Travis County, Texas in the amount of \$38,359. The owner of the needed property interest is Willie Mae Burns.

**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:** David Wood, VP, Electric Service Delivery; Sonny Poole, Acting Manager, Public Involvement and Real Estate, 322-6442

**PRIOR COUNCIL ACTION:** February 4, 2010 - Authorized purchases of two permanent electric easements for construction of the transmission line project.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010.

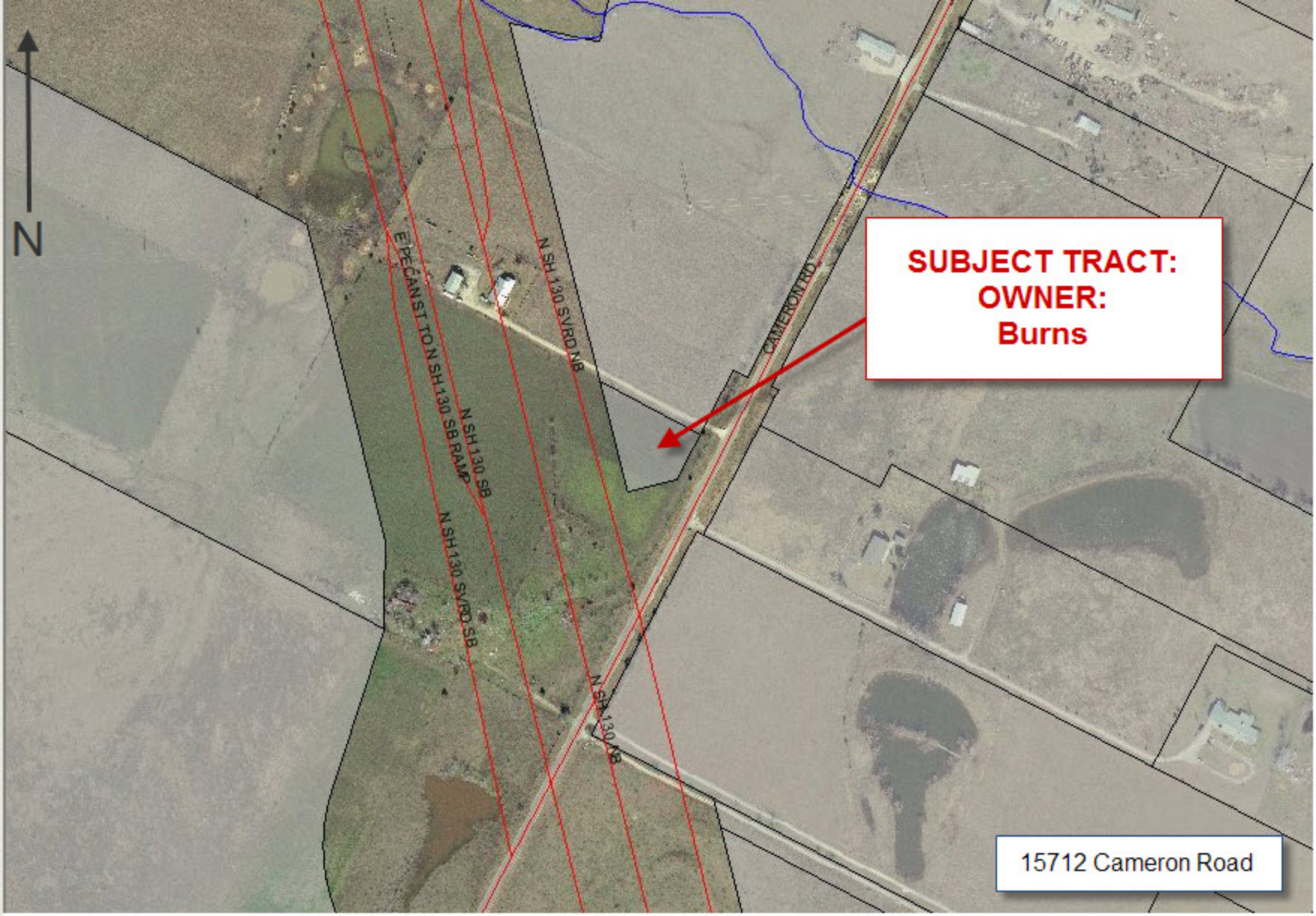
**RELATED TO ITEM #:** There are 5 related RCAs.

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Austin Energy must acquire 100-foot wide electrical easements for the construction of a 138 kV transmission circuit for the “Gilleland to Techridge Transmission Line.” The new transmission line is needed to deliver reliable electric service to meet a growing demand. This new transmission line will relieve the overburden on the Austrop Substation by sharing load with the Gilleland and Techridge Substations.

The new Transmission Line requires the acquisition of a permanent electric easement on the property listed above. Austin Energy has attempted to purchase the needed permanent electric easement, but has been unable to agree with the owner on the fair market value of the needed easement. Therefore, the Law Department is requesting authorization to file an action in eminent domain on behalf of the City of Austin.





**SUBJECT TRACT:  
OWNER:  
Burns**

15712 Cameron Road

**CITY OF AUSTIN – AUSTIN ENERGY  
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/29/10****Page 1 of 1**

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**SUBJECT TRACT  
OWNER:  
Kilian**

N SH 130 S.V.RD NB  
N SH 130 NB

N SH 130 SB  
N SH 130 S.V.RD SB

15000 CAMERON RD

N

15000 Cameron Road

**CITY OF AUSTIN – AUSTIN ENERGY  
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/29/10****Page 1 of 1**

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**SUBJECT TRACT  
OWNER:  
HM Pfluger Ltd.**

Killingsworth Ln

Wells Branch  
Parkway

Immanuel Road

14300 Immanuel Road

N

**CITY OF AUSTIN – AUSTIN ENERGY  
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/29/10****Page 1 of 1**

**SUBJECT:** Approve a resolution authorizing the filing of eminent domain proceedings for the construction of the 138 kV Gilleland to Techridge Transmission Line Project to acquire a 2.69 acre electric easement out of the William Caldwell Survey Number 66, Abstract Number 162, Travis County, Texas in the amount of \$69,220. The owner of the needed property interest is Mark A. Szygenda.

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

**FISCAL NOTE:** A fiscal note is attached.

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**SUBJECT TRACT  
OWNER:  
Szygenda**

This is an aerial map with several overlays. A red line runs diagonally from the bottom left towards the top right. A blue line, possibly representing a creek or river, winds across the map. A black arrow in the top left points upwards and is labeled 'N'. A red arrow points from a white box in the upper center towards a specific area on the right side of the map. Various road labels are present, including 'N SH 130 NB', 'N SH 130 SB', 'E PECAN ST TO N SH 130 SB RAMP', 'N SH 130 SVRD NB', 'N SH 130 SVRD SB', and 'CAMERON RD'.

15403 Cameron Road

**CITY OF AUSTIN – AUSTIN ENERGY  
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/29/10****Page 1 of 1**

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**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:** David Wood, VP, Electric Service Delivery; Sonny Poole, Acting Manager, Public Involvement and Real Estate, 322-6442

**PRIOR COUNCIL ACTION:** February 4, 2010 - Authorized purchases of two permanent electric easements for construction of the transmission line project.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010.

**RELATED TO ITEM #:** There are 5 related RCAs.

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Austin Energy must acquire 100-foot wide electrical easements for the construction of a 138 kV transmission circuit for the “Gilleland to Techridge Transmission Line.” The new transmission line is needed to deliver reliable electric service to meet a growing demand. This new transmission line will relieve the overburden on the Austrop Substation by sharing load with the Gilleland and Techridge Substations.

The new Transmission Line requires the acquisition of a permanent electric easement on the property listed above. Austin Energy has attempted to purchase the needed permanent electric easement, but has been unable to agree with the owner on the fair market value of the needed easement. Therefore, the Law Department is requesting authorization to file an action in eminent domain on behalf of the City of Austin.



**SUBJECT TRACT  
OWNER:  
Whitehead**

An aerial photograph of a rural area with various land tracts outlined in black. A red arrow originates from a white box in the top left and points to a specific tract in the lower-left quadrant. The map features several labels for roads and highways: 'N SH 130 SVRD NB' and 'N SH 130 NB' are written vertically along a road in the upper center; 'N SH 130 SB' and 'N SH 130 SVRD SB' are written vertically along a road in the lower center; and 'CAMERON RD' is written diagonally along a road on the right side. A blue line representing a waterway or creek flows from the top right towards the bottom right. A north arrow is located in the top right corner, pointing upwards.

15218 Cameron Road

**SUBJECT:** Approve an ordinance authorizing acceptance of \$450,000 in grant funds from the U.S. Department of Energy and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$450,000 to promote the use of solar energy as part of a special project in partnership with the Department of Energy's Solar America Cities program.

**AMOUNT & SOURCE OF FUNDING:** Funding is available from the U.S. Department of Energy. Austin Energy will fund an in-kind match in the amount of \$375,000 available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. The Austin Independent School District will fund an in-kind match in the amount of \$75,000.

**FISCAL NOTE:** A fiscal note is attached.

**PRIOR COUNCIL ACTION:** December 6, 2007 – Approved grant from the Department of Energy establishing the City of Austin as a partner in the Solar America Cities program.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010 and by the Resource Management Commission on April 20, 2010.

