



**Electric Utility Commission  
January 25, 2010  
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 the Electric Utility Department as provided for under Section 551.086.

Reading and Action on Consent Agenda: Item 4 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commission Member.

- 1. CALL TO ORDER – 6:00 PM**
- 2. APPROVAL OF MINUTES**
- 3. CITIZEN COMMUNICATIONS**
- 4. NEW BUSINESS**  
Discussion and possible action on City Council agenda items related to Austin Energy
- 5. STAFF BRIEFINGS AND REPORTS**
  - a. Upcoming Procurements Report
  - b. Deferred Payment Arrangement and Disconnection Report
  - c. Financial Report
  - d. Austin Climate Protection Program's On-Line Carbon Calculator
  - e. City of Austin's Environmental Awareness Awards Program
  - f. Austin Energy's Solar Rebate and Incentives Program
  - g. Presentation on the "Competitive Matters" Resolution No. 20051201-002
- 6. OLD BUSINESS**  
Discussion and possible action regarding the General Fund transfer policy
- 7. EXECUTIVE SESSION – Public Power Utility Competitive Matters, Section 551.086;**  
Consider matters relating to Austin Energy generation resources.
- 8. FUTURE AGENDA ITEMS**
- 9. 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 four 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  
DECEMBER 13, 2009**

**The Electric Utility Commission (EUC) convened in a regular meeting on December 13, 2009 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, Vice Chair Linda Shaw, Gary 'Bernie' Bernfeld, Shudde Fath, Steve Smaha and Michael Webber. Steven Taylor was absent.

Staff in attendance: Roger Duncan, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Jeff Vice, Pat Sweeney, Ann Little, Drusilla Saenz, Jim Collins, John Wester, Jamie Mitchell, Greg Troxell, Jawana 'J.J.' Gutierrez, David Kutach, Fred Yebra, Steve Saenz, Tim Ardlit, Matthew Russell, Pat Alba, Dustin McLemore, Chris Smith, Rosemary Ledesma, Michael Osborne, Toye Goodson Collins.

**2. APPROVAL OF MINUTES**

The minutes for the regular meeting of November 16, 2009 were approved on Commissioner Fath's motion and Commissioner Smaha's second, on a 6-0 vote.

**3. CITIZEN COMMUNICATIONS**

Roger Wood - competitive matters resolution.

**4. NEW BUSINESS**

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

RCA 2 – energy efficiency rebate to Leander Independent School District for \$55,638.

RCA 3 – energy efficiency rebate to the Texas Facilities Commission for \$77,443.

RCA 4 – contract through DIR with Adjacent Technologies for document and records imaging services for \$1,250,000.

RCA 6 – contract amendment of \$1,056,800 with Motorola Communications and Electronics for radio equipment for a revised total of \$98,900,732.

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

RCA 1 – ordinance amending the budget to add four full-time equivalent (FTE) positions to assist in implementation of a federally-funded weatherization program.

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

RCA 5 – contract with Wortham Insurance & Risk Management to provide insurance services for the procurement of Excess Liability insurance for \$6,011,944.

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

RCA 7 - amendment to an agreement with Greater Austin Economic Development Corporation for continued participation in the Opportunity Austin 2.0 Campaign program for one year, from January 15, 2010 to January 15, 2011, for \$350,000.

- b. **Discussion of plans to review Resolution #20051201-002 defining competitive matters of the utility** – Commissioners requested that staff present an informational briefing at next month's meeting and hold public hearings at the February 22 and March 22 meetings. The Commission plans to make recommendations at the March meeting.

## 5. **OLD BUSINESS**

- a. **Discussion and possible action regarding the General Fund transfer policy** – Commissioners plan to make a recommendation at the January 25, 2010 meeting.
- b. **Discussion and possible action on Austin Energy's interest in the Fayette Power Plant** – The following motion was approved on Commissioner Smaha's motion and Commissioner Webber's second, on a 5-1 vote, with Chair Schmandt voting nay:  
"At such point that there is coal plant energy to re-sell into the ERCOT market, that sale of such energy not be carried out, regardless of the potential profit at hand, as the intent of these changes is to reduce carbon emissions and not just move it to another entity. This motion does not preclude selling all or part of Austin Energy's share of the plant or repurposing it when feasible and/or practicable."

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

- a. **Monthly Reports – Upcoming Procurements** by Rosemary Ledesma, Purchasing Manager, and the **Customer Report** by J. J. Gutierrez, Customer Care Vice President.
- b. **Energy Conservation and Audit Disclosure Ordinance Update** – by Fred Yebra, Energy Efficiency Services Director.

## 7. **EXECUTIVE SESSION** – Public Power Utility Competitive Matters, Section 551.086; Discuss matters relating to Austin Energy generation resources.

The motion to convene a closed session of the Electric Utility Commission in order to receive briefings on confidential matters of the utility by Austin Energy staff was approved on Commissioner Fath's motion and Commissioner Smaha's second, on a 6-0 vote. The Commission met in Executive Session from 7:35 p.m. until 7:50 p.m.

## 8. **FUTURE AGENDA ITEMS**

Commissioners requested updated figures for their upcoming General Fund transfer recommendation. Commissioner Webber requested a copy of the presentation on underground transmission and distribution infrastructure.

## 9. **ADJOURNMENT**

Chair Schmandt adjourned the regular meeting of the Electric Utility Commission without objection at 7:55 p.m.

**Requests for Council Action (RCAs) related to Austin Energy  
For Review by the Electric Utility Commission on January 25, 2010**

**AUSTIN ENERGY**

1. Approve an ordinance authorizing acceptance of \$7,492,700 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE), and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$7,492,700 for Energy Conservation Measures to be implemented in City of Austin facilities and the addition of four Full Time Equivalents (FTE) employees for implementing Energy Conservation measures in City of Austin facilities. (02/04/10 Council Agenda; Staff Responsible: RABAGO, YEBRA)
2. Approve ratification of the issuance of 18 letters of intent for rebates to ACERO CONSTRUCTION, Austin, TX, for the installation of solar energy systems designed to serve 18 new construction residential condominiums at 2301 South 5<sup>th</sup> Street, in the total amount not to exceed \$203,796. (02/04/10; YEBRA, LIBBY)
3. Approve ratification of the issuance of a 31 letters of intent for rebates to FORTIS DEVELOPMENT, Austin, TX, for the installation of solar energy systems designed to serve 31 new construction residential condominiums and three commercial buildings at 904 West Avenue, in the total amount not to exceed \$365,108. (02/04/10; YEBRA, LIBBY)
4. Approve ratification of the issuance of 12 letters of intent in the total amount of \$102,408 and authorize issuance of six additional letters of intent in the total amount of \$44,288 for rebates to PERRY EQUITY PARTNERS, Austin, TX, for the installation of solar energy systems designed to serve 18 new construction homes in the SOL subdivision located at 127 Perry Road, for a total amount not to exceed \$146,696. (02/04/10; YEBRA, LIBBY)
5. Approve a resolution authorizing the City Manager to establish and administer a residential solar rebate program and a performance-based solar incentive program for commercial and multi-family facilities. (02/04/10; RABAGO)
6. Authorize the acquisition of a 2.96 acre permanent electric easement from Sun Communities Texas LP, out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas, located on Killingsworth Ln., for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in an amount not to exceed \$79,717. (02/04/10; TROXELL, POOLE)
7. Authorize the acquisition of a 6.22 acre permanent electric easement from Sun Secured Financing Houston LP, out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas, located on Killingsworth Ln., for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in an amount not to exceed \$159,320. (02/04/10; TROXELL, POOLE)

**CONTRACT AND LAND MANAGEMENT**

8. Authorize execution of a construction contract with VCC, LLC, Irving, TX, for a new Animal Services Center at 7201 Levander Loop in the amount of \$11,635,000 plus a \$450,000 contingency, for a total contract amount not to exceed \$12,085,000. (AE is providing \$190K for PV and solar hot water systems for the new animal shelter.) (01/28/10; RABAGO, LIBBY)

## **PURCHASING**

9. Authorize award and execution of a contract with HARVEY-CLEARY BUILDERS, Austin, TX, for the purchase and installation of a 2,500 ton chiller system at the Robert Mueller Energy Center in an amount not to exceed \$3,610,498. (02/11/10; COLLINS)
10. Authorize award and execution of a 12-month requirements supply agreement with VAUGHN MANUFACTURING CORP., Salisbury, MA for the purchase of digital water heater timers in an estimated amount not to exceed \$206,240, with three 12-month extension options in an estimated amount not to exceed \$205,000 per extension option, for a total estimated contract amount not to exceed \$821,240. (02/25/10; RABAGO, YEBRA)
11. Authorize award, and execution of Amendment No. 3 to the contract with OPEN SYSTEMS INTERNATIONAL, INC., Minneapolis, MN, for the purchase of Generation Management System (GMS) software, technical services, annual maintenance and support, and implementation by increasing the current fiscal year contract authorization option by \$200,000 and the two remaining extension options in an estimated amount not to exceed \$150,000 per extension option, and adding three additional 12-month extension options in an estimated amount not to exceed \$150,000 per extension option, for a revised total estimated contract amount not to exceed \$2,095,227. (02/4 or 02/11/10; CARVALLO, SWEENEY)
12. Authorize award, negotiation, and execution of a 12-month requirements supply contract through State of Texas Department of Information Resources (DIR), with ORACLE USA, Austin, TX, for the purchase of the Oracle Utilities Mobility Workforce Management Real Time Scheduler software and software support services in an estimated amount not to exceed \$300,000, with three 12-month extension options in an estimated amount not to exceed \$55,000 per extension option, for a total estimated contract amount not to exceed \$465,000. (02/11/10; CARVALLO, TROXELL)
13. Authorize award, negotiation and execution of a 12-month requirements service contract with COMPUTER SCIENCE CORPORATION, Houston, TX, for the purchase of software technology implementation services and training in an estimated amount not to exceed \$1,800,000. (02/11/10; CARVALLO, TROXELL)
14. Authorize award and execution of a 12-month requirements service contract with NORTH HOUSTON POLE LINE L.P., Houston, TX to provide wood pole inspection and treatment services in an estimated amount not to exceed \$216,247, with two 12-month extension options in an estimated amount not to exceed \$216,247 per extension option, for a total estimated contract amount not to exceed \$648,741. (02/04/10; TROXELL)
15. Authorize award and execution of a contract with WATTHOUR ENGINEERING CO., INC., Pearl, MS, for automated three-phase meter test systems, in an amount not to exceed \$107,720. (02/11/10; TROXELL)
16. Authorize award and execution of two 36-month requirements service contract with PRINTMAILPRO, Austin, TX and PRINT LOGICS, Austin, TX for flat sheet printing services in an estimated combined amount not to exceed \$1,530,000, with three 12-month extension options in an estimated combined amount not to exceed \$510,000 per extension option, for a total estimated combined contract amount not to exceed \$3,060,000. (This purchase is shared among many City departments; AE's annual share is expected to be approximately \$25K.) (02/04/10; LEDESMA)

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

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

**SUBJECT:** Approve an ordinance authorizing acceptance of \$7,492,700 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE), and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$7,492,700 for Energy Conservation Measures to be implemented in City of Austin facilities and the addition of four Full Time Equivalents (FTE) employees for implementing Energy Conservation measures in City of Austin facilities.

**AMOUNT AND SOURCE OF FUNDING:** Funding is available from the Department of Energy (DOE) through the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of December 28, 2009 to December 27, 2012. No match is required.

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

**FOR MORE INFORMATION:** Karl Rabago, Vice-President, Distributed Energy Services, 322-6098; Scott Jarman, P.E., Consulting Engineer, Energy Efficiency Services, 482-5307.

**PRIOR COUNCIL ACTION:** N/A

**BOARDS AND COMMISSION ACTION:** To be reviewed by the Resource Management Commission on January 19, 2010, and by the Electric Utility Commission on January 25, 2010.

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The U.S. Department of Energy (DOE) has awarded Austin Energy \$7,492,700 in ARRA grant funds to implement Energy Conservation Measures in City of Austin facilities. This program will generate jobs that will help infuse the green construction industry, make City facilities more energy efficient, reduce operational costs, and reduce the City of Austin's carbon footprint in accordance with the Austin Climate Protection Plan.

The acceptance of these funds will allow Austin Energy to implement Energy Conservation Measures in City facilities that involve many City departments, and could save more than five million kilowatt-hours of electricity annually. The work involved in completing the projects could generate the equivalent of approximately 100 green jobs and also reduce carbon and other emissions.

The energy efficiency measures include:

- Renovation of HVAC systems at the Technicenter Building. The recommendations for this facility include the installation of new digital controls, heating and cooling systems repairs and upgrades, modifications of water heating systems, and a thermal energy storage system.
- Retrofit of exterior lighting systems with new technologies such as Light Emitting Diodes (LEDs) and Induction Lighting in application like surface parking lots and parking garages. These types of lighting technologies can reduce the carbon footprint of parking garage operations by as much as 50%.

- Replacement of two aged, biogas/diesel generators at the Hornsby Bend sludge treatment facility with modern dedicated biogas generation equipment to create renewable energy from methane. The grant will partially fund (\$1.25 million) this measure and Austin Water Utility will fund the balance.
- Installation of interior lighting upgrades and lighting controls. This measure will include installing new high efficiency lamps in existing T8 fixtures, lighting retrofits, and the installation of lighting controls such as photocells, occupancy sensors, and day lighting controls. Similar projects have been implemented by Austin Energy in the past, but funding was limited. Large scale implementation with this federal funding will result in significant energy savings and carbon reductions. This measure includes hiring two (2) new full time employees for the duration of the grant period.
- Optimize performance of energy systems by recommissioning activities such as: reprogramming or recalibrating equipment, making repairs where necessary, and installing localized controls as needed. Austin Energy staff has identified 15 facilities as viable candidates for recommissioning and other smaller facilities will be evaluated for the installation of localized controls like programmable thermostats. This measure includes hiring two (2) new full time employees for the duration of the grant period.
- Increase insulation, seal ducts and building envelope, install weather stripping, and other energy improvements at smaller facilities such as Fire and Emergency Medical Services stations and Parks facilities.

### **Project Procurement Plan**

<b><u>Energy Conservation Measure</u></b>	<b><u>Procurement Method</u></b>
Technicenter HVAC Renovations	Existing Performance Contract
Exterior Lighting Retrofits	New Solicitation
Biogas Generation	TBD – Austin Water Utility
Interior Lighting Retrofits	Re-solicitation of an existing contract
Systems Optimization	Existing Interlocal (TAMU) and New Solicitation
Weatherization	New Solicitation

**ORDINANCE NO.**

**AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF AMERICAN RECOVERY AND REINVESTMENT (ARRA) FUNDS FROM THE U.S. DEPARTMENT OF ENERGY (DOE) AND AMENDING THE FISCAL YEAR 2009-2010 AUSTIN ENERGY OPERATING BUDGET SPECIAL REVENUE FUND OF ORDINANCE 20090914-002 TO APPROPRIATE SUCH FUNDS AND AUTHORIZING THE ADDITION OF FOUR FULL TIME EQUIVALENT (FTE) EMPLOYEES FOR IMPLEMENTING ENERGY CONSERVATION MEASURES IN CITY OF AUSTIN FACILITIES.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** The Council authorizes the acceptance of \$7,492,700 in funds provided by the U.S. Department of Energy (DOE) and the addition of four (4) FTE's for implementing Energy Conservation measures in City of Austin facilities.

**PART 2.** The Council amends the 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance 20090914-002 to appropriate \$7,492,700 and the addition of four (4) FTE's for Energy Conservation measures to be implemented in City of Austin facilities.

**PART 3.** This ordinance takes effect on February 15, 2010.

**PASSED AND APPROVED**

\_\_\_\_\_, 2010

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Lee Leffingwell  
Mayor

**APPROVED:** \_\_\_\_\_  
David Allan Smith  
City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Gentry  
City Clerk



**OPERATING BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

2/4/2010

**WHERE ON AGENDA:**

ORDINANCE

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Approve an ordinance authorizing acceptance of \$7,492,700 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE), and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$7,492,700 for Energy Conservation Measures to be implemented in City of Austin facilities and the addition of four FTE's for implementing Energy Conservation measures in City of Austin facilities.

**FINANCIAL INFORMATION:**

	Amended Budget 2009-2010	Impact of This Action	Amended Budget 2009-2010
<b>American Recovery and Reinvestment Act</b>	\$0	\$7,492,700	\$7,492,700
<b>Grant Term 12/28/2009 to 12/27/2012</b>			
<b>Total</b>	<u>\$0</u>	<u>\$7,492,700</u>	<u>\$7,492,700</u>
<b>FTEs</b>	0	4.00	4.00

Source: \$7,492,700 grant funds is available from the American Recovery and Reinvestment Act (ARRA) grant funds

The Grant Term is December 28, 2009 to December 27, 2012.

Director, Planning & Budget

Signature: David Kutach

Date: 1/11/2010

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

**AGENDA DATE: 02/04/10  
PAGE 1 of 1**

**SUBJECT:** Approve ratification of the issuance of 18 letters of intent for rebates to ACERO CONSTRUCTION, Austin, TX, for the installation of solar energy systems designed to serve 18 new construction residential condominiums at 2301 South 5<sup>th</sup> Street, in the total amount not to exceed \$203,796.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy, Conservation Rebates and Incentives Fund.

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

**BOARD AND COMMISSION ACTION:** To be reviewed by the Resource Management Commission on January 19, 2010 and the Electric Utility Commission on January 25, 2010.

**FOR MORE INFORMATION CONTACT:** Leslie Libby, Solar Program Manager, 482-5390; Fred Yebra, Director of Energy Efficiency Services, 482-5305.