**FOR MORE INFORMATION CONTACT:** Karl Rabago, Vice President, Distributed Energy Services; Leslie Libby, Project Manager, Solar Programs, 482-5390.

**RELATED ITEM(S):**

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Through the U.S. Department of Energy's Solar America Cities partnership, 25 major U.S. cities including Austin, are working to accelerate the adoption of solar energy technologies for a cleaner, more secure energy future. The Solar America Cities program has engaged over 180 organizations, including municipal, county, and state agencies, solar companies, universities, utilities, and non-profit organizations. Partnership cities are realizing the benefits of solar energy: power from secure, domestic energy; sustainable, "green" urban development; clean energy production that helps meet greenhouse gas reduction targets and climate change goals; and development of new economic opportunities.

This Department of Energy Solar America Cities special project called "Solar Curriculum Development and Demonstration Projects," will build on the groundwork made by the City of Austin and Austin Energy with the first grant in 2007. These funds will provide the framework for strong partnerships between the City of Austin, the Austin Independent School District (AISD), the University of Texas College of Engineering and Austin Community College, to continue to build a system combining student learning goals for solar—the goals of the Solar America Cities Program, as well as the Austin community.

The objectives of the proposed Solar America Cities Special Project are:

- Expand the number of AISD campuses from 17 to 38 that have solar photovoltaic installations by installing systems at 21 schools.

- Continue to educate students, teachers, and community stakeholders about the benefits of clean energy using the solar installations as a tool for learning.
- Incorporate the use of the solar photovoltaic installations into the K-12 Solar Energy Curriculum.
- Revise the Solar Energy Curriculum, along with teacher training, to meet guidelines of the new 2010 Texas Essential Knowledge and Skills or TEKS.
- Establish and write curriculum that includes solar energy workforce preparation for high school fourth year science courses (Engineering and Research and Design) for 2010 implementation.
- Prepare AISD students for the energy workforce and develop career pathways for solar engineers and solar technician certifications.
- Leverage resources within the community—the City of Austin, Austin Community College, University of Texas, Lower Colorado River Authority, and other organizations within the AISD—to meet AISD’s ‘environmental mission’ of utilizing a systemic approach to inspire students to become stewards of the environment.

**CITY OF AUSTIN – AUSTIN ENERGY  
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 05/13/2010****Page 1 of 2**

**SUBJECT:** Authorize negotiation and execution of a 24-month Interlocal Agreement with the Austin Independent School District for work associated with a Department of Energy's Solar America Cities Special Project, "Solar Curriculum Development and Demonstration Projects," including the installation of solar photovoltaic systems at 21 schools.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$450,000 is available from the U.S. Department of Energy. Austin Energy will fund an in-kind match in the amount of \$375,000 available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. The Austin Independent School District will fund an in-kind match in the amount of \$75,000.

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

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010 and by the Resource Management Commission on April 20, 2010.

**FOR MORE INFORMATION CONTACT:** Karl Rabago, Vice President, Distributed Energy Services; Leslie Libby, Project Manager, Solar Programs, 482-5390.

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Austin Energy seeks approval to enter into an Interlocal Agreement with the Austin Independent School District (AISD) to promote the use of solar energy as part of a special project in partnership with the Department of Energy's Solar America Cities program. The proposed 24-month agreement between the City of Austin / Austin Energy and AISD includes the installation of solar photovoltaic systems at 21 schools. In addition, the Solar Energy Curriculum will be enhanced and used in conjunction with solar installations that are or will be located on school campuses to educate students and the school community about solar energy and the benefits of clean electric generation.

By entering into this agreement, Austin Energy will further its efforts to:

- Promote the use and commercial viability of renewable energy generation sources;
- Reduce the emissions of air pollutants affecting the Austin area;
- Assess the performance of on-site distributed generation applications; and
- Promote and provide resources supporting the community, Austin Energy ratepayers, and the local economy.

The objectives of the proposed agreement and the special project with the Department of Energy titled "Solar Curriculum Development and Demonstration Projects" are:

- Expand the number of AISD campuses from 17 to 38 that have solar photovoltaic installations by installing systems at 21 schools.
- Continue to educate students, teachers, and community stakeholders about the benefits of clean energy using the solar installations as a tool for learning.
- Incorporate the use of the solar photovoltaic installations into the K-12 Solar Energy Curriculum.

- Revise the Solar Energy Curriculum, along with teacher training, to meet guidelines of the new 2010 Texas Essential Knowledge and Skills or TEKS.
- Establish and write curriculum that includes solar energy workforce preparation for high school fourth year science courses (Engineering and Research and Design) for 2010 implementation.
- Prepare AISD students for the energy workforce and develop career pathways for solar engineers and solar technician certifications.
- Leverage resources within the community—the City of Austin, Austin Community College, University of Texas, Lower Colorado River Authority, and other organizations within the AISD—to meet AISD’s ‘environmental mission’ of utilizing a systemic approach to inspire students to become stewards of the environment.

## RCA 8

**Contract and Land Management  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 4/29/2010  
PAGE 1 OF 1**

**Subject:** Authorize execution of a supplemental amendment to the professional services agreement with WESTON SOLUTIONS, INC., Austin, TX, for construction phase services for the Holly Street Power Plant Decommissioning Project in an amount not to exceed \$4,255,497.99 for a total contract amount not to exceed \$7,007,347.39.

**Amount and Source of Funding:** Funding in the amount of \$4,255,497.99 is available in the Fiscal Year 2009 - 2010 Capital Budget of Austin Energy.

**For More Information:** Rose San Miguel 322-6260; Rosie Truelove 974-3064; April Thedford 974-7141

**Prior Council Action:** February 28, 2008 – Approved professional services agreement; April 2, 2009 – Approved supplemental agreement for engineering design and bid phase services; November 19, 2009 – Approved supplemental agreement for additional engineering design and bid phase services.

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on April 19, 2010.

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The retirement of the Holly Street Power Plant met goals set by the City Council and Austin Energy in the early 1990's to retire the plant at the earliest practical date, due to its location within a residential neighborhood that has increased in density over the 47-year life of the facility. Holly's four generating units were constructed between 1960 and 1974. Holly Units 1 and 2 ceased operations in October 2004 and Units 3 and 4 ceased operations in September 2007.

Phase 1 services which included site evaluation, plan development, cost estimates, and other items have been completed. Phase 2 services for the decommissioning and demolition design and bidding phase assistance is currently underway. Phase 3 and 4 services are now being requested.

Phase 3 Decommissioning Oversight and Environmental Services provides for oversight and engineering support for decommissioning, demolition, remediation, and reporting activities. A below-grade gap analysis and investigation will be conducted as underground utilities are removed, as part of Phase 3.

Phase 4 Site Preparation Engineering Design, Oversight and Environmental Services provides for preparation of a portion of the property for reuse as parkland following plant decommissioning, remediation activities, and site regulatory closure activities. Phase 4 will also include oversight for confirmation and verification sampling in conjunction with soil excavation activities.

**Contract and Land Management  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE:** 04/29/2010  
**PAGE:** 1 of 2

**SUBJECT:** Authorize negotiation and execution of amendments as required for construction phase services with DPR Construction, Inc., Austin, TX (Construction Manager at Risk) for Austin Energy's System Control Center for an estimated construction budget not to exceed \$67,000,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$64,500,000 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy. Funding in the amount of \$2,500,000 for the related warranty agreements (an operating budget expenditure) for the remainder of the contract is contingent upon available funding in future budgets.

**FISCAL NOTE:** A fiscal note is attached.

**FOR MORE INFORMATION CONTACT:** Laura Lee Franks 322-6854; Rosie Truelove 974-3064; April Thedford 974-7141.

**PRIOR COUNCIL ACTION:** March 5, 2009 – Authorized pre-construction phase services.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9A of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program).

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In October 2005, the City Manager was directed by City Council to relocate the existing Energy Control Center (ECC) from its West Avenue location so that the property could be incorporated into the Seaholm and downtown redevelopment efforts. In July 2007, Austin Energy purchased an existing building and surrounding 12 acres from Tokyo Electron, located at 2500 Montopolis Drive, with the objective of using this property for the ECC relocation project. The new facility, the System Control Center (SCC), will house current ECC employees as well as several other compatible workgroups within Austin Energy.

DPR Construction, Inc., the Construction Manager-at-Risk (CMAR) for the remodel and development of the new SCC, is actively engaged in preconstruction phase services including constructability reviews, value engineering, and cost estimating. The CMAR anticipates three to four contract amendments for construction phase services over the next six months.

This authorization provides staff with authority to proceed as required with negotiating proposals and executing amendments for construction phase services to the Construction Manager at Risk Agreement for a total estimated construction budget not to exceed of \$67,000,000.



Future amendments anticipated include demolition, purchase of long-lead equipment items, and construction of the SCC. This approach will allow Austin Energy to maintain the overall project schedule. Without this authority, the project schedule would suffer at least a three month delay which would negatively impact the budget and delay vacating the current ECC site on West Avenue.

MBE/WBE participation goals of 1.45% African American, 3.60% Hispanic, 1.32% Native/Asian American, and 1.98% WBE have been established by the Small and Minority Business Resources Department for construction phase services. Each negotiated amendment will require inclusion of an approved Compliance Plan.

The SCC will be built to LEED Silver U.S. Green Building Council standards and, when complete, will have approximately 185,000 square feet of usable space. This facility will provide the utility with state of the art control and data centers needed to meet North American Reliability Corporation (NERC) standards. Additionally, the SCC will provide laboratory and development spaces required to support advancement of the Smart Grid and will meet current standards for physical security appropriate to the industry.

Solar equipment will be installed as part of the SCC project and will meet or exceed Austin Energy program requirements. The final design and configuration will be determined during the final design and bidding phase of the project. Austin Energy anticipates the solar equipment to generate a total of 500 kW of power.

This energy improvement will generate an estimated 681,500 kWh per year—enough to provide electricity to 60 average Austin homes for a year—and produce an estimated 681.5 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 10,513 trees or 526 acres of forest in Austin's parks or the removal of 918,787 vehicle miles or 78.4 cars from Austin roadways. This project will avoid 409.2 metric tons of carbon dioxide (CO<sub>2</sub>); 569 pounds of sulfur dioxide (SO<sub>2</sub>); 629 pounds of nitrogen oxide (NO<sub>x</sub>), and 437 pounds of carbon monoxide (CO) emissions, based on Austin Energy emissions estimates.

This project supports Austin Energy's commitment to renewable energy as stated in Austin Energy's 2003 Strategic Plan and the Austin Climate Protection Plan. The Strategic Plan calls for Austin Energy to implement a highly visible public awareness and education program involving the installation of photovoltaic projects at schools, libraries, community centers, and city buildings.



**CITY OF AUSTIN - PURCHASING  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: POWER SUPPLY INC.**

**AGENDA DATE: MAY 13, 2010  
PAGE 1 OF 1**

**SUBJECT:** Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY INC., Austin, TX for 115kV and 138kV transformer bushings for Austin Energy in an estimated amount not to exceed \$258,150, with four 12-month extension options in an estimated amount not to exceed \$258,150 per extension option, for an estimated total contract amount not to exceed \$1,290,750.

**AMOUNT AND SOURCE OF FUNDING:** Funding in the amount of \$86,050 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining eight 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/322-6586

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010.

**PURCHASING:** Sole Source.

**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.

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This contract will provide Austin Energy (AE) with a continuous supply of 115kV and 138kV transformer bushings to be used as required to replace bushings that fail periodic maintenance testing. The transformers are used throughout the AE service area and all new transformers purchased after the year 2000 are equipped with three bushings manufactured by ABB. After an extensive evaluation, it was determined that only ABB bushings met Austin Energy's quality specification requirements for replacement of failed bushings to improve the operating reliability of transformers.

ABB transformer bushings are only available from Power Supply Inc., the sole authorized dealer/supplier in Austin, Texas.

**CITY OF AUSTIN - PURCHASING  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: Priester-Mell & Nicholson**

**AGENDA DATE: May 13, 2010**

**PAGE 1 OF 2**

**SUBJECT:** Authorize award and execution of a 36-month requirements supply contract with PRIESTER-MELL & NICHOLSON, Austin, TX for the purchase of Sulfur Hexafluoride gas (SF6) padmount switchgear for Austin Energy in an estimated amount not to exceed \$7,177,179 with three 12-month extension options in an estimated amount not to exceed \$2,392,393 per extension option, for a total estimated contract amount not to exceed \$14,354,358.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$797,464 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 32 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.

**PURCHASING:** Lowest bid of two bids received.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 04/19/10.

**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.

**FOR MORE INFORMATION CONTACT:** Gabriel Guerrero, Buyer II/322-6060

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This contract will provide for the supply of seventeen models of SF6 padmounted switchgears. These switchgears will be used to replenish stock At Austin Energy's Decker Steel yard warehouse for immediate issue to construction crews on an as needed basis. These items are used for serving large industrial/commercial and residential underground electrical service areas. The function of the switchgear is to connect to an electrical main feeder and coordinate with the upstream breaker relay settings and downstream fuses required for high voltage switching and circuit protection. SF6 switchgear has a gas insulating medium the provides a much smaller gear, no exposed live electrical parts, quicker relay response and interruption if a electrical fault is indicated. These features provide for better safety, better relay/fuse coordination and better power system reliability.

MBE/WBE Solicited: 7/2

MBE/WBE Bid: 0/0

**BID TABULATION**

**IFB No. GGU0081**

**SF6 Padmount Switchgear  
(17 Line Items)**

**VENDOR**

**Total Bid**

**Priester-Mell & Nicholson  
Austin, TX**

**\$2,392,393**

**KBS Electrical  
Austin, TX**

**\$2,413,875**

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

**PRICE ANALYSIS**

- a. Adequate competition.
- b. One Hundred and five notices were sent, including seven MBEs and two WBEs. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents an 18% increase from the last contract award in December 2007. The increase is primarily due to changes in size and upgrades in quality of items under the new contract.

**APPROVAL JUSTIFICATION**

- a. Lowest bid received. Priester-Mell & Nicholson is the current provider for these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: KBS Electrical Distributors Inc.

AGENDA DATE: 5/27/2010  
PAGE 1 OF 2

**SUBJECT:** Authorize award and execution of a contract with KBS ELECTRICAL DISTRIBUTORS INC., Austin, TX for the purchase of 20,000 feet each of four-sizes of wire for Austin Energy in an amount not to exceed \$136,200.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

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

**PURCHASING:** Lowest bid meeting specification of seven bids received.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on April 19, 2010

**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.

**FOR MORE INFORMATION CONTACT:** Gabriel Guerrero, Buyer II/322-6060

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The contract is for the purchase of 20,000 feet of four different sizes of wires (transmission line conductor) for a total of 80,000 feet used by Austin Energy's Transmission Construction personnel. These high current carrying conductors carry currents up to 1500 Amps or more at 138kV. between substation.

These wires will be stocked at Austin Energy's Kramer Lane warehouse to be issued for general maintenance and construction projects on an as needed basis.

MBE/WBE Solicited: 5/3

MBE/WBE Bid: 0/0

**BID TABULATION**  
**IFB No. GGU0085**  
**Conductor Wire (4)**

<b><u>Vendor</u></b>	<b><u>Total Item #1</u></b>	<b><u>Total Item #2</u></b>	<b><u>Total Item #3</u></b>	<b><u>Total Item #4</u></b>	<b><u>Grand Total</u></b>
HD Supply, Inc. San Antonio, TX	\$29,600	\$30,600	\$46,000	\$27,800	\$134,000*
Stuart C. Irby Co. Austin, TX	\$29,600	\$30,600	\$46,200	\$27,800	\$134,200*
<b>KBS Elec. Dist. Inc. Austin, TX</b>	<b>\$28,600</b>	<b>\$31,600</b>	<b>\$47,200</b>	<b>\$28,800</b>	<b>\$136,200</b>
Techline Inc. Austin, TX	\$32,140	\$31,400	\$49,200	\$29,000	\$141,740
Crawford Elec. Supply Austin, TX	\$34,400	\$33,800	\$52,600	\$31,200	\$152,000
Power Supply Austin, TX	\$35,400	\$37,400	\$55,400	\$33,400	\$161,600
Texas Elec. Co-Op Georgetown, TX	\$35,400	No Bid	\$56,200	No Bid	\$91,600

\* HD Supply, Inc and Stuart C Irby Co. were deemed non-responsive due to not being able to hold firm pricing thru 90 calendar days. A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS**

- Adequate competition.
- One hundred forty-five notices were sent, including five MBEs and three WBEs. Seven bids were received, with no response from the MBE/WBEs.
- This is the first purchase of its type; therefore, there is no pricing history available for these items.

**APPROVAL JUSTIFICATION**

- Lowest bid received.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

CITY OF AUSTIN - PURCHASING  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: SOLAR TURBINE INC.

AGENDA DATE: 05/27/09  
PAGE 1 OF 1

**SUBJECT:** Approve the ratification of a contract with SOLAR TURBINE INC., Houston, TX for inspection and repair services on a gas turbine at Austin Energy's Mueller Energy Center in an amount not to exceed \$278,994.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

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

**PURCHASING:** Critical Business Need

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 4/19/10

**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

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The Mueller Energy Center (MEC) gas turbine suffered a major failure on Saturday, January 30, 2010. Electrical service to the Dell Children's Medical Center of Central Texas was not interrupted as the MEC is electrically backed up by two independent substation feeds. In accordance with Austin Energy's Commodities Service Agreement and the associated contingency plan for Dell Children's Medical Center of Central Texas, it was imperative that the turbine be repaired as soon as possible. Therefore, the procurement was expedited on the basis of a Critical Business Need.

The turbine was removed from the Mueller Energy Center and sent to the Solar Turbines facility in Desoto, Texas, where it was dismantled and evaluated for repair. After extensive examination, the root cause of the failure was identified as a fractured seal which caused subsequent damage to turbine rotor blades and nozzles. The repaired unit has been modified with an acoustic monitoring system to prevent similar occurrences in the future. The turbine has been reinstalled, tested and is now fully operational.



**MEMORANDUM**

**TO:** Mayor and Council Members  
Marc Ott, City Manager

**FROM:** Robert Goode *RG*  
Interim General Manager

**DATE:** March 12, 2010

**SUBJECT:** Critical Business Need for Repair of Mueller Energy Center Gas Turbine

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**ACTION:**

As detailed below, and in accordance with City Council approved purchasing procedures, I am designating the removal, transportation and repair of the gas turbine located at the Mueller Energy Center as a Critical Business Need of Austin Energy. This unit suffered a major failure which has rendered it inoperable. In accordance with Austin Energy's Commodities Services Agreement and the associated Contingency Plan for Dell Children's Medical Center of Central Texas, it is critical that AE authorize this service as soon as possible.