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On July 31, 2009, Austin Energy issued 18 Letters of Intent for rebates, averaging \$11,988 each, for the installation of solar photovoltaic (PV) systems at a new condominium project at 2301 South 5th Street in Austin, Texas. Each of the eighteen systems will be tied to an individual residential electric revenue meter. Upon subsequent review, Austin Energy determined that because the rebates are to be issued to a common address, the group of rebates could be considered a single project. The ratification is requested because, as a whole, the total rebate amount for the 18 projects is \$203,796, above the level at which Council approval is required.

The total installed cost for solar systems at the address is estimated to be \$341,714; the total rebate amount of \$203,796 will cover approximately 60% of the cost. The rebate level for this project is \$3,750 per kW. The solar equipment, which meets Austin Energy program requirements, includes a total of 324 solar modules rated at 185 watts and associated inverters are rated at 95.5% efficiency respectively. Austin Energy expects the systems to generate a total of 50.3 kW of power.

This energy improvement will generate an estimated 69,877 kWh per year—enough to provide electricity to six average Austin homes for a year—and produce an estimated 70 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 1586 trees or 79 acres of forest in Austin's parks or the removal of 81,195 vehicle miles or 10 cars from Austin roadways. This project will avoid 46 tons of Carbon Dioxide (CO<sub>2</sub>); 58 pounds of Sulfur Dioxide (SO<sub>2</sub>); 64 pounds of nitrogen oxide (NOX), and 45 pounds of carbon monoxide (CO) emissions, based on Austin Energy emissions estimates.



## MEMORANDUM

**TO:** Mayor and Council Members

**CC:** Marc A. Ott, City Manager

**FROM:** Cheryl Mele, Chief Operating Officer

**DATE:** January 20, 2010

**SUBJECT:** Proposed Ratification of Solar Rebate Letters of Intent

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Between July and December of 2009, Austin Energy issued 64 Letters of Intent for rebates, averaging approximately \$10,000 each, for installations of solar photovoltaic (PV) systems at three multi-family construction projects in Austin. Upon subsequent review, Austin Energy determined that because the rebates are to be issued to common addresses at each of the three construction projects, that it could be considered three projects instead of 64 projects, with the total project amounts exceeding administrative authority. Therefore, Austin Energy seeks ratification of these Letters of Intent. The cumulative rebate amounts for the three construction projects are \$365,108, \$203,796 and \$102,408.

Each of the PV systems will be tied to an individual electric meter, so owners of each unit installing a PV system will enjoy the benefits of electricity generation through reductions in their electric bills. The RCAs detail the environmental benefits of these new solar electric generation systems, such as the equivalent to trees planted or the removal of cars from Austin roadways, and the reduction in emissions.

The Resource Management Commission recommended approval of the proposed ratifications at their January 19, 2010 meeting. The Electric Utility Commission is scheduled to review the ratifications at their January 25 meeting. Austin Energy plans to present the items for your approval on February 4, 2010.

If you have any questions, please do not hesitate to contact me at 322-6062.



Cheryl Mele  
Chief Operating Officer

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

**AGENDA DATE: 02/04/10  
PAGE 1 of 1**

**SUBJECT:** Approve ratification of the issuance of a 31 letters of intent for rebates to FORTIS DEVELOPMENT, Austin, TX, for the installation of solar energy systems designed to serve 31 new construction residential condominiums and three commercial buildings at 904 West Avenue, in the total amount not to exceed \$365,108.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy, Conservation Rebates and Incentives Fund.

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

**BOARD AND COMMISSION ACTION:** To be reviewed by the Resource Management Commission on January 19, 2010 and the Electric Utility Commission on January 25, 2010.

**FOR MORE INFORMATION CONTACT:** Leslie Libby, Solar Program Manager, 482-5390; Fred Yebra, Director of Energy Efficiency Services, 482-5305.

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On September 15, 2009, Austin Energy issued 34 Letters of Intent for rebates, averaging \$10,738 each, for the installation of solar photovoltaic (PV) systems at a new condominium project at 904 West Avenue, Austin, Texas. Thirty-one of the PV systems will be tied to individual residential electric revenue meters. Three of the PV systems will be tied to individual commercial revenue meters. Upon subsequent review, Austin Energy determined that because the rebates are to be issued to a common address, the group of rebates could also be considered a single project. The ratification for these Letters of Intent is requested because, as a whole, the total rebate amount for the 34 projects is \$365,108, above the level at which Council approval is required.

The total installed cost for solar systems at the address is estimated to be \$515,592; the total rebate amount of \$365,108 will cover approximately 71% of the cost. The rebate level for this project is \$4,500 per kW. The solar equipment, which meets Austin Energy program requirements, includes a total of 476 solar modules rated at 185 watts and associated inverters rated at 95.5% efficiency. Austin Energy expects the systems to generate a total of 73.16 kW of power.

This energy improvement will generate an estimated 113,839 kWh per year—enough to provide electricity to ten average Austin homes for a year—and produce an estimated 114 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 2,583 trees or 129 acres of forest in Austin's parks or the removal of 132,278 vehicle miles or 17 cars from Austin roadways. This project will avoid 75 tons of carbon dioxide (CO<sub>2</sub>); 95 pounds of sulfur dioxide (SO<sub>2</sub>); 105 pounds of nitrogen oxide (NOX), and 73 pounds of carbon monoxide (CO) emissions, based on Austin Energy emissions estimates.

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

**AGENDA DATE: 02/04/10  
PAGE 1 of 1**

**SUBJECT:** Approve ratification of the issuance of 12 letters of intent in the total amount of \$102,408 and authorize issuance of six additional letters of intent in the total amount of \$44,288 for rebates to PERRY EQUITY PARTNERS, Austin, TX, for the installation of solar energy systems designed to serve 18 new construction homes in the SOL subdivision located at 127 Perry Road, for a total amount not to exceed \$146,696.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy, Conservation Rebates and Incentives Fund.

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

**BOARD AND COMMISSION ACTION:** To be reviewed by the Resource Management Commission on January 19, 2010 and the Electric Utility Commission on January 25, 2010.

**FOR MORE INFORMATION CONTACT:** Leslie Libby, Solar Program Manager, 482-5390; Fred Yebra, Director of Energy Efficiency Services, 482-5305.

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Between July 27, 2009 and December 4, 2009, Austin Energy issued 12 Letters of Intent for rebates, averaging \$8,534 each, for the installation of solar photovoltaic (PV) systems at a new subdivision located at 127 Perry Road, Austin, Texas. Each of the 12 PV systems will be tied to an individual residential electric revenue meter. Upon review, Austin Energy determined that because the rebates are to be issued to a common address, the group of rebates could also be considered a single project. The ratification for these Letters of Intent is requested because, as a whole, the total rebate amount for the 12 projects is \$102,408, above the level at which Council approval is required. In addition, Austin Energy has received and is processing applications for six additional solar installations at this address, averaging \$7380 each, for a total additional rebate amount of about \$44,288. Austin Energy also requests approval to issue Letters of Intent for these additional six applications.

The total installed cost for solar systems at the address is estimated to be \$231,117; the total rebate amount of \$146,696 will cover approximately 44% of the total cost. The rebate level for this project is \$3,750 per kW for the installations approved prior to November 1, 2009, and \$2,500 per kW for the installations approved after November 1, 2009. The solar equipment, which meets Austin Energy program requirements, includes a total of 200 solar modules rated at 175 watts and associated inverters rated at 95.5% efficiency. Austin Energy expects the systems to generate a total of 29.1 kW of power.

This energy improvement will generate an estimated 46,248 kWh per year—enough to provide electricity to four average Austin homes for a year—and produce an estimated 46 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 1,049 trees or 52 acres of forest in Austin's parks or the removal of 53,739 vehicle miles or seven cars from Austin roadways. This project will avoid 31 tons of carbon dioxide (CO<sub>2</sub>); 39 pounds of sulfur dioxide (SO<sub>2</sub>); 43 pounds of nitrogen oxide (NOX), and 30 pounds of carbon monoxide (CO) emissions, based on Austin Energy emissions estimates.

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

**AGENDA DATE: 02/04/10  
PAGE 1 OF 1**

**SUBJECT:** Approve a resolution authorizing the City Manager to establish and administer a residential solar rebate program and a performance-based solar incentive program for commercial and multi-family facilities.

**AMOUNT & SOURCE OF FUNDING:** N/A

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

**FOR MORE INFORMATION CONTACT:** Karl R. Rábago, Vice President, Distributed Energy Services, 322-6098.

**PRIOR COUNCIL ACTION:** May 27, 2004 – Approved Resolution No. 040527-06, establishing the current solar rebate program.

**BOARD AND COMMISSION ACTION:** Recommended by the Resource Management Commission. To be reviewed by the Electric Utility Commission on January 25, 2010.

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The proposed resolution would authorize Austin Energy to implement a revised solar photovoltaic incentive program that employs rebates for residential customers and long-term performance-based incentive payments for commercial and multi-family customers. Such a program will further current City Council policy to increase the amount of installed solar capacity in the Austin Energy system by encouraging electric customers to purchase and install grid-connected solar energy systems. The proposed resolution also recognizes that the City Council desires that Austin continue its commitment to participate in the solar energy market and remain a leader in the development and use of clean, renewable energy.

Approval of the proposed resolution would supersede Resolution No. 040527-06 in its entirety, replacing the current rebate program with a performance-based incentive program. Issuance of rebates or incentive agreements in excess of the City Manager's administrative authority will still require specific City Council approval. The proposed resolution more accurately describes the future of the Solar Photovoltaic Incentive Program and provides for evaluation procedures to ensure predictability and market appropriateness of rebate levels. The proposed resolution also specifically allows incentives for developers installing solar photovoltaic energy systems during the construction of multi-unit housing developments.

## **RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, on August 28, 2003, the Austin City Council adopted Resolution No. 030828-38, which recognized that through the tangible support of clean energy Austin Energy can play a strategic economic development role in Austin by helping create new jobs in Austin; and resolved to have Austin Energy develop and incorporate strategies in its Strategic Plan designed to ensure Austin remains a national and international leader in the development and use of clean energy; and

**WHEREAS**, on May 27, 2004, the Austin City Council adopted Resolution No. 040527-06, approving a solar photovoltaic rebate incentive program to encourage the installation of solar resources by Austin Energy customers; and

**WHEREAS**, since adoption of the solar rebate program, Austin Energy has issued \$13,752,191 in rebates to residential customers and \$5,753,643 in rebates to commercial customers, resulting in the installation of 4 MW of solar capacity in the Austin Energy service territory; and

**WHEREAS**, the City Council desires that Austin Energy continue the development and implementation of solar photovoltaic incentive programs that encourage its customers to purchase and install grid-connected solar energy systems; that encourage the development of the local solar energy industry and the solar energy industry on a national and international level; and that ensure that Austin remains a local, national and international leader in the development and use of clean, renewable energy; **NOW THEREFORE**,

### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

1. That the Austin City Council finds that a solar photovoltaic incentive program will serve a public purpose, and will benefit the general welfare of the citizens of

Austin and the ratepayers of Austin Energy, by promoting the use of cost-free and non-emitting solar energy; by offsetting the need for the construction of additional fossil-fuel peak-load generating capacity; by promoting economic development in Austin under Chapter 380 of the Texas Local Government Code by encouraging the successful development, recruitment and retention of clean, renewable energy businesses and enterprises; and by ensuring that Austin remains a local, national, and international leader in the development and use of clean, renewable energy.

2. That the City Manager is authorized to design, implement, and administer a solar photovoltaic incentive program for Austin Energy residential customers having the following criteria:
  - a. The program shall provide upfront rebates that offset a portion of the customer's purchase and installation costs on a dollar-per-kilowatt of installed capacity basis (alternating current), with the rebate level to be determined by staff in accordance with market and budget considerations so as to optimize the use of rebate funds and maximize the amount of installed solar capacity per rebate dollar.
  - b. The rebate shall not exceed eighty percent of the customer's installed cost per residential meter, or such lesser level as may be determined by staff. Staff may also establish an aggregate lifetime cap on rebates per customer. The rebate level may set be higher for systems manufactured or assembled (excluding installation) within the City of Austin or Austin Energy's service territory.
  - c. Developers of residential properties shall be eligible for a rebate for each residential home or unit constructed, subject to the same per-meter cap stated above.
3. That the City Manager is authorized to design, implement, and administer a solar photovoltaic incentive program for Austin Energy commercial and multi-family customers having the following criteria:



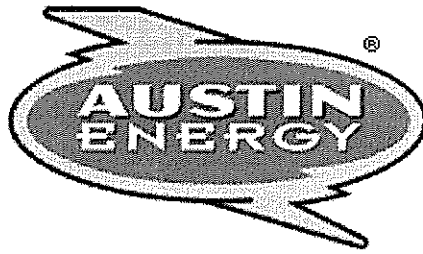
- a. The program shall pay a fixed performance-based incentive (PBI) to the customer over a ten-year period on the basis of kilowatt-hours of solar energy produced. The PBI level may be higher for systems manufactured or assembled (excluding installation) within the City of Austin or Austin Energy's service territory. The PBI shall be determined by staff in accordance with market and budget considerations so as to optimize the use of rebate funds and maximize the amount of installed solar capacity per incentive dollar.
  - b. The program shall be designed to result in the installation of five megawatts of installed solar capacity within five years. Unless extended by Council, the program shall be closed to new customer applications after such time.
  - c. The maximum capacity for eligible systems shall not exceed the amount eligible for net metering under the Distributed Generation from Renewable Sources Rider contained in the City Electric Rate Schedule.
4. The rebate amount for residential customers and the PBI amount for commercial customers will be determined by the City Manager at the beginning of each program year and re-evaluated every four months in consultation with industry and community stakeholders to ensure predictability and market appropriateness. The rebate and PBI levels are to decrease over the life of the program.
5. The City shall require a customer who receives rebate or incentive funds to assign to the City all Renewable Energy Credits and other environmental credits, benefits, or offsets (other than tax benefits) associated with or derived from solar energy produced by systems having received rebates or PBIs under these program.
6. The City Manager shall provide updates concerning these programs to the Electric Utility Commission and the Resource Management Commission not less than semi-annually.

7. This resolution supersedes and replaces Resolution No. 040527-06.

**ADOPTED:** \_\_\_\_\_, 2010    **ATTEST:** \_\_\_\_\_

Shirley A. Gentry  
City Clerk

DRAFT



## MEMORANDUM

**TO:** Mayor & Council Members

**CC:** Marc A. Ott, City Manager

**FROM:** Roger Duncan, AE General Manager

**DATE:** January 14, 2010

**SUBJECT:** Solar Rebate Program Changes

### Overview

On September 24, 2009, Austin Energy suspended its commercial and multifamily solar rebate program. Austin Energy had already issued \$700,000 from the FY2010 budget toward commercial solar rebates, and at that point set aside \$100,000 of the remaining FY2010 Solar Rebate Program budget to pilot a new program for commercial and multifamily solar projects. Austin Energy committed to relaunch the commercial program in January 2010. Over the past four months, Austin Energy has conducted a number of stakeholder engagement meetings and received and evaluated feedback and suggestions. Austin Energy now proposes a new Commercial and Multifamily Solar Production Based Incentive (PBI) Program. Key features of this proposed program include:

- Development of 5,000 kilowatts of new solar photovoltaic capacity on commercial and multifamily customer facilities over the next five years through the PBI Program. After five years, Austin Energy plans to terminate new agreements under the Program and transition incentives for commercial and multifamily solar development to another program, such as a feed-in-tariff.
- The PBI Program will continue to provide incentives for photovoltaic (PV) solar systems connected on the customer's side of the meter under the terms and conditions of Austin Energy's Distributed Generation from Renewable Sources (Net Metering) Rider. The customer will receive the benefit of the solar power produced as a net metering customer; as a result, solar power offsets some of the customer's consumption. Austin Energy will determine the applicability of future changes in the Net Metering Rider to PBI Program customers as those changes are implemented.
- Austin Energy will continue to require that the customer assign to Austin Energy all Renewable Energy Credits generated by the system over the life of the system and to install appropriate metering equipment.

- The PBI, once agreed upon by Austin Energy, will be paid to the customer based on qualifying production on a monthly basis and for a term of ten (10) years.
- Austin Energy will establish an annual budget for the PBI program and manage against that budget. Incentive levels will be reviewed and, as appropriate, adjusted to systematically encourage reductions in the cost of solar systems and increases in the amount of solar production supported under the annual budget. A table describing the budget impacts of the PBI Program is attached.

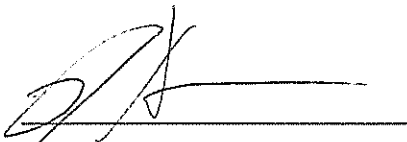
The commercial and multifamily solar program redesign allows Austin Energy to provide a long-term incentive tied to actual energy production at lower annual cost (by spreading incentive payments over a number of years), to provide market stability to the local PV industry, and to match incentive levels more closely to actual market conditions.