**BACKGROUND:**

The Mueller Energy Center gas turbine suffered a major failure on Saturday, January 30, 2010. Electrical services to The Dell Children's Medical Center were not disrupted by this incident as the Mueller Energy Center is backed-up by dual substation feeds.

The turbine manufacturer visited the site and used a borescope to determine that the failure was in the combustion or turbine section of the unit. The turbine has been removed and shipped to the manufacturer's facility to determine the root cause of the failure and thereby develop a firm repair price. The total cost of \$278,993.51 has now been established to cover removal, transportation, repair parts and labor to return the turbine into service.

Austin Energy plans to bring this item forward for ratification by the City Council in the next several weeks. Please let me know if you have any questions. I can be reached at 322-6157.

*Robert Goode*  
Robert Goode  
Interim General Manager

CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: OLYMPUS NDT, INC.

AGENDA DATE: 05/13/2010  
PAGE 1 OF 2

**SUBJECT:** Authorize award and execution of a contract with OLYMPUS NDT, INC., Waltham, MA, for the purchase of a video borescope for use on gas turbines in an amount not to exceed \$68,715.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

**FISCAL NOTE:** A fiscal note is attached.

**FOR MORE INFORMATION CONTACT:** Dolores Castillo, Sr. Buyer/512-322-6466

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 4/19/2010.

**PURCHASING:** Lowest bid of three 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.

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This contract is for the purchase of a video borescope with required attachments and accessories to perform and record internal inspections of gas turbine engines and piping systems. This borescope will allow Austin Energy (AE) to perform manufacturer recommended routine inspections without major disassembly. The borescope will be used to monitor and inspect turbines at both Sand Hill Energy Center and the Decker Creek Power Station.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0



**BID TABULATION**

**IFB No. DKC0060**

**Video Borescope**

<b><u>Vendor</u></b>	<b><u>Bid Total</u></b>
<b>Olympus NDT, Inc.</b> <b>Waltham, MA</b>	<b>\$68,715.00</b>
 StarFish Engineering Assn Tyler, Texas	 \$83,405.00
 Apfelbaum Industrial Inc. El Paso, Texas	 \$111,973.05

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

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Forty notices were sent. There are no known MBE/WBEs for this commodity. Three bids were received.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

**APPROVAL JUSTIFICATION**

- a. Lowest bid received.
- b. The Purchasing office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: SIMGENICS CORP.**

**AGENDA DATE: 05/13/2010  
PAGE 1 OF 2**

**SUBJECT:** Authorize award, negotiation, and execution of a 24-month requirements service contract with SIMGENICS, CORP., Grand Junction, CO, for operator simulator training services in an estimated amount not to exceed \$236,800, with two 12-month extension option in an estimated amount not to exceed \$118,400 per extension option, for a total estimated contract amount not to exceed \$473,600.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$39,466 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 20 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:** Dolores Castillo, Sr. Buyer/512-322-6466

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 04/19/2010.

**PURCHASING:** Best evaluated proposal of two proposals received.

**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.

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This contract will provide a qualified contractor to perform operator simulator training for startup operation and unit upsets of the conventional gas fired and combined cycle combustion units at Decker Creek Power Station and the Sand Hill Energy Center. The training will be conducted twice a year for a total of eight training sessions. The training will focus on employees able to start up from a cold and hot stand by condition, recognize and operate under normal conditions and be able to respond to unit upset conditions. This training will improve employee skills and increase plant reliability. The contractor will provide a high fidelity simulator system, training materials, software, hardware, books, reference material and reports with results on training effectiveness.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Two hundred-thirty-four notices were sent including thirty-three WBE's and six MBE's. Two proposals were received with no response from the MBE/WBE's.

**APPROVAL JUSTIFICATION**

- a. Best evaluated proposal received.
- b. The Purchasing office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**EVALUATION MATRIX  
FOR  
Operator Simulator Training, Agreement  
DKC0011**

Evaluation Category		<b>GENERAL PHYSICS Overland Park, KS</b>		<b>SIMGENICS CORP. Grand Junction, CO</b>
<b>Costs</b>	20 points	7		20
<b>TECHNICAL SUPPORT &amp; SOLUTIONS PROPOSED</b> (Grasp of the requirement and its solution(s), responsiveness to terms and conditions, completeness and thoroughness of the technical solution and technical support and documentation.) – 40 Points	40 Points	30		36
<b>DEMONSTRATED APPLICABLE EXPERIENCE -</b> (applicable submittals and samples of previous training, course information, reports provided, resumes)– 20 Points	20 Points	13		20
<b>REFERENCES</b> – submittals of five successful projects resumes, etc) – 20 Points	20 Points	20		20
<b>TOTAL</b>		70		95

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

**AGENDA DATE: 4/29/2010  
PAGE 1 OF 2**

**Subject:** Authorize award and execution of two contracts through the Houston-Galveston Area Council of Governments Cooperative Purchasing Program (HGAC) with CALDWELL COUNTRY CHEVROLET, Caldwell, TX, for the purchase of 16 light-duty vehicles in an amount not to exceed \$454,767, and DALLAS DODGE, Dallas, TX, for the purchase of three light-duty vehicles in an amount not to exceed \$58,478.

**Amount and Source of Funding:** Funding in the amount of \$413,486 is included in the Fiscal Year 2009-2010 Vehicle Acquisition Fund. Funding in the amount of \$99,759 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Sharon Patterson, Senior Buyer, 972-4014

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on April 19, 2010.

**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). This contract is a Cooperative Purchase; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

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This contract is for the purchase of six new and 13 replacement light-duty vehicles to be distributed among the Austin Energy, Austin Police Department, Emergency Medical Services Department, and Financial and Administrative Services Department.

The Austin Climate Protection team and Fleet staff have worked together to develop a vehicle purchasing process in our progress towards our citywide objective of obtaining carbon neutrality by 2020. The development of the purchasing criteria incorporates emissions impact, available technologies on the market, physical demands on the vehicle, and service application. These criteria are applied to all vehicles submitted to Fleet for purchase.

All of these vehicles are powered by E85 flex fuel, meaning they can operate on a blend of 85% ethanol with 15% gasoline. E85 provides roughly a 15% reduction in greenhouse gas emissions relative to gasoline.

The vehicles in this RCA have been recommended for purchase utilizing a process that involves the Fleet Officer, affected Department Directors, and Assistant City Managers (ACMs). ACM approval is required for all new additions to the City's fleet prior to any requests being made to the Purchasing Office.

Departments reviewed the list of vehicles determined eligible for replacement by Fleet Services based on mileage, hours of use, and maintenance costs. From that list, priority uses were determined within the departments, and the proposed equipment was reviewed by the Fleet Service Center Manager to insure the specified vehicle is appropriate for the use.

All of these replacement vehicles have met the Fleet Officer's eligibility criteria for replacement. The Fleet Service Center Managers have inspected each vehicle to be replaced, and determined that the mileage or hours of use of each vehicle proposed for replacement cannot be increased without risking a significant increase in repair costs and loss of productivity due to down time.

Included in this purchase are the following light duty vehicles:

**AUSTIN ENERGY:**

- 1 Chevrolet Tahoe, 4x2, E85 Flex Fuel – Replacement (Caldwell Country Chevrolet)
- 2 Chevrolet Tahoe, 4x4, E85 Flex Fuel – Replacements (Caldwell Country Chevrolet)

**AUSTIN POLICE DEPARTMENT:**

- 1 Dodge Charger, E85 Flex Fuel – Replacement (Dallas Dodge)
- 3 Chevrolet Tahoe, 4x2, E85 Flex Fuel – Replacements (Caldwell Country Chevrolet)

**EMERGENCY MEDICAL SERVICES DEPARTMENT:**

- 10 Chevrolet Tahoe, 4x2, E85 Flex Fuel – 6 new, 4 Replacements (Caldwell Country Chevrolet)

**FINANCIAL AND ADMINISTRATIVE SERVICES DEPARTMENT:**

- 2 Dodge Caravan, E85 Flex Fuel – Replacements (Dallas Dodge)

Caldwell Country Chevrolet and Dallas Dodge are contracted through HGAC to supply various types of light-duty vehicles statewide as a result of a competitive bidding process. Utilizing HGAC contracts provides for volume discount pricing as well as the earliest opportunity to get the City's vehicles on order.

**CITY OF AUSTIN – PURCHASING  
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 4/29/2010  
PAGE 1 OF 3**

**Subject:** Authorize award and execution of a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD, Nederland, TX, for the purchase of 86 light-duty vehicles in an amount not to exceed \$2,242,025.81.

**Amount and Source of Funding:** Funding in the amount of \$480,339.14 is included in the Fiscal Year 2009-2010 Vehicle Acquisition Fund. Funding in the amount of \$750,560.58 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy. Funding in the amount of \$339,096.49 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Water Utility. Funding in the amount of \$184,773.55 is available in the Fiscal Year 2009-2010 Operating Budget of the Aviation Department. Funding in the amount of \$27,722 is available in the Fiscal Year 2009-2010 Capital Budget of the Public Works Department. Funding in the amount of \$83,166 is available in the Fiscal Year 2009-2010 Operating Budget of the Public Works Department. Funding in the amount of \$80,019.63 is available in the Fiscal Year 2009-2010 Capital Budget of the Solid Waste Services Department. Funding in the amount of \$296,348.42 is available in the Fiscal Year 2009-2010 Capital Budget of the Watershed Protection Department.