### **Commercial and Multifamily Production Based Incentive “PBI” Program Elements**

- The maximum system size for solar photovoltaic systems under the PBI Program is 20 kW AC. This is in accord with the Distributed Generation from Renewable Sources (Net Metering) Rider.
- Austin Energy approved solar contractors will submit PBI applications on customers’ behalf.
- Application submittal does not entitle applicant to incentive funds. Applications must be accompanied by a copy of the contract between the customer and the installer. Once the incentive application and site is assessed and approved by Austin Energy, and if sufficient funds remain in the PBI budget, a Letter of Intent (LOI) will be issued. Austin Energy only undertakes an obligation to pay the incentive via the Letter of Intent.
- The LOI will state terms and conditions, including the incentive rate for renewable energy generation by the photovoltaic system and the duration of the agreement. Energy production by the PV system must be measured and verified by an Austin Energy installed utility grade meter. Austin Energy will make payments to customers, contractors or third parties on a quarterly basis. The customer must agree to make the agreement transferable in the event the property ownership changes and assign renewable energy credits created by the system to Austin Energy.
- Austin Energy’s obligations under the agreement are payable from current electric operating and maintenance funds appropriated and available for this purpose. Austin Energy’s payment obligations are special limited obligations of the City of Austin (“City”), payable solely from the revenues of Austin Energy, and not from any tax revenues of the City. The Agreement does not constitute indebtedness or a loan of the credit of the State, the City or any subdivision of the State within the meaning of any constitutional or statutory provisions. Neither the faith and credit nor the taxing power of the State, the City or of any political or subdivision thereof is pledged to the payment obligations of the City and/or Austin Energy under the agreement.

- In an effort to promote solar technologies and economic growth, qualifying equipment manufactured or assembled in Austin Energy's electric service area may qualify for a higher incentive level. "Manufactured or assembled" does not include installation of the system.
- At this time, Austin Energy intends to enroll new customers in the PBI Program for five years. The incentive level will be reset at the beginning of each program year and will be re-evaluated every four months by Austin Energy staff and in consultation with industry and community stakeholders. The annual appropriated budget for the PBI program will be allocated each four-month period, and the incentive level may be adjusted up or down according to prevailing market conditions. If the incentive level is increased, pending applications will be retained on file and addressed in the order that they were received. An increase in the incentive level will be offset by an adjustment in the number of applications approved in order to ensure that the budget is not exceeded. When the incentive level is decreased, pending applications *without* a signed Letter of Intent from Austin Energy will be returned to applicants. Applicants will have ten working days to resubmit a new application at the adjusted level in order to keep their position in the queue.
- Not-for-profit customers will not be excluded from participation in the program, but Austin Energy recognizes that they may difficulty accessing capital to support investments in solar systems and cannot take advantage of federal tax incentives. Austin Energy is investigating other incentive options for these customers.

Austin Energy will prepare presentations for both the Electric Utility Commission and the Resource Management Commission on these program changes. If you have any questions or comments please feel free to contact me at 322-6157 or Karl R. Rábago, Vice President, Distributed Energy Services at 322-6098 or [karl.rabago@austinenergy.com](mailto:karl.rabago@austinenergy.com).



Roger Duncan  
General Manager

# Austin Energy Commercial PV Production Based Incentive

	Program Year 1	Program Year 2	Program Year 3	Program Year 4	Program Year 5	Total or Average
<b>PBI (\$ per kWh) (est. for years 2 through 5)</b>	\$ 0.140	\$ 0.112	\$ 0.084	\$ 0.056	\$ 0.028	\$ 0.084
<b>Aggregated System Size (AC KW)</b>	450	565	750	1,125	2,250	5,140 total
<b>Number of 20 kW Systems</b>	23	28	38	56	113	257 total
<b>PBI Payments (10 yrs Aggregated)</b>	\$ 970,219	\$ 974,531	\$ 970,219	\$ 970,219	\$ 970,219	\$4,855,408
<b>Nominal Incentive Average Cost per DC W</b>						\$ 0.79
<b>PBI Payments (10 yrs Aggregated NPV)</b>	\$ 788,218	\$ 718,114	\$ 680,892	\$ 648,469	\$ 617,589	\$3,586,535
<b>NPV Average Cost per DC Watt</b>						\$ 0.59

***(Note: Incentives in Program Years 2 through 5 are estimated  
and will be set based on market conditions)***

<b>Year</b>	<b>Production Based Incentive Yearly Budget</b>	<b>Production Based Incentive Yearly Budget NPV</b>
1	\$ 99,225	\$ 99,224
2	\$ 198,395	\$ 188,947
3	\$ 296,628	\$ 269,050
4	\$ 394,370	\$ 340,671
5	\$ 491,623	\$ 404,459
6	\$ 489,165	\$ 383,273
7	\$ 486,719	\$ 363,197
8	\$ 484,285	\$ 344,172
9	\$ 481,864	\$ 326,144
10	\$ 479,454	\$ 309,060
11	\$ 382,683	\$ 234,934
12	\$ 285,977	\$ 167,204
13	\$ 190,173	\$ 105,895
14	\$ 94,848	\$ 50,299
<b>Totals</b>	<b>\$ 4,855,408</b>	<b>\$ 3,586,535</b>

<b>Estimated Customer Returns on a 20 kW System</b>	
<b>NPV</b>	\$ 24,296
<b>IRR</b>	10.2%

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

**AGENDA DATE: 02/04/10  
PAGE 1 of 1**

**SUBJECT:** Authorize the acquisition of a 2.96 acre permanent electric easement from Sun Communities Texas LP, out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas, located on Killingsworth Lane, for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in an amount not to exceed \$79,717.

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

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

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

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on January 25, 2010.

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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. During the past several summers, the Austrop Substation in East Austin has experienced increasingly greater electric loads. This new transmission line will relieve the overburden on the Austrop Substation by sharing load with the Gilleland and Techridge Substations. A remedial, but temporary action plan has been developed to alleviate potential overloading at the Austrop Substation to continue providing reliable electric service to Austin Energy customers. The construction of the new Gilleland to Techridge 138 kV transmission circuit will provide a permanent solution to the overloading problem.

An independent third party appraisal has established the fair market value of the proposed easement. The owner has agreed to accept Austin Energy's offer for the permanent electric easement.



Sun Communities, LLC  
To  
City of Austin (Austin Energy)  
Transmission Line Easement

### EXHIBIT "A" (PARCEL 2A)

**SURVEY PLAT OF PARCEL 2A: 2.96 ACRE, 100 FOOT WIDE STRIP OF LAND, (128993 SQUARE FEET), IN THE ALEXANDER WALTERS SURVEY NUMBER 67, ABSTRACT NUMBER 791, TRAVIS COUNTY, TEXAS, SAID 2.96 ACRE STRIP OF LAND BEING OUT OF THE REMAINDER OF THAT CALLED 356.92 ACRE TRACT OF LAND DESCRIBED TO SUN COMMUNITIES FINANCE, LLC, A MICHIGAN LIMITED LIABILITY (BRAIN FANNON CHIEF OPERATING OFFICER) IN THAT CERTAIN GENERAL WARRANTY DEED AS RECORDED IN DOCUMENT NUMBER 2001056531 OF THE OFFICIAL PUBLIC RECORDS TRAVIS COUNTY, SAID 2.96 ACRE TRACT OF LAND BEING SHOWN ON THE ATTACHED SKETCH LABELED EXHIBIT "B" AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:**

**COMMENCING** at a one-half inch iron rod found for an exterior angle corner of the said 356.92 acre tract of land, same being an interior angle corner on the lower northeast line of that called 92.40 acre tract of land described to Michael E. Shaw, Trustee, in that certain Deed Of Trust, Security Agreement and Financing Statement as recorded in Document Number 2006238004 Official Public Records Travis County, Texas;

**THECNE** South 62°06'34" East, along the common dividing line of the said 92.40 acre tract of land and the said 356.92 acre tract of land a distance of 677.68 feet to a calculated point for the **POINT OF BEGINNING** of and northwest corner of the herein described 2.96 acre tract of land;

**THENCE** North 86°55'22" East, through said 356.92 acre remainder tract of land, same being coincident with the south line of an existing Lower Colorado River Authority transmission line easement as recorded in Volume 649, Page 347, Volume 649, Page 347, Volume 644, Page 225, all of the Deed Records of Travis County, Texas, a distance of 1365.10 feet to a calculated point for the northeast corner of the herein described 2.96 acres of land, same being a point on the west Right of Way line of Wells Branch Parkway, 124 foot Right of Way width, dedicated to the public in that roadway dedication deed as recorded Document Number 2001058777 Official Public Records Travis County, Texas;

**THENCE** South 12°17'38" East, coincident with the west right of way line of the said Wells Branch Parkway a distance of 101.31 feet to a calculated point for the southeast corner of the herein described 2.96 acre tract of land;



**(SURVEY PLAT OF A 2.96 ACRE, 100 FOOT WIDE STRIP OF LAND, (128993 SQUARE FEET), IN THE ALEXANDER WALTERS SURVEY NUMBER 67, ABSTRACT NUMBER 791, TRAVIS COUNTY, TEXAS)**

**THENCE** South  $86^{\circ}55'22''$  West, through said 356.92 acre tract of land a distance of 1214.69 feet to a calculated point for the southwest corner of the herein described 2.96 acre tract of land, same being a point the common dividing line of the said 92.40 acre tract of land and the said 356.92 acre tract of land and from this point a three-quarter inch iron rod found for the lower east corner of the said 92.40 acre tract of land, same being an interior angle corner of the said 356.92 acre tract of land bears South  $62^{\circ}06'34''$  East, a distance of 321.47 feet;

**THENCE** North  $62^{\circ}06'34''$  West, along the common dividing line of the said 92.40 acre tract of land and the said 356.92 acre remainder tract of land a distance of 194.34 feet to the **POINT OF BEGINNING** and containing 2.96 acres or (128993 square feet) of land more or less.

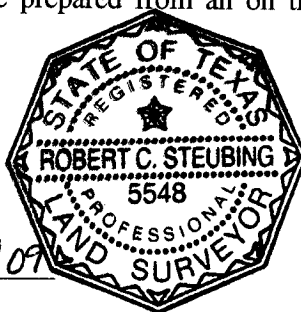
**BEARING BASIS: NAD 83, TEXAS CENTRAL ZONE, 4203, from GPS observation**

Reference the attached sketch marked **EXHIBIT "B"**.

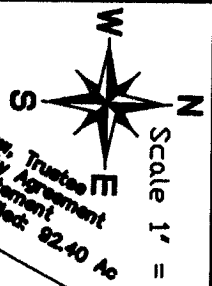
I hereby certify that these field notes were prepared from an on the ground survey made under my supervision in January 2009.

Prepared By: **AUSTIN ENERGY**

*Robert C. Steubing 01/28/09*  
**Robert C. Steubing**  
Registered Professional Land Surveyor No. 5548



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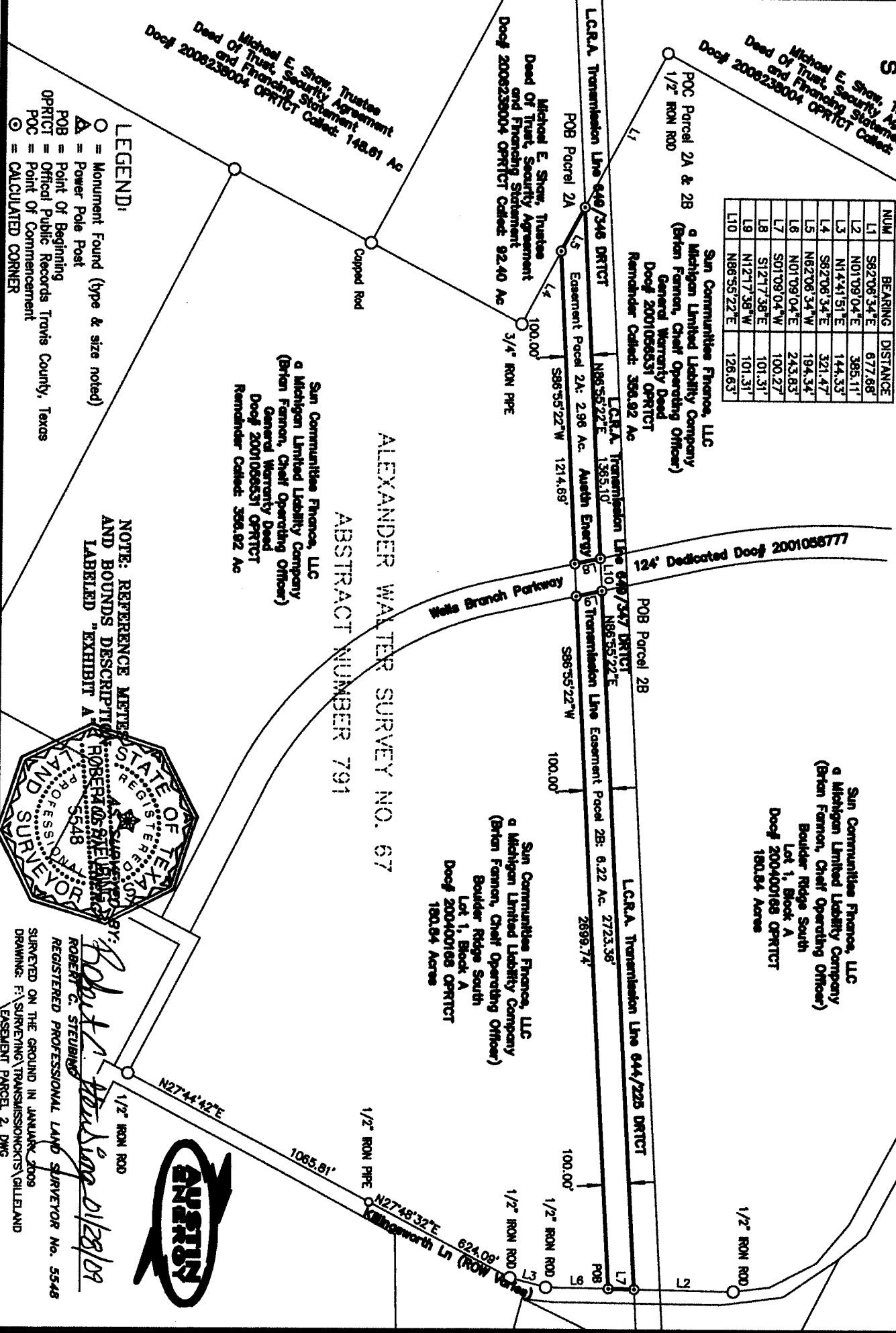


Scale 1" = 500'

**EXHIBIT "B"**  
SKETCH TO ACCOMPANY FIELD NOTE DESCRIPTION OF EASEMENT PARCEL 2A: 2.96 ACRE (128993 SQ. FT.) PARCEL 2B: 6.22 ACRES (271147 SQ. FT.) ELECTRIC LINE EASEMENT OUT OF THE ALEXANDER WALTERS SURVEY NO. 67, ABSTRACT NO. 791, TRAVIS COUNTY, TEXAS

BEARING BASIS: NAD 83, Texas Central Zone, 4203 per GPS observation

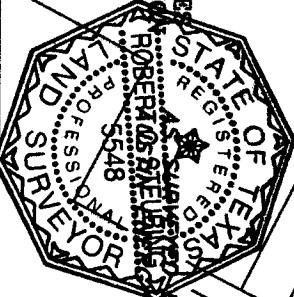
NUM	BEARING	DISTANCE
L1	S62°06'34"E	677.68'
L2	N01°09'04"E	385.11'
L3	N14°41'51"E	144.33'
L4	S62°06'34"E	321.47'
L5	N62°06'34"W	194.34'
L6	N01°09'04"E	243.83'
L7	S01°09'04"W	100.27'
L8	S12°17'36"E	101.31'
L9	N12°17'36"W	101.31'
L10	N86°55'22"E	128.63'



**LEGEND:**

- = Monument Found (type & size noted)
- △ = Power Pole Post
- POB = Point Of Beginning
- OPRCT = Official Public Records Travis County, Texas
- ⊙ = Point Of Commencement
- ⊙ = CALCULATED CORNER

NOTE: REFERENCE METERS AND BOUNDS DESCRIPTIONS LABELED "EXHIBIT A"



Robert C. Steubing 01/28/09  
REGISTERED PROFESSIONAL LAND SURVEYOR No. 5548  
SURVEYED ON THE GROUND IN JANUARY 2009  
DRAWING: F:\SURVEYING\TRANSMISSIONS\GILLELAND  
EASEMENT PARCEL 2, DWG



Existing LCRA Easement

Wells Branch Pkwy

Proposed AE Transmission  
Easement

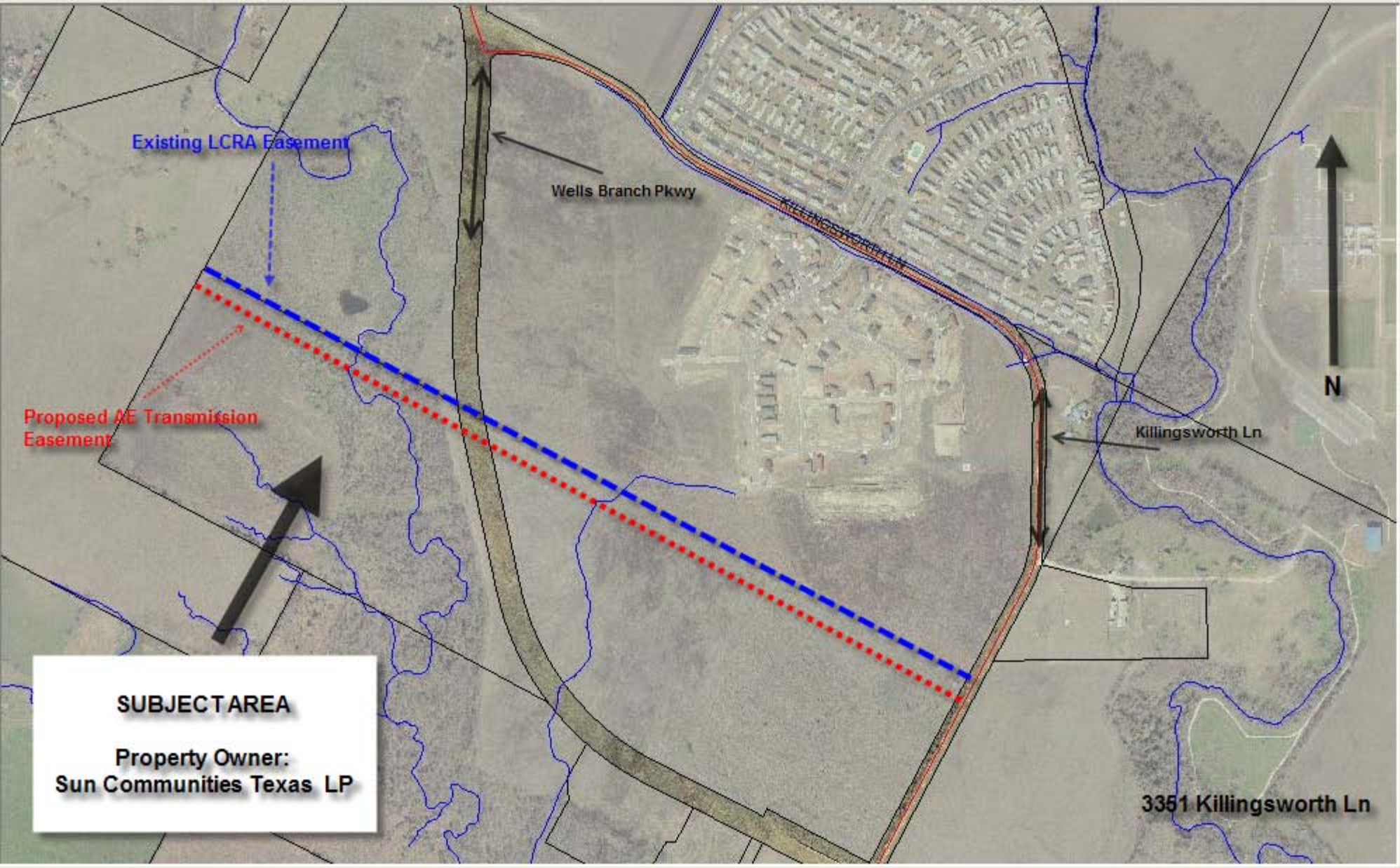
Killingsworth Ln

N

**SUBJECT AREA**

Property Owner:  
Sun Communities Texas LP

3351 Killingsworth Ln



**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

2/4/2010

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize the acquisition of a 2.96 acre permanent electric easement from Sun Communities Texas LP, out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas, located on Killingsworth Lane, for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in an amount not to exceed \$79,717.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Transmission**  
Project Authorization:      2009-2010 Approved Capital Budget

Current Appropriation	\$	249,140,734.00	
Unencumbered Balance			\$ 46,211,872.15
Amount of This Action			<u>(79,717.00)</u>
Remaining Balance			<u><u>\$ 46,132,155.15</u></u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Manager, Planning & Budget   Signature: David Kutach                      Date: 1/15/2010

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

**AGENDA DATE: 02/04/10  
PAGE 1 of 1**

**SUBJECT:** Authorize the acquisition of a 6.22 acre permanent electric easement from Sun Secured Financing Houston LP, out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas, located on Killingsworth Ln., for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in an amount not to exceed \$159,320.

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

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

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

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on January 25, 2010.

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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. During the past several summers, the Austrop Substation in East Austin has experienced increasingly greater electric loads. This new transmission line will relieve the overburden on the Austrop Substation by sharing load with the Gilleland and Techridge Substations. A remedial, but temporary action plan has been developed to alleviate potential overloading at the Austrop Substation to continue providing reliable electric service to Austin Energy customers. The construction of the new Gilleland to Techridge 138 kV transmission circuit will provide a permanent solution to the overloading problem.

An independent third party appraisal has established the fair market value of the proposed easement. The owner has agreed to accept Austin Energy's offer for the permanent electric easement.





Sun Communities, LLC  
To  
City of Austin (Austin Energy)  
Transmission Line Easement

## **EXHIBIT "A" (PARCEL 2B)**

**SURVEY PLAT OF PARCEL 2B: 6.22 ACRE, 100 FOOT WIDE STRIP OF LAND, (271147 SQUARE FEET), IN THE ALEXANDER WALTERS SURVEY NUMBER 67, ABSTRACT NUMBER 791, TRAVIS COUNTY, TEXAS, SAID 6.22 ACRE STRIP OF LAND BEING OUT OF LOT 1, BLOCK A, BOULDER RIDGE SOUTH A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN DOCUMENT NUMBER 200400168 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 6.22 ACRE TRACT OF LAND BEING SHOWN ON THE ATTACHED SKETCH LABELED EXHIBIT "B" AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:**

**COMMENCING** at a one-half inch iron rod found for an exterior angle corner of the said 356.92 acre tract of land, same being an interior angle corner on the lower northeast line of that called 92.40 acre tract of land described to Michael E. Shaw, Trustee, in that certain Deed Of Trust, Security Agreement and Financing Statement as recorded in Document Number 2006238004 Official Public Records Travis County, Texas;

**THECNE** South 62°06'34" East, along the common dividing line of the said 92.40 acre tract of land and the said 356.92 acre tract of land a distance of 677.68 feet to a calculated point on said common dividing line;

**THENCE** North 86°55'22" East, through said 356.92 acre remainder tract of land, same being coincident with the south line of an existing Lower Colorado River Authority transmission line easement as recorded in Volume 649, Page 347, Volume 649, Page 347, Volume 644, Page 225, all of the Deed Records of Travis County, Texas, a distance of 1365.10 feet to a calculated point on the west Right of Way line of Wells Branch Parkway, 124 foot Right of Way width, dedicated to the public in that roadway dedication deed as recorded Document Number 2001058777 Official Public Records Travis County, Texas, continuing and crossing said Wells Branch Parkway a **Total Distance** 1491.73 to a calculated point for the **POINT OF BEGINNING** of and northwest corner of the herein described 6.22 acre tract of land;

**THENCE** North 86°55'22" East, continuing through said 356.92 acre remainder tract of land, same being coincident with the south line of an existing Lower Colorado River Authority transmission line easement a distance of 2723.36 feet to a calculated point for the northeast corner of the herein described 6.22 acres of land, same being a point on the west Right of Way line of Killingsworth Lane, a road in Travis County, Texas and a point on the east line of the said Lot 1, Boulder Ridge South, from this point a one-half inch iron rod found for an exterior angle corner

**(SURVEY PLAT OF A 6.22 ACRE, 100 FOOT WIDE STRIP OF LAND, (271147 SQUARE FEET), IN THE ALEXANDER WALTERS SURVEY NUMBER 67, ABSTRACT NUMBER 791, TRAVIS COUNTY, TEXAS)**

of the said Lot 1, bears North 01°09'04" East, a distance of 385.11 feet, for a point on the west line of the said Killingsworth Lane;

**THENCE** South 86°55'22" West, 100 foot perpendicular distance from and parallel to the south line of the said Lower Colorado River Authority transmission line easement, same being through said Lot 1, Boulder Ridge South a distance of 2699.74 feet to a calculated point for the southwest corner of the herein described 6.22 acre tract of land, same being a point the east right of way line of the said Wells Branch Parkway;

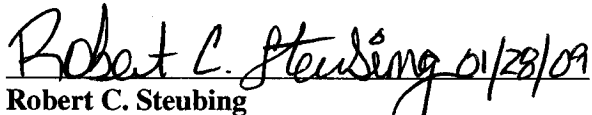
**THENCE** North 12°17'38" West, coincident with the east right of way line of the said Wells Branch Parkway a distance of 101.31 feet to the **POINT OF BEGINNING** and containing 6.22 acres or (271147 square feet) of land more or less.

**BEARING BASIS: NAD 83, TEXAS CENTRAL ZONE, 4203, per GPS observation.**

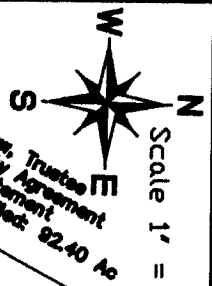
Reference the attached sketch marked **EXHIBIT "B"**.

I hereby certify that these field notes were prepared from an on the ground survey made under my supervision in January 2009.

Prepared By: **AUSTIN ENERGY**

  
**Robert C. Steubing**  
Registered Professional Land Surveyor No. 5548

F:\Surveying\Transimissionckts\Gilleland\Legal\Parcel 2B.doc

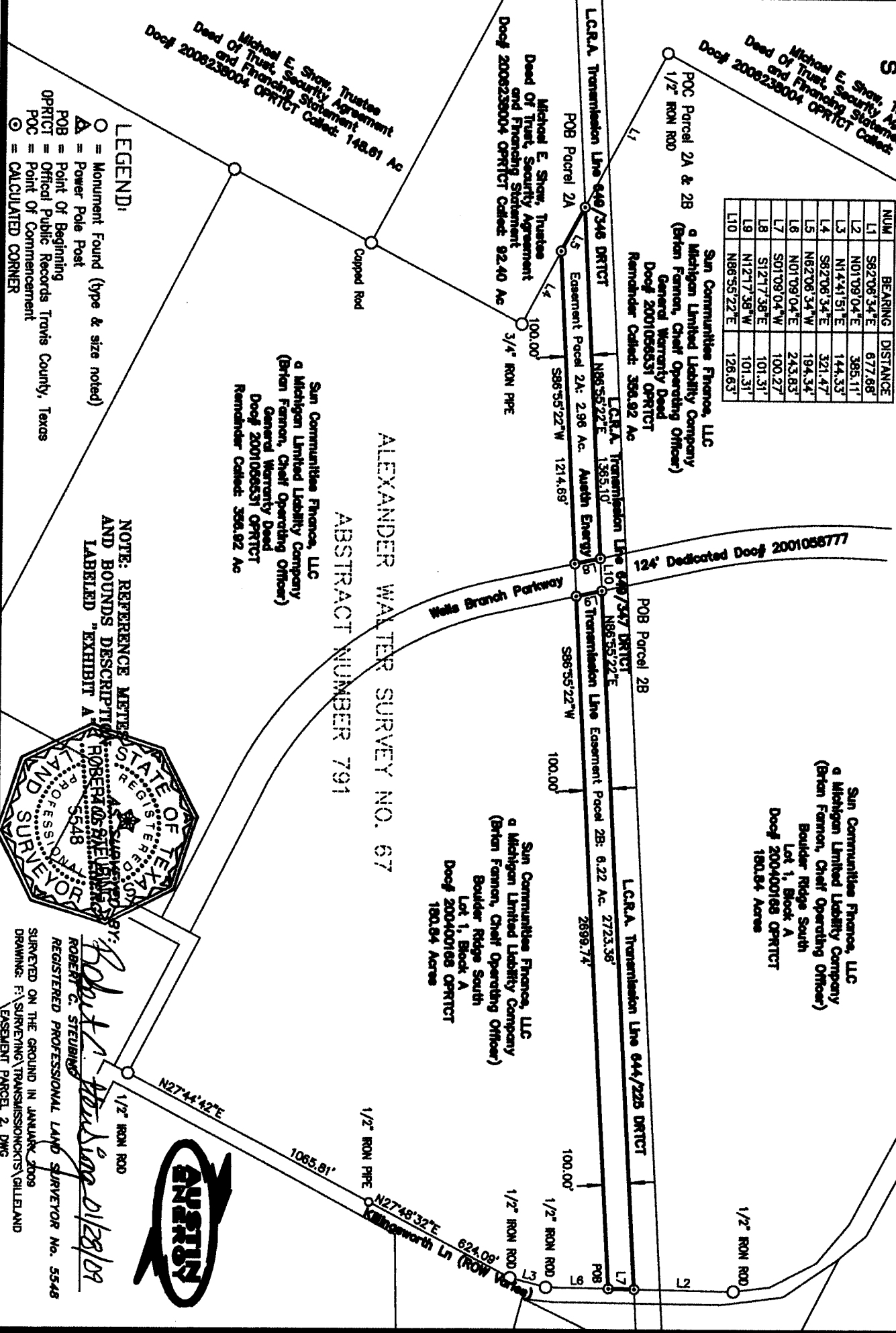


Scale 1" = 500'

**EXHIBIT "B"**  
SKETCH TO ACCOMPANY FIELD NOTE DESCRIPTION OF EASEMENT PARCEL 2A: 2.96 ACRE (128993 SQ. FT.) PARCEL 2B: 6.22 ACRES (271147 SQ. FT.) ELECTRIC LINE EASEMENT OUT OF THE ALEXANDER WALTERS SURVEY NO. 67, ABSTRACT NO. 791, TRAVIS COUNTY, TEXAS

BEARING BASIS: NAD 83, Texas Central Zone, 4203 per GPS observation

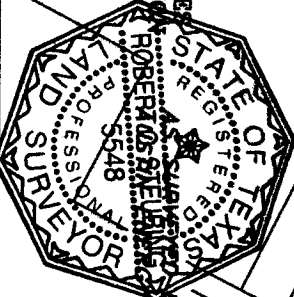
NUM	BEARING	DISTANCE
L1	S62°06'34"E	677.68'
L2	N01°09'04"E	385.11'
L3	N14°41'51"E	144.33'
L4	S62°06'34"E	321.47'
L5	N62°06'34"W	194.34'
L6	N01°09'04"E	243.83'
L7	S01°09'04"W	100.27'
L8	S12°17'36"E	101.31'
L9	N12°17'36"W	101.31'
L10	N86°55'22"E	128.63'



**LEGEND:**

- = Monument Found (type & size noted)
- △ = Power Pole Post
- POB = Point Of Beginning
- OPRTCT = Official Public Records Travis County, Texas
- = Point Of Commencement
- ⊙ = CALCULATED CORNER

NOTE: REFERENCE METERS AND BOUNDS DESCRIPTIONS LABELED "EXHIBIT A"



Robert C. Steubing  
REGISTERED PROFESSIONAL LAND SURVEYOR No. 5548  
SURVEYED ON THE GROUND IN JANUARY 2009  
DRAWING: F:\SURVEYING\TRANSMISSIONS\GILLELAND  
EASEMENT PARCEL 2, DWG





Existing LCRA Easement

Wells Branch Pkwy

Proposed AE Transmission  
Easement

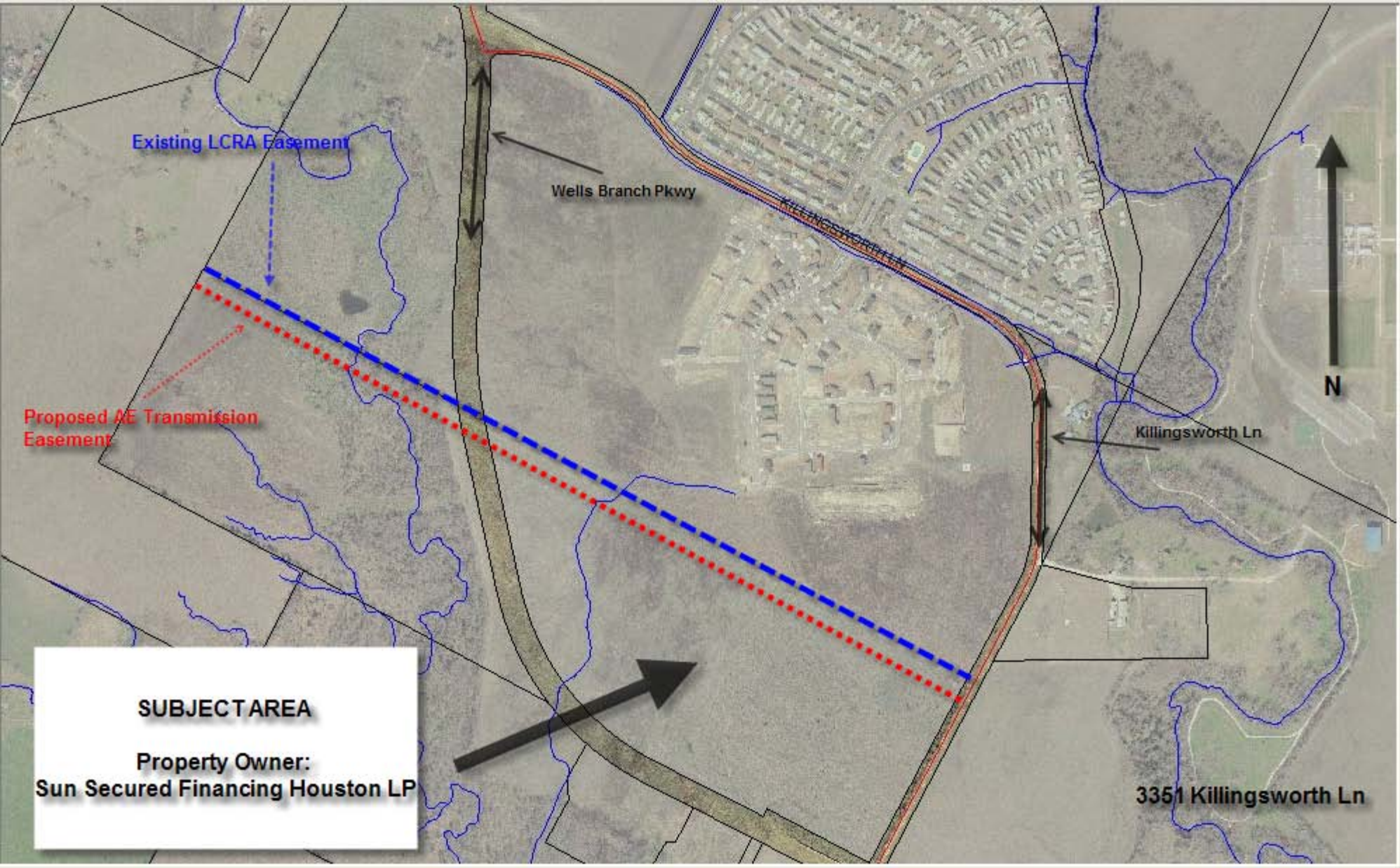
Killingsworth Ln

**SUBJECT AREA**

**Property Owner:**  
**Sun Secured Financing Houston LP**

**3351 Killingsworth Ln**

N



**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

2/4/2010

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize the acquisition of a 6.22 acre permanent electric easement from Sun Secured Financing Houston LP, out of the Alexander Walters Survey Number 67, Abstract Number 791, Travis County, Texas, located on Killingsworth Ln., for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in an amount not to exceed \$159,320.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Transmission**  
Project Authorization:      2009-2010 Approved Capital Budget

Current Appropriation	\$	249,140,734.00	
Unencumbered Balance			\$ 46,211,872.15
Amount of This Action			<u>(159,320.00)</u>
Remaining Balance			<u><u>\$ 46,052,552.15</u></u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Manager, Planning & Budget   Signature: David Kutach                      Date: 1/15/2010

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

**AGENDA DATE: 1/28/2010  
PAGE 1 OF 2**

**Subject:** Authorize execution of a construction contract with VCC, LLC, Irving, TX, for a new Animal Services Center at 7201 Levander Loop in the amount of \$11,635,000 plus a \$450,000 contingency, for a total contract amount not to exceed \$12,085,000.