**Fiscal Note:** Fiscal notes are attached.

**For More Information:** Sharon Patterson, Senior Buyer, 972-4014

**Boards and Commission Action:** To be reviewed by the Water and Wastewater Commission on April 14, 2010 and Electric Utility Commission on April 19, 2010.

**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). This contract is a Cooperative Purchase; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

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This contract is for the purchase of 17 new and 69 replacement light-duty vehicles to be distributed among the Austin Energy, Austin Fire Department, Austin Police Department, Austin Water Utility, Aviation Department, Emergency Medical Services Department, Health and Human Services Department, Neighborhood Housing Department, Parks and Recreation Department, Public Works Department, Solid Waste Services Department, and Watershed Protection Department.

The Austin Climate Protection Program team and Fleet staff have worked together to develop a vehicle purchasing process in our progress towards our citywide objective of obtaining carbon neutrality by 2020. The development of the purchasing criteria incorporates emissions impact, available technologies on the market, physical demands on the vehicle, and service application. These criteria are applied to all vehicles submitted to Fleet for purchase.

Forty-one of these vehicles are powered by E85 flex fuel, meaning they can operate on a blend of 85% ethanol with 15% gasoline. E85 provides roughly a 15% reduction in greenhouse gas emissions relative to gasoline.

Forty of these vehicles are powered by hybrid-electric technology. Improving the fuel economy of the vehicle also reduces greenhouse gas emissions in line with the amount of fuel not consumed.

Five of these vehicles are powered with engines capable of burning biodiesel (B20) fuel. In line with Austin Climate Protection Program goals, B20 provides an approximate 25% reduction in greenhouse gas emissions versus using gasoline and an approximate 5% reduction versus using petro-diesel.

The vehicles in this RCA have been recommended for purchase utilizing a process that involves the Fleet Officer, affected Department Directors, and Assistant City Managers (ACMs). ACM approval is required for all new additions to the City's fleet prior to any requests being made to the Purchasing Office.

Departments reviewed the list of vehicles determined eligible for replacement by Fleet Services based on mileage, hours of use, and maintenance costs. From that list, priority uses were determined within the departments, and the proposed equipment was reviewed by the Fleet Service Center Manager to insure the specified vehicle is appropriate for the use.

All of these replacement vehicles have met the Fleet Officer's eligibility criteria for replacement. The Fleet Service Center Managers have inspected each vehicle to be replaced, and determined that the mileage or hours of use of each vehicle proposed for replacement cannot be increased without risking a significant increase in repair costs and loss of productivity due to down time.

Included in this purchase are the following light duty vehicles:

**AUSTIN ENERGY:**

4 Ford F-150 Pickup, 4x2, E85 Flex Fuel – 1 New, 3 Replacements  
12 Ford F-150 Pickup, 4x4, E85 Flex Fuel – 1 New, 11 Replacements  
9 Ford Escape, 4x4 Hybrid – Replacements  
4 Toyota Prius, Hybrid – Replacements

**AUSTIN FIRE DEPARTMENT:**

2 Ford Escape, 4x2, Hybrid - Replacements

**AUSTIN POLICE DEPARTMENT:**

2 Ford Escape, 4x2, Hybrid – Replacements  
2 Toyota Prius, Hybrid – Replacements  
1 Ford Crown Victoria, E85 Flex Fuel – Replacement  
1 Ford Fusion, Hybrid – Replacement  
1 Ford F-350 Pickup, 4x4, Bio-Diesel – Replacement



**AUSTIN WATER UTILITY:**

- 1 Ford Escape, 4x2, Hybrid – New
- 1 Ford Escape, 4x4, Hybrid - Replacement
- 2 Toyota Prius, Hybrid – New
- 6 Ford F-150 Pickup, 4x2, E85 Flex Fuel – Replacements
- 3 Ford F-350 Pickup, 4x2, Bio-Diesel – Replacements

**AVIATION DEPARTMENT:**

- 2 Ford Escape, 4x2, Hybrid – Replacements
- 6 Ford F-150 Pickup, 4x2, E85 Flex Fuel – Replacements

**EMERGENCY MEDICAL SERVICES DEPARTMENT:**

- 4 Ford Escape, 4x2, Hybrid – New

**HEALTH AND HUMAN SERVICES DEPARTMENT**

- 1 Toyota Prius, Hybrid – Replacement
- 1 Ford F-350 Pickup, 4x2, Bio-Diesel – Replacement

**NEIGHBORHOOD HOUSING DEPARTMENT:**

- 1 Ford Escape, 4x4, Hybrid – Replacement

**PARKS & RECREATION DEPARTMENT:**

- 2 Ford F-150 Pickup, 4x2, E85 Flex Fuel – Replacements

**PUBLIC WORKS DEPARTMENT:**

- 4 Ford Escape, 4x2, Hybrid – New

**SOLID WASTE SERVICES DEPARTMENT:**

- 3 Ford F-150 Pickup, 4x2, E85 Flex Fuel – Replacements

**WATERSHED PROTECTION DEPARTMENT:**

- 1 Ford Escape, 4x2, Hybrid – New
- 3 Ford Escape, 4x4, Hybrid – 1 New, 2 Replacements
- 3 Ford F-150 Pickup, 4x2, E85 Flex Fuel – 2 New, 1 Replacement
- 4 Ford F-150 Pickup, 4x4, E85 Flex Fuel - Replacements

Philpott Motors is contracted through BuyBoard to supply various types of light-duty vehicles statewide as a result of a competitive bidding process. Utilizing the BuyBoard contracts provides for volume discount pricing as well as the earliest opportunity to get the City's vehicles on order.

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

**AGENDA DATE: 4/22/2010  
PAGE 1 OF 1**

**SUBJECT:** Approve the proposed Austin Energy Resource, Generation, and Climate Protection Plan.

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

**FOR MORE INFORMATION:** Robert Goode, Interim General Manager, 322-6157

**BOARDS AND COMMISSION ACTION:** Recommended by the Electric Utility Commission, the Resource Management Commission, and the Austin Generation Resource Planning Task Force.

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This RCA is for Council to consider approval of the Austin Energy Resource, Generation, and Climate Protection Plan (attached). The proposed Plan will take effect immediately upon passing and includes long-range planning through 2020.

The Plan is a resource planning tool that brings together demand and energy management options over the planning horizon. Developing the Plan involved extensive analysis of the expected risks, costs and opportunities to meet the future demand for electricity services. The goals outlined in the document are based on Austin Energy's current understanding of technology and of national, state and local energy policies. The Plan also benefited from substantial input from citizens, customer groups, utility advisory commissions and a Council-appointed Task Force.



## *Austin Energy Resource, Generation, and Climate Protection Plan to 2020*

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### **INTRODUCTION**

The City Council adopted the Austin Climate Protection Plan (ACPP) in 2007 to build a more sustainable community. Every City department was subsequently tasked to create action plans intended to ensure that departmental operations were consistent with the ACPP. Austin Energy developed this Resource, Generation, and Climate Protection Plan to 2020 (the Plan) to meet these objectives.

This document is a resource planning tool that brings together demand and energy management options over the planning horizon. Developing the Plan involved extensive analysis of the expected risks, costs, and opportunities to meet the future demand for electricity services. The goals outlined in this document are based on Austin Energy's current understanding of technology and of national, state and local energy policies. The Plan also benefited from substantial input from citizens, customer groups, utility advisory commissions and a Council appointed Taskforce. Much of this input is included under the "Additional Objectives and Initiatives" section of the Plan.

This Plan is designed to be flexible and dynamic. As circumstances change, the City must maintain the flexibility to modify elements to respond to a range of factors, including economic conditions, customer load, fuel prices and availability, infrastructure build-out, technological development, law and regulations, policy direction, and customer needs. Therefore, as conditions change, the Plan will be adapted and modified to manage risk, maintain system and service reliability, achieve policy goals, and meet customer demand for excellence in all aspects of service. As each significant implementation step is undertaken through contracts, purchases or other arrangements, Austin Energy's recommendations to the City Council will be supported by assessment of impacts on all customers and by charting the progress each step will make toward achieving the goals outlined in this Plan.

Austin Energy will review the Plan annually and issue a report on performance against goals. An example of the format and kind of data that will be provided in these Annual Reports is included as Exhibit A. Austin Energy will reassess the Plan in a public forum every two years. Every major Resource decision and Plan change will, as always, be taken before the City Council for review and authorization.

## **AUSTIN ENERGY'S MISSION**

Outlined below is a description of how the Plan meets each element of Austin Energy's mission *to deliver clean, affordable, reliable energy and excellent customer service*. This plan demonstrates that customers and our community can indeed expect equitable, economic, and environmentally responsible electric services.

**Clean.** The Plan establishes clean energy goals to meet by 2020. The initial implementation strategy to achieve these goals is to escalate the use of renewables, increase energy efficiency, and load shifting. This will reduce current and future reliance on fossil fuel generation to meet Austin Energy customer load and will reduce CO<sub>2</sub> to better position the utility regarding probable future federal requirements. The Plan would also reduce nitrogen oxide (NO<sub>x</sub>) and volatile organic compound (VOC) emissions, to help keep Austin in compliance with national ambient clean air standards.