**Amount and Source of Funding:** Funding in the amount of \$9,270,000 is available in the Fiscal Year 2009-2010 Capital Budget of the Health and Human Services Department; Funding in the amount of \$2,625,000 is available in the Fiscal Year 2009-2010 Capital Budget of the Financial Administration Services Department; Funding in the amount of \$190,000 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

**For More Information:** Kalpana Sutaria 974-7225; Robin Field 974-7140; April Thedford 974-7141.

**Prior Council Action:** October 11, 2007 – Council approved a resolution designating the location for the new animal services center at 7201 Levander Loop and directing the City Manager to proceed with planning for the facility; October 18, 2007 – Council authorized negotiation and execution of a professional services agreement with Jackson and Ryan Architects, Houston, TX for architectural services for the new animal services center.

**Boards and Commission Action:** To be reviewed by the Resource Management Commission on January 19, 2010 and the Electric Utility Commission on January 25, 2010.

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In 2006, voters approved bond funding for replacement of the existing Town Lake Animal Center. The planned location for the new Animal Services Center was the Betty Dunkerley Campus of the Health and Human Services Department (HHSD) at 7201 Levander Loop. This site was the former location of the Texas School for the Deaf and was purchased from the State of Texas in 2000. After the site was purchased, some structures were renovated for HHSD offices and the Emergency Operations Center. The utilities and buildings on the site were constructed in the 1950s and 1960s and are not adequate to meet current demand or building codes. New water lines are required to provide fire protection for the existing renovated buildings and for any new development at this site. This project will include the required fire protection lines and other infrastructure required for development of the site.

The Animal Services Center will offer programs including rabies quarantine, animal sheltering, laundry, dog bathing, veterinary services program, adoption kennels and program, animal receiving and reclaim, outreach programs, volunteer programs, animal cruelty program, partnerships with rescue groups and other community agencies, prevention programs, administrative offices and necessary support functions. Public meetings were held to solicit community input and stakeholder feedback was incorporated into the design.

The Animal Services Center will be located at the southern edge of the campus. The main building will support all major program functions. Adoption, stray and quarantine kennels will be located in separate structures placed to take advantage of the large existing trees. The infrastructure work will include water and fire protection lines, a wastewater line, telecommunication conduits, electric service lines, parking, green infrastructure, trails and landscape work. The existing buildings on campus will continue to operate without disruption. The safety of employees and visitors will be maintained at all times.

This project is registered under the US Green Building Council for LEED (Leadership in Energy and Environmental Design) certification and is expected to achieve a LEED Silver rating.

The solar equipment to be installed will meet Austin Energy (AE) program requirements. It will include installation of 135 “peel and stick” photovoltaic (PV) solar modules attached directly to the roof membrane. These modules are rated at 136 watts for a total of 18.36 kW STC DC (Standard Test Conditions Direct Current). Associated inverters are rated at approximately 96% efficiency. A total of 3.5 kW in demand savings is expected. This energy improvement will save an estimated 22,627 kWh per year, which is enough to provide electricity to two average Austin homes for a year, and produce an estimated 22 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 494 trees or 25 acres of forest in Austin's parks or the removal of 25,279 vehicle miles or three cars from Austin roadways. This project will save 13.09 tons of Carbon Dioxide (CO<sub>2</sub>), six pounds of Sulfur Dioxide (SO<sub>2</sub>), 28 pounds of Nitrogen Oxide (NO<sub>x</sub>), and 36 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.

The solar hot water system will include 24 glazed flat plate solar collectors, and will use two 500 gallon tanks. This system will save an estimated 96 Mcf (a unit of measure equal to one thousand cubic feet) per year of natural gas.

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

Due to the potential for unknown subsurface conditions within the campus and utility conflicts when working in the right of way, a 4% contingency in funding has been included to allow for the expeditious processing of any change orders. The contract allows 430 calendar days for completion of the project.

This project is located within zip code 78721.

**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

1/28/2010

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize execution of a construction contract with VCC, LLC, (Non M/WBE 4.45%), Irving, Texas for a new Animal Services Center at 7201 Levander Loop in the amount of \$11,635,000 plus a \$450,000 contingency, for a total contract amount not to exceed \$12,085,000.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Alternative Energy**  
Project Authorization:       2009-2010 Approved Capital Budget

Current Appropriation	\$	21,267,829.00	
Unencumbered Balance			\$ 7,664,201.89
Amount of This Action			<u>(190,000.00)</u>
Remaining Balance			<u><u>\$ 7,474,201.89</u></u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Manager, Planning & Budget   Signature: David Kutach       Date: 12/30/2009



**SUBJECT:** Authorize award and execution of a contract with HARVEY-CLEARY BUILDERS, Austin, TX, for the purchase and installation of a 2,500 ton chiller system at the Robert Mueller Energy Center in an amount not to exceed \$3,610,498.

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

**FISCAL NOTE:** A fiscal note will be submitted.

**PURCHASING:** Best evaluated bid of two bids received.

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 1/25/10.

**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) by meeting the goals with 12.24% MBE and 2.36% WBE subcontractor participation.

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

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This contract is for the purchase and installation of a 2,500 ton packaged chilling system for Austin Energy's Robert Mueller Energy Center for the Phase III Expansion. The packaged chiller will provide a critical redundant cooled water source needed to meet the chilled water demand on the district cooling system that provides services to the Dell Children's Hospital, Ronald McDonald House and others.

The packaged chiller system includes cooling towers, pumps, controls and piping. The installation services of this system also includes associated external chilled water piping, new 12,470 to 4160v transformers and associated switchgear and 15kV switchgear section and breaker associated feeders, conduit, wiring and controls, monitoring system integration, and a new redundant air compressor system which is all required to connect and operate this system with the existing plant systems.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

**BID TABULATION**

**IFB (Best Value) No. SMH0016  
Chiller System Purchase & Installation**

<b><u>Vendor</u></b>	<b><u>Total Bid</u></b>	
<b>Harvey-Cleary Builders Austin, TX</b>	<b>\$3,610,498</b>	
Lott Brothers Construction Company, LTD Austin, TX	\$4,162,000	
<b><u>Prime – Harvey-Cleary Builders</u></b>	<b><u>\$278,466.00</u></b>	<b><u>7.71%</u></b>
<b><u>MBE Subcontracting Participation</u></b>	<b><u>\$442,166.00</u></b>	<b><u>12.24%</u></b>
<u>Hispanic</u>	<u>\$442,166.00</u>	<u>12.24%</u>
Titus Electrical Contracting, LP Austin, Texas Electrical Services	\$442,166.00	12.24%
<b><u>WBE Subcontracting Participation</u></b>	<b><u>\$85,000</u></b>	<b><u>2.36%</u></b>
<u>Guardian Industrial Supply, Inc.</u> Austin, TX Electrical Supplies	<u>\$85,000</u>	<u>2.36%</u>
<b><u>NON MBE/WBE</u></b>	<b><u>\$2,804,866.00</u></b>	<b><u>77.69%</u></b>
Slater Painting Company, Inc. Austin, TX Painting Services	\$3,900.00	.11%
Pro-Fab Custom Fabrication & Welding Georgetown, TX Steel Fabrication & Installation	\$76,995.00	2.13%
Harkins Company Elgin, TX	\$145,400	4.03%

Mechanical Services

Trane	\$2,578,571.00	71.42%
Austin, TX		
Packaged Chiller		

An invitation for bid best value bid process was used for this solicitation. An Austin Energy team evaluated the bids on cost, experience of company and personnel, schedule, and proposed equipment. A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Thirty-four notices were sent, including one WBE. There are no known MBEs available for this commodity code. Two bids were received with no response from the WBE.
- c. The pricing offered represents a 30% increase from the last contract award made in March 2007; however this contract includes additional work scope including connection to the existing 12,470v power supply which was not included in the previous contract.

**APPROVAL JUSTIFICATION**

- a. Best evaluated bid received. Harvey-Cleary Builders was not the past provider for this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.



Purchase & Installation of 2500 Ton Chiller for RMEC IFBBV SMH0016

<b>Evaluation Category</b>	<b>Max. Points</b>	<b>Lott Brothers Construction Co Austin, TX</b>	<b>Harvey-Cleary Builders Austin, TX</b>
<b>Total Evaluation Cost</b> (Bidder with lowest cost to the City received the maximum points; remaining bidders are scored on a percentage ratio basis)	51	44	51
<b>Demonstrated Applicable Experience</b> (Must provide a reference list for at least three (3) clients with whom they have provided similar services within the past five (5) years)	20	14	19
<b>Experience of Personnel</b> (Must provide résumé's, certifications, licenses etc. for all main personnel who will be directly assigned to the project)	9	7	6
<b>Proposed Schedule</b> (Must provide proposed schedule in MS Project format including any major milestones)	10	7	7
<b>Proposed Equipment and Exceptions to Specifications</b>	10	9	9
<b>Total Maximum Points Available</b>	100	81	92

**IFB - MBE/WBE COMPLIANCE PLAN**

Appendix A

*All sections (I-VIII) must be completed and submitted  
prior to the due date in the solicitation documents*

**Section I — Project Identification and Goals**

Project Name	MUELLER ENERGY CENTER 2500-TON CHILLER
Solicitation Number	SMH0016

Project Goals or Subgoals	
MBE	NA% <b>2.32%</b>
African American	0.52% <b>NA</b>
Hispanic American	1.05% <b>NA</b>
Native/Asian American	0.75% <b>NA</b>
WBE	2.21% <b>2.21%</b>

**Section II — Prime Company Information**

Name of Company	HARVEY - CLEARY BUILDERS
Address	8107 SPRINGDALE ROAD
City, State Zip	AUSTIN TEXAS 78724
Phone	512 928 9320
Fax	512 928 9331
Name of Contact Person	RON TURNER
Is prime company City certified?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture <input type="checkbox"/>

I certify that the information included in this Compliance Plan is true and complete to the best of my knowledge and belief. I further understand and agree that this Compliance Plan shall become a part of my contract with the City of Austin.

DONALD LOSEY, VICE PRESIDENT  
Name and Title of Authorized Representative

Signature

Date

12/22/09

**For SMBR Use Only:**

I have reviewed this compliance plan and found that the Bidder HAS <input checked="" type="checkbox"/> or HAS NOT <input type="checkbox"/> complied as per the City Code Chapter 2-9A.	
Reviewing Counselor	<u>Raymond M. Young</u>
Director/Assistant Director	<u>Melinda Jones</u>
Date	<u>12-30-09</u>
Date	<u>12-30-09</u>

**SUBJECT:** Authorize award and execution of a 12-month requirements supply agreement with VAUGHN MANUFACTURING CORP., Salisbury, MA for the purchase of digital water heater timers in an estimated amount not to exceed \$206,240, with three 12-month extension options in an estimated amount not to exceed \$205,000 per extension option, for a total estimated contract amount not to exceed \$821,240.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$120,307 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining five 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:** Sole bid received.

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on January 25, 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:** Sandy Calles, Buyer Sr. (512) 322-6487

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This supply agreement with Vaughn Manufacturing Corp. is for the purchase of digital timers that will be installed on electric water heaters. These digital water heater timers are part of the Austin Energy Demand Response Program - Cycle Saver Program to help AE manage its summer energy peak demand. The Cycle Saver program is also a vital component of the Austin Climate Protection Plan approved by Austin City Council on February 15, 2007. The overall goal of the Climate Protection Plan is to reduce greenhouse emissions and respond to global climate change, to offset 700 MW of peak demand by 2020, and meet 30% of generation needs by 2020 from renewable energy. To date, over 20,000 timers have been installed in AE's service territory. Austin Energy's goal is to purchase 2,500 programmable water heater timers annually through this contract. Installation of these timers will be handled through a separate contract.

The timers will provide automatic peak load control of electric water heaters located in single-family residences, multi-family residential apartments, duplexes, and small commercial facilities. This program represents one of several demand response programs resulting in energy savings by achieving summer peak demand load reductions as well as load shifting. These electronic load control timer devices are tamper proof, and pre-programmed to be in the "off" position during peak power demand periods. Cycling times are June through September, weekdays from 3:00pm to 7:00pm. A typical water heater uses about 20% of the overall residential electricity used per month. The reduction in electric demand when a water heater timer is installed results in 0.65 KW.

MBE/WBE solicited: 1/2

MBE/WBE bid: 0/0

**BID TABULATION**

IFB No. SLC0025  
Water Heater Timers

**VENDOR**

**Vaughn Manufacturing**  
**Salisbury, MA**

**TOTAL BID**

**\$206,240.00**

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

**PRICE ANALYSIS**

- a. Sole bid. The bid opening date was extended in an effort to secure more bids without success. This commodity is very specialized and thus vendors capable of providing it are very limited.
- b. Forty notices were sent, including one MBE and two WBEs. One bid was received, with no response from the MBE/WBEs.
- c. The pricing offered is the same as the pricing for the previous contract award.

**APPROVAL JUSTIFICATION**

- a. Sole bid received. Vaughn Manufacturing Corp. is the current provider of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**SUBJECT:** Authorize award, and execution of Amendment No. 3 to the contract with OPEN SYSTEMS INTERNATIONAL, INC., Minneapolis, MN, for the purchase of Generation Management System (GMS) software, technical services, annual maintenance and support, and implementation by increasing the current fiscal year contract authorization option by \$200,000 and the two remaining extension options in an estimated amount not to exceed \$150,000 per extension option, and adding three additional 12-month extension options in an estimated amount not to exceed \$150,000 per extension option, for a revised total estimated contract amount not to exceed \$2,095,227.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the fiscal Year 2009-2010 Operating Budget for Austin Energy. Funding for the remaining 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:** Art Acuña, Senior Buyer/322-6307

**PRIOR COUNCIL ACTION:** August 9, 2007 - Approved original contract.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 01/25/10.

**PURCHASING:** Contract Amendment

**MBE/WBE:** This purchase 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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On August 9, 2007, Council approved a 12-month requirements service contract with Open Systems International (OSI), in an estimated amount not to exceed \$795,000, with four 12-month extensions options in an estimated amount not to exceed \$57,750 for the first extension option, \$60,638 for the second extension option, \$63,670 for the third extension option, and \$66,854 for the fourth extension option, for a total estimated contract amount not to exceed \$1,043,912. This contract will expire on September 30, 2012.

This proposed Amendment No. 3 will allow Austin Energy (AE) to extend the contract by three additional years with an expiration date of September 30, 2015. The extension of services will allow AE's Qualified Scheduling Entity to use this Generation Management System (GMS) to meet ERCOT (Electric Reliability Council of Texas) mandated operational requirements in the ERCOT Nodal and Zonal Electric Market. This system enables AE to monitor, control, and dispatch its generation resources to serve the native load, and to follow dispatch instructions from ERCOT, the statewide electric grid operator, as part of AE's responsibility towards the reliability of the state grid. This real-time 24x7 Supervisory Control and Data Acquisition/GMS

is a fundamental requirement for power generating entities to participate in the ERCOT market, and for compliance with North American Reliability Corporation standards governing the reliability and operations of the state electric grid. The remaining extension options three and four will be increased by \$150,000 each. In addition options five, six and seven are estimated at annual expenditures of \$150,000 each.

As of October 1, 2009, AE's generation resources are controlled by OSI's Monarch Generation Management System (GMS). The GMS was originally acquired for the December 2008 start of the ERCOT Nodal market. Last year's delay of the Nodal Market (now planned for December 2010) created additional work requirements involving AE's plans to retire its previous GMS and perform upgrades on related systems. AE worked to modify the system to allow it to work in the existing ERCOT Zonal Market. This previously unscheduled project was accomplished much more quickly than a typical installation and required the collaboration of several internal and external partners. As a result of an expanded scope of work for the project at ERCOT's instruction, additional funding is needed. This additional funding enables AE to operate in either the zonal or nodal market, by simply switching applications and it enhances AE's readiness level for the upcoming re-start of the Nodal Market.

**Contract Summary**

Action	Description	Amount
Original Contract	Council approved 12-month contract in an estimated amount not to exceed \$795,000 with four 12-month extension options in an estimated amount not to exceed \$57,750 for the first extension option, \$60,638 for the second extension option, \$63,670 for the third extension option, and \$66,854 for the fourth extension option	\$1,043,912
Amendment No. 1	1 <sup>st</sup> year extension option and processed administrative increase	\$ 51,315
Amendment No. 2	2 <sup>nd</sup> year extension option and processed administrative increase	\$ 50,000
Proposed Amendment No. 3	Increase contract authorization and extend contract term by three (3) additional years. Option 2 \$200,000 increase Option 3 \$150,000 increase Option 4 \$150,000 increase Option 5 \$150,000 Option 6 \$150,000 Option 7 \$150,000	\$ 950,000
Revised Total Estimated Contract		\$2,095,227.00

**SUBJECT:** Authorize award, negotiation, and execution of a 12-month requirements supply contract through State of Texas Department of Information Resources (DIR), with ORACLE USA, Austin, TX, for the purchase of the Oracle Utilities Mobility Workforce Management Real Time Scheduler software and software support services in an estimated amount not to exceed \$300,000, with three 12-month extension options in an estimated amount not to exceed \$55,000 per extension option, for a total estimated contract amount not to exceed \$465,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$300,000 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

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

**FOR MORE INFORMATION CONTACT:** Art Acuña, Senior Buyer /512-322-6307

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 01/25/10

**PURCHASING:** Cooperative Purchase

**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 Government Code and no goals were established for this contract. However, SMBR will assist in the identification of subcontracting opportunities on a case by case basis.

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This purchase is for a 12-month contract for the purchase of the Oracle Real Time Scheduler software for a single integrated Mobile Workforce Management solution. In addition, software support services will be provided over four years. Austin Energy's (AE) Electric Service Delivery (ESD) group needs this Mobile Workforce Management System to enhance their performance and to allow them to provide the following:

- capability to schedule, assign and dispatch short cycle work
- ability for the utility field service crews to receive and update dispatched service orders in real time and to view and update site location information and other related documents while out in the field
- To interface with mapping and route optimization tools, allowing dispatchers to locate field crews which will provide updated arrival times, reschedule appointments, balance workloads and manage emergencies more efficiently, and
- To allow executive reporting to calculate costs, perform resource planning and equipment managements

Additionally, the Mobile Workforce Management system is expected to provide the following benefits for AE:

- Ability to replace labor-intensive paper based work management and scheduling
- Ability to automate workflow management, wireless technology, and route and schedule balancing
- Ability to efficiently integrate data sets required for workflow modeling, scheduling, and routing decisions that are key within AE's business processes
- Ability to provide schedule and route optimization base on configurable variables.

DIR has continued to provide additional products and services through its program at competitively bid discounted prices. The purchasing power of the State of Texas is used to leverage purchasing effectiveness.



**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

2/11/2010

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize award, negotiation, and execution of a 12-month requirements supply contract through the State of Texas, Department of Information Resources (DIR), with ORACLE USA, Austin, TX, for the purchase of the Oracle Utilities Mobility Workforce Management Real Time Scheduler software and software support services in an estimated amount not to exceed \$300,000, with three 12-month extension options in an estimated amount not to exceed \$55,000 per extension option, for a total estimated contract amount not to exceed \$465,000.

**FINANCIAL INFORMATION:**

Parent Project Name:

**Distribution**

Project Authorization:

2009-2010 Approved Capital Budget

Current Appropriation	\$ 509,097,444.00	
Unencumbered Balance		\$ 39,780,616.09
Amount of This Action		(300,000.00)
Remaining Balance		<u>\$ 39,480,616.09</u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director Planning and Budget

David Kutach

Date:

1/20/2010

**SUBJECT:** Authorize award, negotiation and execution of a 12-month requirements service contract with COMPUTER SCIENCE CORPORATION, Houston, TX, for the purchase of software technology implementation services and training in an estimated amount not to exceed \$1,800,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$1,800,000.00 is available in the Fiscal Year 2009-2010 Capital Budget for Austin Energy.

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

**FOR MORE INFORMATION CONTACT:** Art Acuña, Senior Buyer/512-322-6307

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 01/25/10

**PURCHASING:** Best evaluated proposal meeting specification of three proposals received.

**MBE/WBE:** This purchase will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program) by meeting the goals with 14.1% MBE and 15% WBE subcontractor participation.

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This contract with Computer Science Corporation (CSC) is to provide software installation services, technical services, training and ancillary software for the implementation of Oracle's Utility Mobile Workforce Management (MWM) software to be used by Austin Energy's (AE) Electric Service Delivery (ESD) business unit. AE is purchasing the Oracle Utility MWM software on a separate contract directly from Oracle through the State of Texas Department of Information Resources (DIR). This contract is needed to implement and configure the MWM software at AE. The complexity and the amount of technical resources needed to implement the Oracle MWM software in AE's environment required a supplier with related expertise to provide the needed implementation services as Oracle Corporation does not implement their own software systems on a larger scale as is needed in AE's Utility environment. Oracle Utility MWM system software for Utilities is best installed and implemented by experienced and resource abundant technology firms like CSC. The new MWM system implemented by CSC using Oracle Utility MWM Oracle software will improve AE's existing and operational capabilities including resource scheduling and routing, automatic vehicle location (AVL) integration, Mobile Map integration and automated mobile dispatching for AE's ESD crews.

An Austin Energy team with IT expertise evaluated the proposals based on.

- (1) System Concept and Proposed Solution
- (2) Business Experience & Qualifications
  - Number of years implementing Oracle SPL at Utilities similar to AE
  - Experience implementing Oracle SPL at Utilities
  - Number or Oracle SPL successful implementations

- (3) Personal Experience & Qualifications
  - Number of years implementing Oracle SPL at Utilities similar to AE
  - Experience implementing Oracle SPL at Utilities
  - Direct experience working with an electric utility
- (4) Vendor Terms and Conditions Total
- (5) Total Evaluated Cost

**STATISTICS**

MBE/WBE solicited: 5/9

MBE/WBE bid: 0/0

**MBE/WBE SUBCONTRACTOR PARTICIPATION SUMMARY**

<b><u>MBE</u></b>	<b><u>\$</u></b>	<b><u>14.1%</u></b>
Black		
Hispanic		
Asian		
Native American		
<b><u>WBE</u></b>	<b><u>\$</u></b>	<b><u>15%</u></b>
<b><u>NON MBE/WBE</u></b>	<b><u>\$</u></b>	<b><u>0%</u></b>

**CSC submitted an MBE/WBE compliance plan that met the good faith effort requirements of the Request for Proposal solicitation and was approved by the Small and Minority Business Resources Department.**

**PRICE ANALYSIS**

- a. Adequate competition. Three proposals received, but CSC was the only proposal who met the MBE/WBE compliance plan requirements. Numerous demands from other market participants (including ERCOT, Inc.) have been put on this type of vendor, limiting the number of available vendor's who are able to meet the RFP requirements . This is the first purchase for these services.
- b. One hundred sixty notices were sent, including five MBEs and nine WBEs. Three proposals were received with no response from MBE/WBEs.

**APPROVAL JUSTIFICATION**

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

**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

2/11/2010

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize award, negotiation, and execution of a 12-month requirements service contract with COMPUTER SCIENCE CORPORATION, Houston, TX, for the purchase of software technology implementation services and training in an estimated amount not to exceed \$1,800,000.

**FINANCIAL INFORMATION:**

Parent Project Name:

**Distribution**

Project Authorization:

2009-2010 Approved Capital Budget

Current Appropriation	\$ 509,097,444.00	
Unencumbered Balance		\$ 34,457,436.52
Amount of This Action		(1,200,000.00)
		<hr/>
Remaining Balance		\$ 33,257,436.52
		<hr/>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director Planning and Budget

David Kutach

Date:

1/20/2010



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

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

**Subject:** Authorize award and execution of a 12-month requirements service contract with NORTH HOUSTON POLE LINE L.P., Houston, TX to provide wood pole inspection and treatment services in an estimated amount not to exceed \$216,247, with two 12-month extension options in an estimated amount not to exceed \$216,247 per extension option, for a total estimated contract amount not to exceed \$648,741.

**Amount and Source of Funding:** Funding in the amount of \$144,165 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining four 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:** Terry Nicholson, Senior Buyer/512-322-6586

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on January 25, 2010.

**Purchasing Language:** Lowest bid of six bids 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 Austin Energy (AE) with a continuous maintenance program for extending the average service life of wooden utility poles in the AE service area. The program will include the inspection, preservative treatment, and identification of the condition of AE's distribution and transmission poles currently in service. Poles that are over 10 years old and not rejected by a visual inspection shall be excavated and treated in place. Poles that have been found to be deteriorating beyond acceptable standards due to internal and/or external decay or infestation will not receive treatment and instead will be scheduled for replacement to be completed by AE personnel. Work will be scheduled by AE personnel on a circuit by circuit basis. All treatment materials shall be non-carcinogenic and shall have appropriate Environmental Protection Agency registered labels stipulating use, handling procedures, emergency procedures, warnings, and disposal methods.

MBE/WBE solicited: 2/1 MBE/WBE bid: 0/0

**PRICE ANALYSIS**

a. Adequate competition.

- b. Twenty notices were sent, including two MBEs and one WBE. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 20% increase to the last contract award in July 2005. The reason for the increase in cost is due to additional requirements in the specification and an increase in the cost of chemicals in excess of 25%.

#### APPROVAL JUSTIFICATION

- a. Lowest bid received. North Houston Pole Line L.P. is not the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN - PURCHASING**  
**RECOMMENDATION FOR COUNCIL ACTION**  
**VENDOR NAME: WATTHOUR ENGINEERING CO., INC.**

**RCA 15**

**AGENDA DATE: 02/11/10**  
**PAGE 1 OF 2**

**SUBJECT:** Authorize award and execution of a contract with WATTHOUR ENGINEERING CO., INC., Pearl, MS, for automated three-phase meter test systems, in an amount not to exceed \$107,720.

**AMOUNT AND SOURCE OF FUNDING:** Funding in the amount of \$107,720 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

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

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

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 01/25/10.

**PURCHASING:** Lowest bid of two 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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The contract is for the purchase of three each Automated Three-Phase Meter Test System units to be used to test utility meters for Austin Energy (AE). The systems are used to test the accuracy of the electric meters for the entire AE service area which is required by ERCOT to verify adherence to American National Standards Institute (ANSI) and PUC standards. The units will be used at the meter shop at the Kramer substation on new meters as they come in to stock. Inaccurate meters are a potential loss of revenue for AE from residential and commercial customers.

MBE/WBE solicited: 3/4

MBE/WBE bid: 0/0

**BID TABULATION**

**IFB No. TVN0037**

**Automated Three Phase Meter Test System**

**Vendor**  
**Watthour Engineering Co., Inc.**  
**Pearl, MS**

**Bid Total**  
**\$107,720**

Preister-Mell & Nicholson  
Austin, TX

\$140,292

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



**PRICE ANALYSIS**

- a. Adequate competition.
- b. Seventy seven notices were sent, including three MBEs and four WBEs. Two bids were received, with no response from the MBE/WBEs
- 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.

**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

2/11/2010

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize award and execution of a contract with WATTHOUR ENGINEERING CO., INC., Pearl, MS, for automated three-phase meter test systems, in an amount not to exceed \$107,720.

**FINANCIAL INFORMATION:**

Parent Project Name:

**Distribution**

Project Authorization:

2009-2010 Approved Capital Budget

Current Appropriation	\$ 509,097,444.00	
Unencumbered Balance		\$ 34,457,436.52
Amount of This Action		(107,720.00)
		<hr/>
Remaining Balance		\$ 34,349,716.52
		<hr/>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director Planning and Budget

David Kutach

Date:

1/20/2010

CITY OF AUSTIN - PURCHASING  
RECOMMENDATION FOR COUNCIL ACTION

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

**Subject:** Authorize award and execution of two 36-month requirements service contract with PRINTMAILPRO, Austin, TX and PRINT LOGICS, Austin, TX for flat sheet printing services in an estimated combined amount not to exceed \$1,530,000, with three 12-month extension options in an estimated combined amount not to exceed \$510,000 per extension option, for a total estimated combined contract amount not to exceed \$3,060,000.

**Amount and Source of Funding:** Funding in the amount of \$340,000 is available in the FY 2009–2010 Operating Budgets of various departments. Funding for the remaining 28 months of the contract 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:** Lupe Cruz, Buyer I, 974-9142

**Boards and Commission Action:** To be reviewed by the Water and Wastewater Commission on January 13, 2010; To be reviewed by the Electric Utility Commission on January 25, 2010.

**Purchasing Language:** Lowest bids of five bids 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.

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This contract will provide flat sheet printing services for most City departments. This contract is divided into a north and south service zone in an effort to increase competition and allow for at least two providers of the type services. Upon delivery of items to be printed, contractors will complete work within 24 hours of receipt of the requests. This contract will help reduce the costs and inefficiency of purchasing these services on a case by case basis. PrintMailPro will provide services in the North Zone and Print Logics will provide services for the South Zone.

MBE/WBE solicited: 1/5 MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. One hundred sixty-seven notices were sent, including one MBE and five WBEs. Five bids were received, with no response from the MBE/WBEs. One “No Bid” was received.
- c. The pricing offered represents a 7% increase to the last contract award in October 2005.

**APPROVAL JUSTIFICATION**

- a. Lowest bids received for each zone.
- b. The Purchasing Office concurs with the Finance and Administrative Services Department’s Materials Management Division’s recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.

**UPCOMING PROCUREMENTS BY AUSTIN ENERGY**

	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION
1	Street Light Poles & Fixtures	\$343,000	Distribution/ Transmission	February	Shoe-box Street Light Poles and Fixtures
2	BUCC Generator, portable	\$150,000	Distribution/ Transmission	February	mobile backup
3	Meter Sockets	\$76,000	Distribution/ Transmission	March	
4	Operator Simulator Training	\$80,000	Power Production	March	Conventional and Combined cycle plant operator simulator training
5	Substation relay panels	\$6,500,000	Distribution/ Transmission	March	Supply of relay panels to protect high voltage transmission lines, substation equipment and the distribution system.
6	Transporter remittance processor	\$500,000	IT	April	Sole Source
7	SF6 Pad Mount Switchgear	\$2,300,000	Finance	April	
8	ILCapacitor Bank Controller	\$57,600	Finance	April	
9	Janitorial supplies	\$79,000	Finance	April	warehouse stock
10	Pre/Post audit services, and weatherization services	\$2,900,000	DES	April	
					EUC January 25, 2010

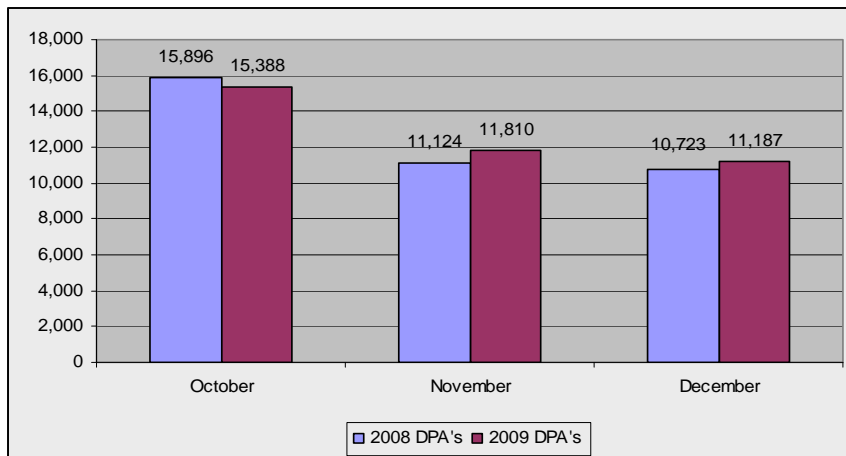


## Disconnect and DPA Report 1/12/10

### Deferred Payment Agreements

Month	2008 DPAs	2009 DPAs
October	15,896	15,388
November	11,124	11,810
December	10,723	11,187
Monthly Total	37,743	38,385

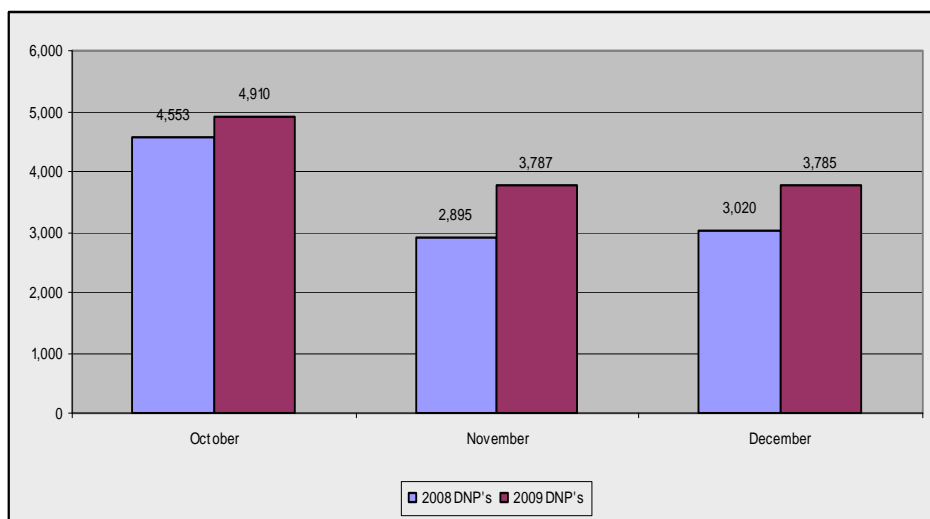
Note: In December 2009 there was a 4% increase in the number of DPAs written compared to the number written in December 2008.



For the period August 21, 2009 through September 30, 2009, 12,925 Summer 6-month DPAs were written. As of January 11, 2010, 32% of Summer 6-month DPAs are current on their terms. 4,093 of the customers who defaulted on a 6-month DPA have requested a 4-month DPA; 64% of these customers are current on their terms.