**Affordable.** Austin Energy strives to optimize rates and services in a responsible manner. A fundamental benchmark that will guide implementation of the Plan is affordability. Austin Energy must be financially sound, the cost of electric service must be affordable for all classes of customers (with particular attention to the low income and disadvantaged), and rates must be competitive to ensure the retention and attraction of businesses for a strong local economy. As the City moves forward with implementation of the Plan, customer bills will be compared to those for similar customers in other major metropolitan areas, including, Houston, San Antonio, Dallas-Fort Worth and other areas within the Austin MSA. An appropriate affordability measure will be established for each customer class in the upcoming financial analysis. Available data (rates, average monthly bills for residential, commercial, and industrial, and other affordability benchmarks) will be included in Austin Energy's Annual Report. Austin Energy will develop and adopt an affordability goal for rates and services for all classes of customers by no later than December 31, 2010 and prior to any new major resource acquisition of 10 MW or more or an aggregate of 10 MW from a single program.

**Reliable.** Implementation of the proposed plan will be guided by power quality and reliability requirements to meet the needs of our community. In serving as a road map, the recommended plan will respond to system needs, changing technologies and market conditions to ensure consistent power quality and reliability. Transmission and distribution reliability goals will be targeted to meet or exceed current goals. Power quality and reliability history will be detailed in the Annual Report.

**Excellent Customer Service.** The process for implementation and ongoing review of the Resource, Generation, and Climate Protection Plan to 2020 will be transparent. Through the Annual Report, biennial Plan reassessment, and informed decision making process, the City Council and Austin Energy customers will be provided vital information detailing progress toward goals and any necessary Plan adjustments. The goal in the implementation of this Plan is to consistently demonstrate that proposed actions, to the highest degree possible, meet the goal of providing clean, affordable, and reliable energy.

## GOALS SUMMARY

Austin Energy adopts the following changes and additions to its current resource planning goals, with a target of meeting these goals by 2020:

- Increase the energy efficiency goal from 700 MW to 800 MW
- Increase the renewable energy goal from 30% to 35%
- Increase the solar component of the renewable energy goal from 100 MW to 200 MW
- Establish a CO<sub>2</sub> reduction goal of 20% below 2005 level

Figure 1 shows a scenario developed and presented by Austin Energy during the public participation and Task Force discussions that demonstrates the type and pace of investments that may be followed in meeting these goals. Specific resource investments will be evaluated continually by Austin Energy, reinforcing that the plan is adaptable to changing legal/regulatory, market, and economic conditions. As explained further in this plan, however, each individual investment will be considered by the Council and subject to public review.

Austin Energy Recommendation						
Generation Resources in MW						
Year	Coal/Nuclear	Gas	Biomass	Wind	Solar	Renewable Energy %
2009	1,029	1,444	12	439	1	10%
2010		100			30	10%
2011				(77)* 200		15%
2012			100			17%
2013				150		25%
2014					30	25%
2015		200		100		28%
2016			50		20	30%
2017				(126)* 200	30	33%
2018					20	32%
2019					30	32%
2020				115	40	35%
Total	1,029	1,744	162	1,001	201	

\* Wind contracts expire.

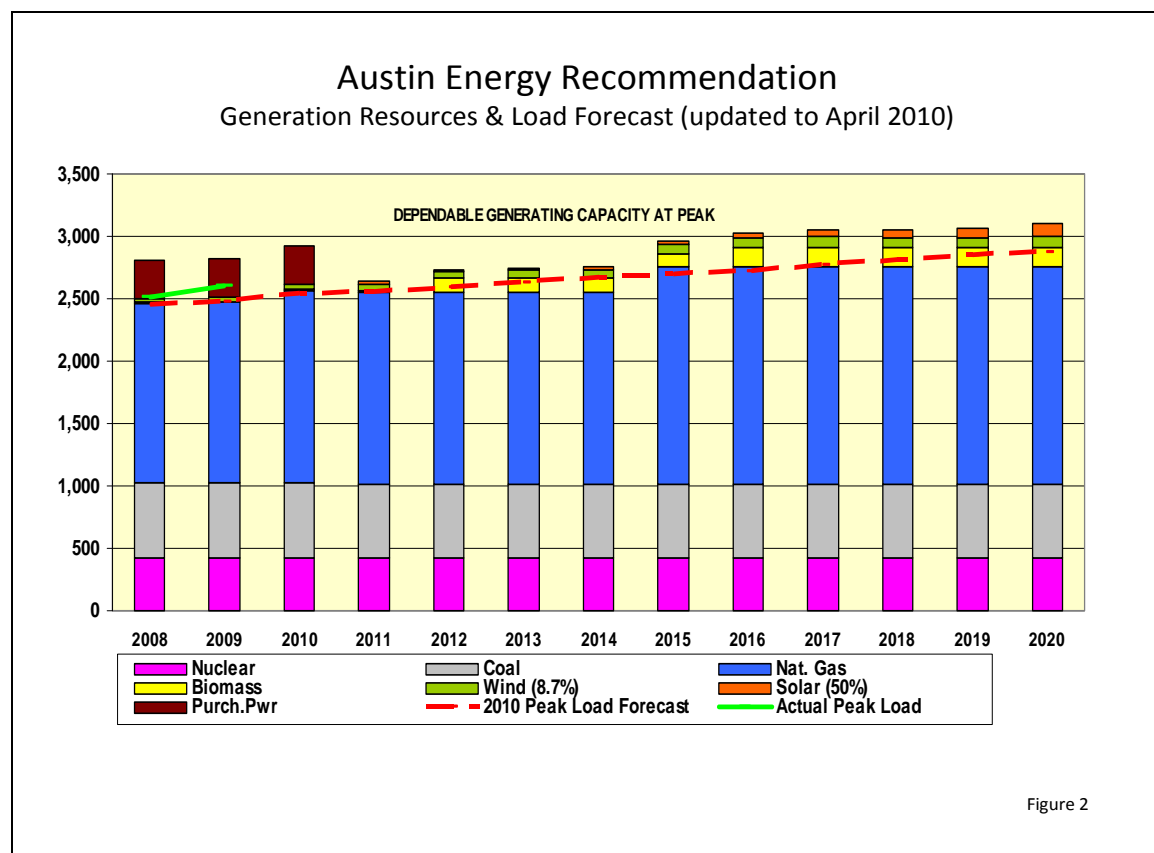
Figure 1

**Coal/Nuclear.** The Plan (Figure 1) recognizes current ownership levels in the South Texas Project (STP) and the Fayette Power Plant (FPP). Plan implementation would effectively reduce by about 24% the amount of energy Austin Energy receives from the FPP by 2020 to meet customer load. That reduction figures prominently in the Austin Energy goal to reduce its greenhouse gas emissions within the planning horizon by 20% from 2005 levels.

**Natural gas.** The proposed plan calls for the build out of the gas-fueled Sand Hill Energy Center to add 200 megawatts of combined cycle capacity. This is in addition to the installation underway of 100 MW of peaking units at the facility. That installation began last year and is expected to be completed by this summer.

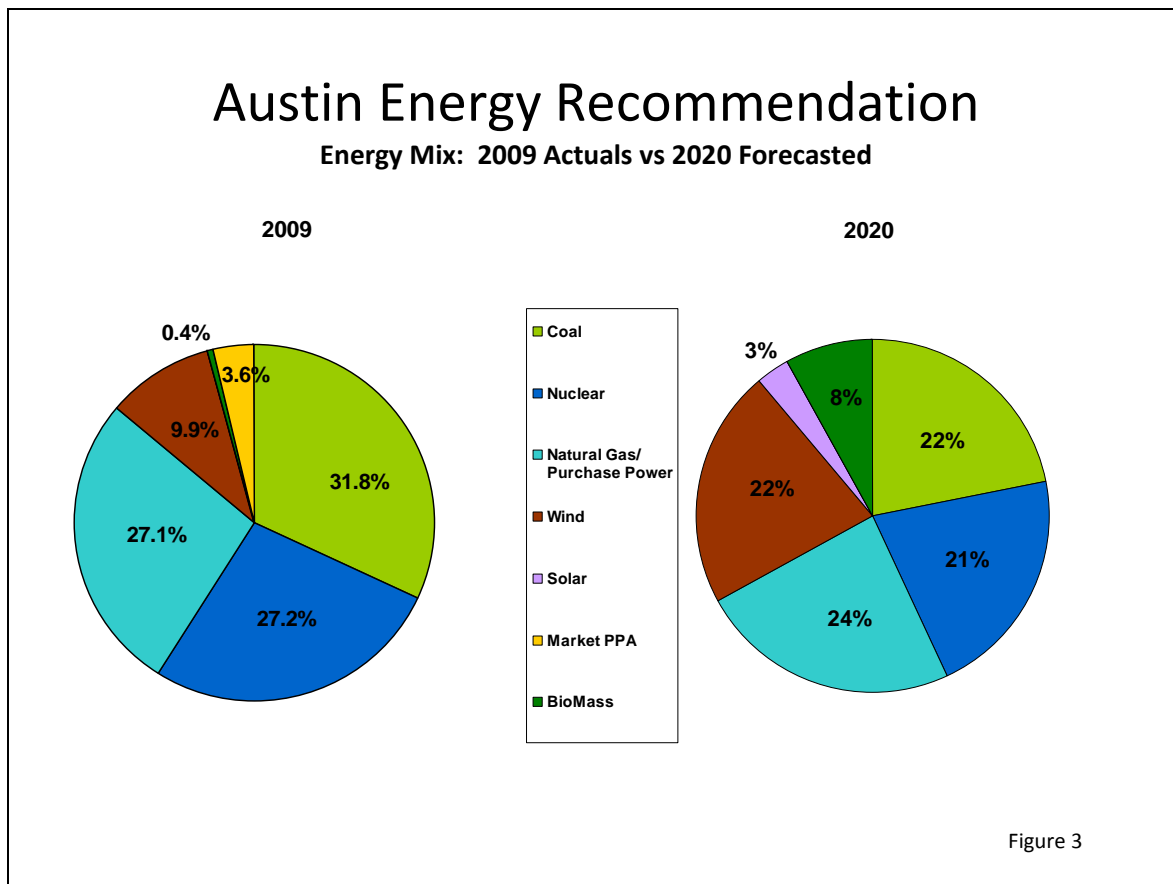
**Biomass.** A total of 150 MW of biomass-fueled generation is projected to be developed. The Council has approved a 20-year contract through which Austin Energy will purchase the annual output of a 100 MW wood chip-fueled biomass plant currently under construction 10 miles northwest of Nacogdoches, Texas. The plant is being built by a Southern Company subsidiary and is expected to go online in 2012. An additional 50 MW of biomass is anticipated in later years.