### Residential Disconnections

Month	2008 Disconnects	2009 Disconnects
October	4,553	4,910
November	2,895	3,787
December	3,020	3,785
Monthly Total	10,468	12,482



**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	September 2009 Year to Date Actual	September 2009 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 614,797	\$ 615,364	\$ (567)	-0.1%
Bilateral & Ancillary Service Sales	22,496	24,169	(1,673)	-6.9%
Transmission Service Revenue	57,003	56,510	493	0.9%
Miscellaneous Revenue	30,542	36,261	(5,719)	-15.8%
Interest Income	13,978	17,838	(3,860)	-21.6%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>738,816</b>	<b>750,142</b>	<b>(11,326)</b>	<b>-1.5%</b>
Fuel & Green Choice Revenue	440,084	526,337	(86,253)	-16.4%
<b>Total Operating Revenue</b>	<b>1,178,900</b>	<b>1,276,479</b>	<b>(97,579)</b>	<b>-7.6%</b>
<b>TRANSFERS IN</b>				
General Fund	-	-	-	0.0%
Repair & Replacement Fund	35,000	35,000	-	0.0%
Strategic Reserve Fund	8,215	8,215	-	0.0%
<b>Total Transfers</b>	<b>43,215</b>	<b>43,215</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>1,222,115</b>	<b>1,319,694</b>	<b>(97,579)</b>	<b>-7.4%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	443,101	526,337	83,236	15.8%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	195,825	210,508	14,683	7.0%
Transmission Service Expense	58,778	50,097	(8,681)	-17.3%
South Texas Project O&M	59,280	59,455	175	0.3%
Fayette Power Project O&M	21,567	22,224	657	3.0%
Call Center	26,273	30,230	3,957	13.1%
Energy Conservation Rebates	18,392	17,693	(699)	-4.0%
Bad Debt Expense	3,649	5,000	1,351	27.0%
Administrative Support Transfer	13,876	13,876	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>397,640</b>	<b>409,083</b>	<b>11,443</b>	<b>2.8%</b>
<b>Total Operating Requirements</b>	<b>840,741</b>	<b>935,420</b>	<b>94,679</b>	<b>10.1%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	176,583	189,322	12,739	6.7%
Other Obligations	918	6,321	5,403	85.5%
<b>Total Debt Service Requirements</b>	<b>177,501</b>	<b>195,643</b>	<b>18,142</b>	<b>9.3%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	95,000	95,000	0	0.0%
Electric CIP Transfer	170,000	170,000	0	0.0%
Repair & Replacement Fund Transfer	5,000	5,000	0	0.0%
<b>Total Transfers</b>	<b>270,000</b>	<b>270,000</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,288,242</b>	<b>1,401,063</b>	<b>112,821</b>	<b>8.1%</b>
<b>Total Encumbrances</b>	<b>12,859</b>	<b>12,859</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,301,101</b>	<b>1,413,922</b>	<b>112,821</b>	<b>8.0%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (78,986)</b>	<b>\$ (94,228)</b>	<b>\$ 15,242</b>	<b>-16.2%</b>

**RESOLUTION NO. 20051201-002**

**WHEREAS**, Senate Bill 7, enacted into law by the 76<sup>th</sup> Session of the Texas Legislature, with an effective date of September 1, 1999, recognizes that municipally owned utilities require an additional degree of flexibility regarding their operations under the Texas Open Meetings Act and the Texas Public Information Act because of the competitive wholesale and retail electric markets, and therefore amends Subchapter D, Chapter 551 of the Government Code by adding Section 551.086 to allow for closed meetings in certain circumstances, and amends Subchapter C, Chapter 552 of the Government Code by adding Section 552.131 to provide an exception to disclosure to the public of information related to public power utility competitive matters; and

**WHEREAS**, Sections 551.086 and 552.131 of the Government Code authorize the governing body of a public power utility to determine those areas of its operation which it deems to be "competitive matters," which are defined as utility-related matters that the public power utility governing body in good faith determines by a majority vote is related to the public power utility's competitive activity, including commercial information, and would, if disclosed, give advantage to competitors or prospective competitors; and

**WHEREAS**, the City of Austin, Texas, a home-rule municipal corporation in the State of Texas, owns and operates Austin Energy, a municipal electric utility; and

**WHEREAS**, the Austin City Council recognizes that its electric operations have been affected by the deregulation of the wholesale and retail electric markets and are affected by competitive pressures from electric suppliers and service providers, whether or not the Austin City Council elects to implement customer choice; and

**WHEREAS**, on September 10, 2001, the Austin City Council, adopted Resolution 010910-12 defining "competitive matters" for the purpose of protecting the competitive position of its electric utility as provided for in Senate Bill 7; and

**WHEREAS**, Resolution 010910-12 contains a sunset clause causing it to expire on December 31, 2005, unless extended by further action of Council; and

**WHEREAS**, after appropriate deliberations, the Austin City Council, as the governing body of the municipally owned electric utility, has identified as of the present time, those general areas which it deems to be "competitive matters", as well as the potential harm to the city's competitive position and the nature of the potential advantage to existing or prospective competitors in the event deliberations and actions of the Austin City Council with respect to such matters are required to be open to the public, and in the event information relating to such matters is required to be released upon request made pursuant to the Texas Public Information Act, and desires to adopt this RESOLUTION defining "competitive matters" for the purpose of protecting the competitive position of its electric utility as provided for in Senate Bill 7; **NOW, THEREFORE**,



**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

1. The Austin City Council, in the exercise of good faith and cognizant of its fiduciary duty in managing and operating the City of Austin's electric utility, hereby determines that the activities listed on Exhibit A attached to this RESOLUTION constitute "competitive matters" because they are related to present or future competitive activity of Austin Energy, and that, for the reasons including but not limited to those set out as to each matter, would, if disclosed, provide advantage to existing or prospective competitors of Austin Energy. None of the matters included in Exhibit A is intended to encompass any of the thirteen (13) subjects excluded from the definition of "competitive matters" pursuant to Sections 551.086(b)(3) and 552.131 (a)(3) of the Government Code. Therefore, the following information will always be made available upon written request:
  - a) information relating to the provision of distribution access service, including the terms and conditions of the service and the rates charged for the service but not including information concerning utility-related services or products that are competitive;
  - b) information relating to the provisions of transmission service that is required to be filed with the Public Utility Commission of Texas, subject to any confidentiality provided for under the rules of the commission;

- c) information for the distribution system pertaining to reliability and continuity of service, to the extent not security-sensitive, that relates to emergency management, identification of critical loads such as hospitals and police, records of interruption, and distribution feeder standards;
- d) any substantive rule of general applicability regarding service offerings, service regulation, customer protections, or customer service adopted by Austin Energy as authorized by law;
- e) aggregate information reflecting receipts or expenditures of funds of Austin Energy, of the type that would be included in audited financial statements;
- f) information relating to equal employment opportunity for minority groups, as filed with local, state, or federal agencies;
- g) information relating to Austin Energy's performance in contracting with minority business entities;
- h) information relating to nuclear decommissioning trust agreements, of the type required to be included in audited financial statements;
- i) information relating to the amount and timing of any transfer to the City of Austin's general fund;
- j) information relating to environmental compliance as required to be filed with any local, state, or national environmental authority, subject to any confidentiality provided under the rules of those authorities;

- k) names of public officers of Austin Energy and the voting records of those officers for all matters other than those within the scope of a competitive resolution provided for by this section;
- l) a description of Austin Energy's central and field organization, including the established places at which the public may obtain information, submit information and requests, or obtain decisions and the identification of employees from whom the public may obtain information, submit information or requests, or obtain decisions; and
- m) information identifying the general course and method by which Austin Energy's functions are channeled and determined, including the nature and requirements of all formal and informal policies and procedures.

In addition, Austin Energy will always provide, when requested in writing:

- a) salaries and perquisites for all Austin Energy personnel, including executives and key employees;
- b) management, audit, and consulting reports, except those portions of said reports containing information related to "competitive matters";
- c) information dealing with the distribution system, as well as transmission costs, transmission plans, and one line diagrams of the transmission system; and

- d) information that Austin Energy has supplied to other agencies and is made available to the public by those agencies, such as the Public Utility Commission (PUC), the Electric Reliability Council of Texas (ERCOT) and the Federal Energy Regulatory Commission (FERC).
2. Austin Energy will provide to the public an annual report that reviews the performance, costs and planning targets for its generating system, to include:
- a) system annual average heat rate (efficiency), Btu/kWh
  - b) annual average combined equivalent availability of Austin Energy's baseload generating units (currently Fayette and STNP)
  - c) system annual average fuel cost, cents per kWh
  - d) system annual average production cost (fuel plus O&M), cents per kWh
  - e) summary of Austin Energy's planning targets for renewable energy and energy efficiency
  - f) unplanned outage information for outages over six months old and lasting over twelve hours
  - g) aggregate revenues and consumption by class of customer
  - h) total fuel costs by fuel source (nuclear, coal , gas, fuel oil, and renewables)

This report will be presented by Austin Energy at a public hearing where questions and input from the Electric Utility Commission (EUC) and citizens on Austin Energy's performance can be considered.

The EUC will exercise its right and responsibility to review, and if necessary, modify the scope or format of Austin Energy's annual report.

3. Consistent with the identification of such "competitive matters", the Austin City Council declares confidential all documents and other information concerning such matters, and delegates to Austin Energy staff the responsibility of determining those documents and other information which are reasonably related to such matters and of seeking to preserve their confidentiality through the procedures provided for by the Texas Public Information Act. Upon receiving an open records request, Austin Energy staff will review the requested information on a case-by-case basis to determine if the information is a competitive matter. Austin Energy staff will refer to Guidelines in Exhibit B when determining the information's release status. Although the specific information requested may fall into a category deemed a competitive matter in Exhibit A, Austin Energy will release said information if, after a review by Austin Energy staff, it is determined that the requested information would not give advantage to competitors

or prospective competitors if disclosed. Austin Energy will provide a written report to the Council every two (2) weeks listing the open records requests received, including who requested the information, when it was received, what was requested, if the responsive information was released, and if not, the reason it was not released. This report will be made available to the public through public notice, including Austin Energy's webpage and the City Clerk's official postings. Austin Energy will also provide a contact person to assist individuals in answering questions related to their requests for information.

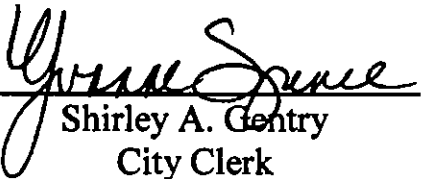
4. The Austin City Council will deliberate or take action on items in an open meeting unless an item has been deemed a "competitive matter" through this RESOLUTION or on a case by case basis by the Council. The Council may conduct a closed meeting to deliberate, vote, or take final action on any "competitive matter."
5. The Austin City Council reserves the right to supplement or amend the list of "competitive matters" set out in this RESOLUTION from time to time by addition or deletion or case-by-case determinations as may be appropriate and desirable in order to continue to operate and manage the City of Austin's electric utility in a manner consistent with the interests of the City and its electric ratepayers, and with the protections authorized by Senate Bill 7. The Austin City Council also

reserves the right to take advantage of other exceptions provided for under the Texas Open Meetings Act and the Texas Public Information Act, when applicable.

6. Before the City Council votes on whether to opt into competition, Austin Energy will provide to the public a summary of a report comparing the options under consideration and initiate a public involvement process that includes (a) a minimum of two public hearings and (b) a market study, of which a summary of the results will be made available to the public.

ADOPTED: December 1, 2005

ATTEST:

  
Shirley A. Gentry  
City Clerk

## **EXHIBIT A**

### **COMPETITIVE MATTERS**

#### **I. Energy Supply**

##### **A. Fuel**

1. **Contracts and/or Proposals for Fuel Supply, Transportation & Storage**

Description - Contracts and/or proposals for fuel supply, transportation & storage covering all fuels and fuel cost components.

Rationale - Establishes level AE may be willing to pay for fuel or energy; could provide wholesale or potential retail competitors with information allowing negotiating advantages.

2. **Fuel Price Hedging and Risk Management Program Data**

Description - Certain data included in any future hedging program that reflects AE's fuel/pricing positions.

Rationale - AE's fuel pricing, quantities and position data included in hedging contracts and materials would provide information to competitors, which could allow AE production costs to be calculated and used to competitors' advantage.

3. **Fuel Pricing (Historical & Forecast)**

Description - Historical fuel price information as well as forecast of future fuel prices.

Rationale - Historical fuel price information establishes AE's fuel acquisition practices and strategies. Forecasts of future fuel prices establishes what AE may be willing to pay for fuel or energy and could benefit competitors seeking to undercut AE prices.

4. **Fuel Usage (Historical & Forecast)**

Description - Historical and forecasted future quantities of fuel used by AE.

Rationale - This information indicates the actual and planned need for fuel at AE, and may lead suppliers to devise ways to price services at levels above market prices, thus placing AE at a competitive disadvantage compared to other market participants.

5. **Competitive Fuel Price Information**

Description - Competitive market intelligence regarding fuel prices that is gathered and analyzed by AE and may be ultimately used to forecast fuel prices.

Rationale - Establishes level AE may be willing to pay for fuel or energy. Information is expensive to obtain and maintain; making it available to competitors gives them that advantage at no cost or at a nominal cost.

6. **Stored/Reserve Fuel Supply**

Description - The quantities of stored or reserve fuel supply.

Rationale - Fuel requirements fluctuate due to deliveries and consumption of other fuels. Information may suggest how dependent AE is on existing inventories and place competitors in a position to block or bid up fuel supplies.

7. **Budgets for Fuel Purchases**

Description - Budgets of quantities of fuel and that AE anticipates purchasing.



**Rationale** - Indicates the planned need for fuel at AE, and may lead suppliers to devise ways to price services at levels above market prices, thus providing competitors with fuel and energy sales market advantages.

**8. Actual Fuel Purchases**

**Description** - Documentation regarding actual fuel purchases made by AE that may include pricing information, including cash vouchers, invoices, etc.

**Rationale** - Establishes amount AE actually paid for fuel, thus providing competitors with a key cost element for AE's energy production costs, which could be used to undercut AE's competitive position.

**B. Generation**

**1. Generating Unit Design, Operating and Performance Data**

**Description** - Generating unit design, operating and performance data, and production cost information, including heat rates, variable and fixed O&M costs, forced outage rates, environmental control devices design and data, high and low capacity limits, ramp rates, minimum up and down times, start-up costs and related information.

**Rationale** - A unit's design, operating and performance data gives competitors valuable information in determining AE's production costs.

**2. Maintenance Schedules**

**Description** - Planned maintenance schedules for all generating units.

**Rationale** - Establishes AE's need for fuel and energy during maintenance periods, thus making AE vulnerable to competitor planning and supplier pricing of replacement energy resources.

**3. Capital Improvement Plans & Strategies**

**Description** - Any data pertaining to the AE's Generation Plan, such as units and fuel types being considered, new plant design information, estimated cost to build, proposed timing of new plant additions, potential acquisitions, potential divestitures, etc.

**Rationale** - Provides competitors with information on future additions to the capacity and energy markets, allowing them to plan their own strategies in ways that may disadvantage AE.

**4. Competitive Benchmarking Information**

**Description** - Competitive benchmarking information against other plants and utilities such as market share information, production costs, marketing plans and AE's capabilities.

**Rationale** - Establishes operational advantages (or disadvantages) over other utilities and evaluation of competitive marketplace used by AE to establish its position in the market. Disclosure could benefit competitors to AE's detriment via marketing campaigns, direct communications to large customers, etc.

**5. Generating Unit Dispatch & Outage Information**

**Description** - Generating unit dispatch and outage information including planned and actual unit operating schedules.

**Rationale** - Determines surplus and shortages of energy in AE's system. May be used by suppliers to extract higher fees from AE than established by the market, thus eroding AE's competitive position in the energy market.

6. **Critical Non-Fuel Procurement Activities**

Description - Contracts for goods and services that are critical for power generation, especially large procurement contracts and strategic vendor alliances.

Rationale - Information regarding critical procurement activities can provide competitors with detailed cost information for key aspects of power generation, and it could also compromise negotiations with other suppliers.

7. **Jointly Owned Generating Facilities**

Description - Participation agreements, joint operating agreements, meeting agendas, meeting minutes, budgets, purchasing requests and approvals and other information that is related to jointly owned generating facilities.

Rationale - Co-participant often will not make information available to AE if it is not protected. Disclosure would provide competitors information not available through other sources, which could benefit their own market strategies to AE's detriment and also compromise co-participants' competitive information.

**C. Wholesale Power**

1. **Contract Materials and/or Proposals for Purchase and/or Sale of Wholesale Power**

Description - Contracts and proposals for purchase and sale agreements, contracts and proposals for energy, capacity, tolling, ancillary services, financial and/or physical hedging transactions, and any other agreements for wholesale energy services, including all draft and related documents developed in the course of bidding/negotiations.

Rationale - Development documents leading toward contracts and agreements with other parties if disclosed prior to consummation of a transaction have the potential to jeopardize the transaction if information gets in the hands of competitors. Likewise, pricing provisions or other key terms of the resulting agreements, if disclosed, provide advantages to competitors. In addition, pricing is one of the components of AE's production costs, which are competitively sensitive.

2. **Pricing Strategies**

Description - Pricing strategies used to secure highest market rates for AE supplied services and lowest prices for AE required services.

Rationale - Competitors could use information to undermine AE's pricing strategies.

3. **Sales & Revenues (Historical & Forecast)**

Description - AE's historical and future expectations of sales and revenues. Aggregate information of a type included in AE's audited financial statements is excluded.