**Wind.** The majority of the Austin Energy renewables goal will be met through wind-generated power. As an early adopter of wind energy resources, Austin Energy now has wind contracts for about 200 MW of wind capacity that will expire by 2020. The proposed Plan calls for total wind capacity by 2020 of 1,000 MW.



**Solar.** Installed solar capacity will increase from 100 MW to 200 MW by 2020. In February 2009, the Council approved a 25-year contract under which Austin Energy will purchase the annual output of a 30 MW solar farm to be built near Webberville on Austin Energy property. That project being built by Gemini Solar Development Company, is expected to be on line by 2011 and will be one of the nation's largest solar projects.

Plan implementation (Figure 2) will provide a reserve versus projected peak demand through 2020. The projected peak demand, represented by the dotted red line, also takes into account an increase from 700 to 800 MW of energy efficiency and load shifting proposed by 2020.



The generation mix by fuel type (Figure 3) that would result from Plan implementation reflects a decrease in natural gas use from about 30% today to 24% in 2020; 8% of power generated by biomass, 3% by solar with a drop in coal-generated power from 32% to 22% and a drop in the percentage of nuclear-generated power from 25% to 21%.

## Additional Objectives and Initiatives

Austin Energy's Resource and Climate Protection Plan benefited from review by customers, the City of Austin Electric Utility Commission, the City of Austin Resource Management Commission, and the Council Appointed Generation Resource Planning Task Force. Following

is a summary of this input. The status of each objective is listed as either “underway” (signifying that Austin Energy is already working toward accomplishing the initiative or is ready to launch) or “to be studied” (signifying work has not yet begun).

### **Affordability & Due Diligence**

1. Develop and adopt an affordability goal for rates and services for all classes of customers by no later than December 31, 2010 *and prior to any new major resource acquisition of 10 MW or more or an aggregate of 10 MW from a single program.* (underway)
2. Work with stakeholders to develop a framework through which the utility will distribute information and receive feedback on each proposed future investment from Request For Proposal (RFP)/Bid development to delivery of a project recommendation for Council approval. This process will include provision of information sufficient to allow meaningful input from stakeholders over the planning horizon up through and in advance of the approval process for the Electric Utility Commission, Resource Management Commission, and City Council. (underway)
3. Prior to taking action to acquire a generation resource of 10 MW or more or an aggregate of 10 MW from a single program and to the extent practicable and consistent with sound management and financial responsibility, present such action for approval at least once to each applicable commission and twice to City Council. (underway)
4. Promote robust community involvement in revisions to the Austin Energy business model. (underway)
5. Assist in Electric Utility Commission (EUC) hearings regarding whether the current ordinance defining what information Austin Energy considers competitive and therefore confidential should be amended. In addition to addressing specific stakeholder questions, the hearings will include a review of each item in the Competitive Matters ordinance to validate rationale for that item’s inclusion moving forward. A key test should be whether similar information is made available by other U.S. public power utilities. (underway)
6. Ensure that any future resource planning advisory or stakeholder groups include representatives of residential and low income customer advocacy organizations. (underway)

### **Customer Assistance**

7. Evaluate the potential to expand energy efficiency and weatherization programs for low income citizens and explore the feasibility of providing these services to those with incomes at or below up to 400 percent of the federal poverty guideline. (underway)
8. Conduct a study to determine income levels, energy burden and population sizes for residential customers with household incomes up to 400 percent of the federal poverty guideline. (to be studied)



9. Develop a neighborhood-by-neighborhood approach for low-income energy efficiency program delivery where such an approach offers an opportunity to improve program delivery effectiveness, fairness, and efficiency and identifying and assisting the most energy intensive low income neighborhoods. (underway)
10. Evaluate the potential to establish distributed resource incentive programs tailored to low and medium income customers and identify available funding mechanisms to help offset the cost of such incentives. (to be studied)
11. Continue to design and implement programs that target and reach residential energy efficiency opportunities in residential rental living spaces. (to be studied)

### **Energy Efficiency**

12. Energy efficiency will be the first priority in meeting new load growth. (underway)
13. Conduct an energy efficiency potential study and, if viable and cost effective, increase the energy efficiency goal from 800 MW to 1,000 MW. (to be studied)
14. Regularly review the maximum investments and incentives offered for energy efficiency-related customer improvements and make adjustments as appropriate to encourage customer participation, while ensuring fiscal responsibility. (underway)
15. Study the capability of increasing the maximum investment per KW or kWh of savings that Austin Energy is willing to make in customer improvements and increase or eliminate the cap for Austin Energy investment in individual customer improvements that both reduce peak and total demand for energy, so long as such investment is financially sound and not unduly risky. (underway)
16. Continue to explore and, as appropriate, implement innovative rate design changes for energy efficiency. (underway)
17. Investigate and, as appropriate, establish innovative methods for enhancing the cost-effectiveness of energy efficiency program delivery, including but not limited to, auction systems. (underway)
18. Continue to analyze and report on impacts and opportunities resulting from the Energy Conservation and Audit Disclosure (ECAD) Ordinance and make recommendations to the Council on improvements or modifications to the ordinance as may be warranted. (underway)
19. Develop, market and implement energy efficiency and conservation programs to convert the existing housing stock as nearly as possible to zero net energy capability. (underway)
20. Continue to develop for implementation, building code changes that progress toward achieving a Zero Energy Capable Homes standard by 2015. (underway)

- 21.** Consider initiating a pilot project to measure and communicate to owners and tenants of rental properties the benefits of energy efficiency upgrades in rental housing, and the utilization of the results of the pilot to develop a program that will realize energy efficiency savings potential in both commercial and rental property, as warranted by the results of a comprehensive energy efficiency potential study. (to be studied)
- 22.** Assess development of an auction system for a portion of Austin Energy's commercial efficiency and conservation programs targeted to obtaining the greatest DSM savings per dollar invested by Austin Energy. (to be studied)
- 23.** Establish a system for the examination and vetting of new energy efficiency ideas and programs submitted from within the community or by industry experts. (to be studied)
- 24.** Enhance existing and, as appropriate, establish new channels for obtaining and evaluating customer and stakeholder proposals for new or modified energy efficiency programs. (underway)
- 25.** Continue to take a leadership role in evaluating, developing, and implementing renewables and energy efficiency programs under Texas House Bill 1937, which allows for innovative financing. (underway)
- 26.** Develop a plan for distribution system efficiency improvements. (to be studied)
- 27.** Examine the potential for refocusing energy efficiency programs to target base load efficiency programs that reduce carbon emissions. (underway)

### **Renewables**

- 28.** Undertake a comprehensive assessment of non-solar renewable energy resource options in the utility's service territory. (to be studied)

### **Wind**

- 29.** Seek to develop ownership rights in wind generation resources where this approach offers benefits over purchased power arrangements. (underway)
- 30.** Develop a comprehensive strategy for the deployment and use of energy storage technologies including assessment of compressed air energy storage in order to effectively improve the value of wind energy generation. (to be studied)
- 31.** Continue to explore non-traditional wind energy deployment options, including small- or community-scale wind farms, hybrid wind/solar generation facilities, and hybrid wind/storage projects. (underway)

**32.** Continue to support development of increased transmission capacity in the Electric Reliability Council of Texas where such development offers economic and operational benefits to Austin Energy. (underway)

## **Solar**

**33.** Develop a portfolio approach to solar energy generation facility siting, financing and ownership. (underway)

**34.** Continue to develop and improve incentives and strategies aimed at increasing local solar energy technology manufacturing capacity. (to be studied)

**35.** Develop a plan for the development of the full potential for solar energy generation and conversion in the utility service territory.(to be studied)

**36.** Study and report on the potential for establishing a distributed renewable energy goal and an associated distributed renewable energy generation development plan. (to be studied)

**37.** Monitor and report on the development of the distributed renewable energy generation sector in Austin, including projects developed independently of Austin Energy program support. (to be studied)

**38.** Continue promotion of solar thermal hot water use. (underway)

## **Biomass**

**39.** Study the opportunity to develop small scale biomass energy generation systems in and near the utility service territory. (to be studied)

## **Other Generation Resources**

### **Coal**

**40.** The expected impact of the proposed Resource & Climate Protection Plan is a reduction in the average annual capacity factor needed to serve AE's load from the Fayette Power Plant (FPP) to about 64%. Periodically review the plan with the target of accelerating the phase down and toward eventual closure of FPP by 2020, if economically and technologically feasible. This review will include an assessment of the following: (to be studied)

- revenue and operational savings from potential sale of the plant
- carbon reduction impacts and value upon closure
- projected revenues from wholesale market sales in ERCOT
- impact of criteria pollutant emissions on the potential for the Austin area falling into non-attainment with federal clean air standards and attendant costs

41. Evaluate whether generating revenue for the City through carbon-based “off-system” sales is consistent with the Austin Climate Protection Plan. (to be studied)

42. Continue to investigate and where appropriate, implement technologies and programs that result in NOx emissions reductions and capture and storage of CO<sub>2</sub> emissions associated with the Fayette Power Plant. (underway in part, capture and storage of CO<sub>2</sub> to be studied)

43. Continue to investigate the potential for biomass co-firing at the Fayette Power Plant. (underway)

### **Natural Gas**

44. Continue with plans to add 200 MW of new combined-cycle gas-fired generation at the Sand Hill facility in order to realize fuel cost savings and carbon emissions reductions. (underway)

45. Continually assess whether the long term risk of natural gas price fluctuations has been sufficiently minimized due to shale gas or other factors that, subject to compliance with environmental regulations and goals, natural gas generation capacity should be substituted for other resources in order to substantially reduce costs. (underway)

46. Expand systems for utilization of reclaimed water for cooling generation equipment at the Sand Hill facility. (to be studied)

### **Nuclear**

47. Continue participation in the operation and ownership of STP Units 1 and 2; Austin Energy will not participate in proposed STP Units 3 and 4. (underway)

48. Evaluate any cost-effective offers of power from nuclear energy facilities through purchased power agreements. (to be studied)

### **Other**

49. Conduct an analysis of the community economic development impact of Austin Energy generation facilities and planned expansion. (to be studied)

50. Conduct an analysis of the use of water by Austin Energy’s generation facilities and its impact on the community. (to be studied)

51. Conduct a combined heat and power potential study. (to be studied)

52. Continue to investigate geothermal generation resource acquisitions. (to be studied)

### **CO<sub>2</sub> Reduction Goals**

**53.** As an outcome of this Plan or at such time as a federal carbon cap is approved, Austin Energy will adopt a CO<sub>2</sub> cap consistent with the City Council's evolving guidance on the Plan. (to be studied)

**54.** Facilitate public participation and reassess the Resource and Climate Protection Plan at appropriate intervals to the extent practicable. (underway)

**55.** Attempt to substitute low- or zero-carbon emissions generation resources for carbon-emitting resources whenever such substitution is also consistent with the achievement of economic, financial, operational, reliability, and risk objectives. In determining consistency with these objectives, Austin Energy will consider and compare the long-term costs and benefits of resource options, and report the results of such analysis to the Council and Commissions in the course of securing approval for resource development or acquisition. (underway)

**56.** Through the plan, offset carbon emissions from any new generation resource, by a reduction in operating capacity of an existing resource, by reduction of energy use through demand-side management or distributed renewable energy or the purchase of carbon offsets. (to be studied)

**57.** Conduct a review based on current state of knowledge of the impact of carbon fuel emissions on global warming and impact of criteria pollutants from the plant on Austin area compliance with federal clean air standards and the attendant utility related cost if the community should fall into non-attainment. (to be studied)

### **Complementary Strategies**

**58.** Continue work to transform its basic business model to effectively address and integrate increased deployment of distributed energy resources, including distributed energy generation. Among the issues that Austin Energy will address on an on-going basis are unbundled rate structures, service offerings that rely less on volumetric pricing structures, rationalization of fuel charge-related costs, modifications to GreenChoice® product offerings, and products and services demonstrated in the Pecan Street Project Energy Internet Demonstration Project. Work to reflect business model changes and opportunities in upcoming reviews of electric rates. (underway)

**59.** Continue active participation in the development and deployment of smart grid technologies, and continue with an active and leadership role in the Pecan Street Project. (underway)

**60.** Continue and, as appropriate, expand efforts to increase electric vehicle utilization and facilitate integration of electric vehicles in the utility service area. (underway)

**61.** Maintain and enhance the utility's role in developing and implementing green collar job initiatives to grow and strengthen the local workforce. (underway)

**62.** Develop and implement plans for increasing local contractor, M/WBE contractor, and veterans opportunities in working with the utility. (underway)

**UPCOMING PROCUREMENTS BY AUSTIN ENERGY**

	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION
1	Crane rental and related services	\$143,000	Distribution/Transmission	May	Crane rental and operator services
2	Consulting Services for Utility Financial Review	\$250,000	General Manager	May	Independent evaluation of Austin Energy's financial position and affordability benchmarking.
3	Street Light Poles & Fixtures	\$343,000	Distribution/Transmission	June	Annual inventory supply of shoe-box style Street Light Poles & Fixtures
4	Transporter remittance processor	\$500,000	Customer Care	June	Sole Source with Unisys. IT procurement of new transporter equipment for the remittance payment processing of checks to be utilized by the Customer Care business unit.
5	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.
6	Uniformed security guard services	\$1,600,000	Facilities	July	Unarmed security guard services for various AE locations.
7	Gas pipeline cleanout and inspection	\$150,000	Power Production	July	Clean and inspect a three mile, 20" gas supply pipeline from the Decker Lindell Lane metering station to the Decker Creek Power Station gas yard.
8	Transmission and Distribution Electrical Services	\$7.4 M/yr	Distribution/Transmission	July	Five year contract for providing routine and emergency electric distribution powerline above ground installations and maintenance services.
9	Demineralizer Upgrade at Decker	\$2,000,000	Power Production	July	Purchase & Installation of new demineralizer system for Decker
10	Switchgear and Emergency Control Panel Upgrade at RMEC	\$580,000	On-Site Energy resources	July	Upgrade to maintain and upgrade the redundancy for RMEC that supplies electrical energy to Dell Children's Hospital
11	Annual Valve Repair Contract for AE Power Plants	\$200,000/yr	Power Production	July	Repair of Valves as required by AE Power Plants
12	Consulting Services for Utility Rate Increase	\$250,000	Finance	July/August	Consulting expertise to assist in rate review planning and analysis including cost of service studies, cost analysis, rate comparisons, design and implementation of a public involvement process and rate design.
					EUC April 19, 2010

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



Unaudited Results

\$ in Thousands

	February 2010 Year to Date Actual	February 2010 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 220,673	\$ 216,824	\$ 3,849	1.8%
Bilateral & Ancillary Service Sales	5,908	13,208	(7,300)	-55.3%
Transmission Service Revenue	23,956	23,984	(28)	-0.1%
Miscellaneous Revenue	14,297	16,347	(2,050)	-12.5%
Interest Income	3,568	5,799	(2,231)	-38.5%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>268,402</b>	<b>276,162</b>	<b>(7,760)</b>	<b>-2.8%</b>
Fuel & Green Choice Revenue	144,462	189,833	(45,371)	-23.9%
<b>Total Operating Revenue</b>	<b>412,864</b>	<b>465,995</b>	<b>(53,131)</b>	<b>-11.4%</b>
<b>Total Revenue</b>	<b>412,864</b>	<b>465,995</b>	<b>(53,131)</b>	<b>-11.4%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	147,197	188,922	41,725	22.1%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	75,171	88,523	13,352	15.1%
Transmission Service Expense	25,412	25,794	382	1.5%
South Texas Project O&M	29,421	25,658	(3,763)	-14.7%
Fayette Power Project O&M	6,993	9,067	2,074	22.9%
Call Center	9,100	10,471	1,371	13.1%
Energy Conservation Rebates	6,276	4,423	(1,853)	-41.9%
Bad Debt Expense	1,518	1,285	(233)	-18.1%
Administrative Support Transfer	6,051	6,051	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>159,942</b>	<b>171,272</b>	<b>11,330</b>	<b>6.6%</b>
<b>Total Operating Requirements</b>	<b>307,139</b>	<b>360,194</b>	<b>53,055</b>	<b>14.7%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	54,924	55,651	727	1.3%
Other Obligations	321	1,116	795	71.2%
<b>Total Debt Service Requirements</b>	<b>55,245</b>	<b>56,767</b>	<b>1,522</b>	<b>2.7%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	50,500	50,500	0	0.0%
Electric CIP Transfer	25,049	24,879	(170)	-0.7%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>119,549</b>	<b>119,379</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>481,933</b>	<b>536,340</b>	<b>54,407</b>	<b>10.1%</b>
<b>Total Encumbrances</b>	<b>14,309</b>	<b>14,309</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>496,242</b>	<b>550,649</b>	<b>54,407</b>	<b>9.9%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (83,378)</b>	<b>\$ (84,654)</b>	<b>\$ 1,276</b>	<b>-1.5%</b>