Rationale - Competitors could use information to target AE customers and attempt to win their business.

4. **Competitive Wholesale Power Price Information**

Description - Accumulated transaction data and market intelligence.

Rationale - Forms basis for AE market price expectations and represents commercially valuable information that competitors should not be able to acquire from AE.

5. **Alliances and Joint Ventures for Wholesale Power Generation and/or Sales**

Description - contract terms and other information relating to business alliances and information relating to negotiations with potential business co-participants for purchase of business assets, performance of key services, cooperative energy dispatch arrangements, etc.

Rationale - Potential co-participants often will not make information available to AE if it is not protected. Disclosure would provide competitors information not available through other sources, which could benefit their own market strategies to AE's detriment.

#### **D. Acquisition, Disposition or Exchange of Generation-Related or Fuel-Related Assets**

##### **1. Generation Facilities and Critical Equipment**

Description - Purchase, sale, lease or exchange of generation facilities and critical equipment that is needed to generate power.

Rationale - Establishes AE's cost of generation regarding those assets which, if released, could provide competitors with key information allowing a market advantage.

##### **2. Property**

Description - Information relating to purchase, sale, lease or exchange of property that is for the purpose of securing a fuel supply, new or existing power generation facilities, transmission or distribution facilities, or other system infrastructure.

Rationale - Contains information on alternatives available to AE and terms that may be agreeable to AE. May include information about AE's interest in surrounding or similar properties. Such transactions may divulge information of a strategic value to AE which, if disclosed, could benefit a competitor in its own strategic planning.

Aggregate information of a type included in AE's audited financial statements is excluded from items 1 and 2.

## **II. Retail Activities**

### **A. Customer Information**

Description - All information regarding retail customers, including information that is currently part of the customer master file which constitutes the AE Customer Information System, as well as separate databases and files, such as the key accounts database which contains contact management information specific to each of our largest energy customers and meter reading records containing usage information.

Rationale - Information regarding retail customers can be used by competitors to target AE retail customers based on usage, operating characteristics, location, rate classification, credit history or any other feature, whether individually or for aggregation purposes.

### **B. Sales & Marketing**

#### **1. Energy Retail Sales & Revenue Information (Historical & Forecast)**

Description - Retail sales and revenue information for retail electricity sales to individual customers. Aggregate information of a type included in AE's audited financial statements is excluded.

Rationale - Retail sales and revenue information for energy sales to individual customers or narrowly-defined groups of customers could provide competitors with valuable information for targeting AE's most valuable retail customers.

#### **2. Non-Energy Retail Sales & Revenue Information (Historical & Forecast)**

Description - Sales and revenue information for non-energy retail products and services that AE currently offers, including but not limited to Lighting Products and Services, Maintenance Contracts for Customer-Owned Medium-Voltage Equipment, Power Quality Improvement Contracting, Surge

Protection, Programmable Thermostats, Austin Analytical Services, Educational Services, Dual Circuit Service, Green Building Program, District Heating and Cooling Service, and Infrastructure Usage and any and all non-energy retail products that AE may offer in the future. Aggregate information of a type included in AE's audited financial statements is excluded.

Rationale - Retail sales and revenue information for non-energy products and services could provide competitors insight to which products and/or services are valued by AE's retail energy and non-energy customers, and which ones could be used to entice AE's retail energy and non-energy customers to switch energy and non-energy suppliers.

3. Sales and Promotion Strategies, Plans & Budgets (Historical & Forecast)

Description - Information regarding sales and promotion activities for retail sales. Such activities include advertising campaigns, promotional pricing campaigns, and cooperative promotions with other organizations.

Rationale - Competitors can use this information to subvert AE retail sales efforts and to gauge the effectiveness of AE's sales and promotion strategies.

4. Contracts and/or Proposals for Sales and Promotion Programs

Description - Contracts and proposals for sales and promotion programs.

Rationale - Terms and conditions specified in contracts and proposals typically include detailed information regarding the strategies, plans and budgets for sales and promotion programs. This information can be used by competitors to assess the effectiveness of AE's sales and promotion efforts in retaining and/or acquiring new retail customers.

5. Contracts and/or Proposals for Retail Sales and Non-Energy Retail Sales

Description - Contracts for retail energy sales and non-energy retail sales from AE to individual customers or groups of customers.

Rationale - Establishes the terms and conditions that AE is willing to offer for retail energy sales and non-energy sales. Competitors can use this information to undercut AE's offers to new retail customers.

**C. Market Research**

1. Market Research Studies

Description - Market research studies related to retail activities. Examples of this type of information include market research related to: customer satisfaction and loyalty; customer awareness and perception of corporate and competitor brand image; customer values and switching behavior; customer awareness, understanding and perception of issues related to retail aspects of the electric industry; customer perceptions of retail products and services including various attributes of products and services and price; and, customer perceptions of retail sales and promotion activities and strategies.

Rationale - Market research studies related to retail sales activities provide information that is needed to successfully market to retail customers; disclosure of this information to competitors would provide them with a marketing advantage at AE's expense by enhancing their own knowledge of AE's target market conditions and suggesting to them the direction of AE's market interests.

2. Proposals for Market Research Studies

Description - Proposals for market research studies related to retail activities.

Rationale - Proposals for market research studies typically include detailed information regarding the methodology and scope of proposed market research activities. This information can be used by competitors to gain insights in AE's retail strategies and planned activities.

3. **Marketing Research Strategies, Plans & Budgets (Historical & Forecast)**

Description - Information regarding marketing research strategies, plans and budgets related to retail sales.

Rationale - This information would provide competitors with insights to AE' strategies and plans for retail products and services.

4. **Secondary Market Research Data**

Description - Secondary market research data is available for purchase or for licensing from a number of organizations such as Dun & Bradstreet, Acxiom, Experian, and many others who specialize in gathering, processing and selling such information. Secondary market research data includes demographic, psychographic, and firmographic (business) information which is gathered from a variety of existing data sources such as credit card companies, financial institutions, product warranty registrations, public records, magazine subscriptions, etc.

Rationale - Secondary market research data can be used for direct marketing to retail customers; for analyzing and assessing the potential size for retail markets; and for developing retail marketing plans and strategies. Competitors should not be allowed to benefit by obtaining at nominal copying cost expensive research material available for commercial purchase, nor should they be permitted through use of such material to identify market segments targeted or under consideration by AE.

**D. Product/Service Development & Pricing**

1. **Business Plans for Retail Products and Services**

Description - Business plans include detailed information, analyses, sales and promotion plans and strategies, and product/service partner agreements for new or modified offerings of retail products and services.

Rationale - Disclosure of this material, which establishes AE's plans for offering retail products and services including expected sales and revenues, primary and secondary market research related to the product or service offering, and product or service cost information, could provide significant strategic advantage to competitors.

2. **Competitive Market Intelligence for Retail Products and Services**

Description - Includes primary and secondary market research related to retail products or services used to assess performance in the market place.

Rationale - Gathering competitive market intelligence for retail products and services is costly and time consuming, but after this information is gathered it provides a competitive advantage for developing competitive strategies and competing in markets for products and services. Disclosure would benefit competitors by providing them the intrinsic value of the intelligence as well as insights into AE's planning.

3. **Market Research Related to Development of Retail Products and Services**

Description - Market research related to customer preferences for potential retail products or services, or preferences for certain attributes or key features of potential products or services.

Rationale - Market research for product development provides an enhanced understanding of customer preferences towards potential products and services or key features or attributes of new products or services. Disclosure of information developed by AE regarding customer preferences for retail products and services would provide existing and potential adversaries a competitive advantage in the market place.

4. **Retail Pricing Plans & Studies**

Description - Plans, studies and detailed analyses regarding retail pricing for energy and non-energy products and services.

Rationale - Establishes AE's cost structure and margin on retail products and services which can be used by competitors to undercut AE's offers to retail customers.

5. **Energy Load Research**

Description - Energy load research for individual customers or groups of customers which provides information regarding their energy load profile.

Rationale - Energy load research provides information regarding customers' energy load profile, which is critical information for retail pricing. Energy load research is costly, and provides a competitive advantage to companies that have access to it.

**E. Supply Contracts/Arrangements for Retail Products and Services**

1. **Wholesale Energy Supplies**

Description - Supply contracts for wholesale energy that AE will sell at retail.

Rationale - Wholesale energy supply contracts include detailed information regarding price and other terms and conditions that would provide competitors critical information that could be used to undercut AE's offers in the retail market.

2. **Non-Energy Products and Services**

Description - Contracts for supply of non-energy products and services that AE will sell at retail. In some cases contracts for non-energy products and services may be because AE simply provides the retail marketing channel for sale of the third-party's product or service along with AE' energy products.

Rationale - Supply contracts for non-energy products and services contain detailed information regarding price as well as terms and conditions which would provide competitors with critical information that could be used to undercut AE offers in the retail market.

**III. Corporate Planning & Strategy Information**

1. **Corporate Business Plan**

Description - Business plans including detailed information, analyses, plans and strategies, and product/service partner agreements for new or modified offerings of retail products and services. Any substantive rule of general applicability regarding service offerings, service regulations, customer protections, or customer service adopted by AE is excluded.

Rationale - Shows AE's competitive strategies and long range plans. Would allow competitors advance notice of AE's actions.

2. **Acquisition Assessments**

Description - Assessments, plans and strategies related to acquisition of other utilities.

Rationale - Shows AE's strategies and could allow other entities to preempt potential acquisitions by counter offering or overbidding AE's offers.

3. **Debt Allocation and Debt Refunding Strategies**

Description - AE's strategies and studies on debt allocations or refundings, as well as potential debt offerings.

**Rationale - Knowledge of these types of transactions/plans could give competitors insight into AE's pricing and marketing strategies.**

**4. Internal Audit Reports**

**Description - Those portions of internal audit reports containing information relating to competitive matters.**

**Rationale - The scope of AE's internal auditing programs covers all AE functions and activities. Those portions of all such reports that cover matters identified as competitive in nature which would, if disclosed, provide competitors with information about AE's strategies and plans.**

**5. Consulting Reports**

**Description - Consulting reports including all reports developed to review the performance of AE's functions and activities and those that are otherwise defined elsewhere as competitive in nature.**

**Rationale - All consulting reports that cover matters identified as competitive in nature would likewise contain information on AE's strategies and plans, which could disadvantage AE if known by competitors.**

**6. Internal Audit Work Papers and Consulting Work Papers**

**Description - Those portions of internal audit work papers and consulting project work papers that include correspondence, field notes, documents and analyses developed to audit or review AE's functions and activities that are otherwise defined as competitive in nature.**

**Rationale - All information included in internal audit reports and consulting reports and information used to develop such reports that cover matters identified as competitive in nature could, if released, provide competitors with direct information regarding AE's competitive strategies.**

**7. Corporate Inventions/Innovations**

**Description - Inventions including, but not limited to, hardware, software, tools and processing methods.**

**Rationale - Shows AE's competitive strategies and proprietary technologies. Would allow competitors to utilize results of AE's research and design efforts without investment.**

**8. Financial, Accounting & Statistical Data Submitted Voluntarily and Confidentially to Industry Groups, to the extent containing information regarding Competitive Matters**

**Description - Data submitted to the American Public Power Association, the Texas Public Power Association or another industry group.**

**Rationale - Competitive information included in data submitted under confidentiality arrangements with third parties, if released, could benefit competitors in the same way as direct information relating to such matters.**

**9. Supplier Information**

**Description - Data related to firms supplying AE goods and services.**

**Rationale - Competitor insight into AE's purchasing habits and identity of suppliers on which AE heavily relies to supply necessary goods and services could provide significant advantages. Engagement/use of a particular supplier could indicate types of strategic moves AE is planning or initiating.**

**10. Corporate Cash Flow Projection**

**Description -** Projections of AE's revenues, expenditures and funds available for investment and services, excluding aggregate information of a type that would be included in AE's audited financial statements.

**Rationale -** Disclosure of such information would show AE's competitive financial strength or weakness in near-term competitive scenarios, including the ability to meet competitive price reductions by others, the ability to acquire assets or operations, and others.

**11. Business Unit Financial Statements**

**Description -** Projections of AE's revenues, expenditures and net income for the business units, excluding aggregate information of a type that would be included in AE's audited financial statements.

**Rationale -** Disclosure could benefit competitors by showing the competitive strength or weakness of the business unit and reflecting its ability or inability to conduct acquisitions, mount new competitive programs, or expand into additional markets.



## **EXHIBIT B**

### **SCHEDULE FOR RELEASE OF INFORMATION**

#### **GUIDELINES**

- Because some information loses its competitive sensitivity as it ages, Austin Energy staff identified competitive items that, for the most part, might not be confidential after two (2) or five (5) years.
- Upon receipt of an open records request, Austin Energy staff will refer to the matrix below to determine the information's status for release.
- If the responsive information is competitive information that falls under the columns in the matrix below that may be releasable after two (2) or five (5) years, Austin Energy staff will review the responsive documentation to determine if it contains any information that is still of a competitively sensitive nature.
- If the responsive information is non-competitive, Austin Energy will release the information immediately.
- If Austin Energy decides certain portions of the documentation under the two (2) and five (5) year categories are still competitively sensitive and should not be provided, Austin Energy will submit the competitive information to the Attorney General for a determination on whether the City may withhold the information. If the Attorney General agrees the information may be withheld from public disclosure, Austin Energy will provide the request, the Attorney General's opinion and the competitive information to the City Council for a decision on whether or not to release the information to the requestor.
- The aging process of an item included in the two (2) year or five (5) year category starts from either the date the plan was adopted, the date the report or document was completed, or the date on which the contract or agreement expired or terminated.
- Documents involving third parties that contain confidentiality provisions, such as contracts and agreements, will only be released upon obtaining consent from the other party, regardless of its age.
- Austin Energy may take advantage of other exceptions provided for under the Texas Public Information Act, regardless of the age of the information.

Section	Description	Always available upon written request	2 Year - Subject to review for release if 2 or more years old	5 Year - Subject to review for release if 5 or more years old	Competitive Information which will NOT be released
<b>Thirteen (13) categories of information excluded from the definition of "competitive matters" pursuant to Section 552.131 (a)(3) of the Government Code</b>					
Within body of Resolution	a) information relating to the provision of distribution access service, including the terms and conditions of the service and the rates charged for the service but not including information concerning utility-related services or products that are competitive;	X			
Within body of Resolution	b) information relating to the provisions of transmission service that is required to be filed with the Public Utility Commission of Texas, subject to any confidentiality provided for under the rules of the commission;	X			
Within body of Resolution	c) information for the distribution system pertaining to reliability and continuity of service, to the extent not security-sensitive, that relates to emergency management, identification of critical loads such as hospitals and police, records of interruption, and distribution feeder standards;	X			
Within body of Resolution	d) any substantive rule of general applicability regarding service offerings, service regulation, customer protections, or customer service adopted by Austin Energy as authorized by law;	X			
Within body of Resolution	e) aggregate information reflecting receipts or expenditures of funds of Austin Energy, of the type that would be included in audited financial statements;	X			
Within body of Resolution	f) information relating to equal employment opportunity for minority groups, as filed with local, state, or federal agencies;	X			
Within body of	g) information relating to Austin Energy's performance in contracting	X			

Section	Description	Always available upon written request	2 Year - Subject to review for release if 2 or more years old	5 Year - Subject to review for release if 5 or more years old	Competitive Information which will NOT be released
Resolution	with minority business entities;				
Within body of Resolution	h) information relating to nuclear decommissioning trust agreements, of the type required to be included in audited financial statements;	X			
Within body of Resolution	i) information relating to the amount and timing of any transfer to the City of Austin's general fund;	X			
Within body of Resolution	j) information relating to environmental compliance as required to be filed with any local, state, or national environmental authority, subject to any confidentiality provided under the rules of those authorities;	X			
Within body of Resolution	k) names of public officers of Austin Energy and the voting records of those officers for all matters other than those within the scope of a competitive resolution provided for by this section;	X			
Within body of Resolution	l) a description of Austin Energy's central and field organization, including the established places at which the public may obtain information, submit information and requests, or obtain decisions and the identification of employees from whom the public may obtain information, submit information or requests, or obtain decisions; and	X			
Within body of Resolution	m) information identifying the general course and method by which Austin Energy's functions are channeled and determined, including the nature and requirements of all formal and informal policies and procedures.	X			

Section Description		Always available upon written request	2 Year - Subject to review for release if 2 or more years old	5 Year - Subject to review for release if 5 or more years old	Competitive Information which will NOT be released
<b>Other categories of Information that will be released</b>					
Within body of Resolution	Salaries and perquisites for all Austin Energy personnel, including executives and key employees.	X			
Within body of Resolution	Management, audit, and consulting reports, except those portions of said reports containing information related to "competitive matters".	X			
Within body of Resolution	Information dealing with the distribution system, as well as transmission costs, transmission plans, and one line diagrams of the transmission system.	X			
Within body of Resolution	Information that Austin Energy has supplied to other agencies and is made available to the public by those agencies, such as the Public Utility Commission (PUC), the Electric Reliability Council of Texas (ERCOT) and the Federal Energy Regulatory Commission (FERC).	X			
<b>Exhibit A</b>	<b>Exhibit A Competitive Matters</b>				
<b>I.</b>	<b>Energy Supply</b>				
<b>I. A.</b>	<b>Fuel</b>				
<b>I. A. 1.</b>	Contracts and/or Proposals for Fuel Supply, Transportation & Storage			X	
<b>I. A. 2.</b>	Fuel Price Hedging and Risk Management Program Data			X	
<b>I. A. 3.</b>	Fuel Pricing (Historical & Forecast)			X	
<b>I. A. 4.</b>	Fuel Usage (Historical & Forecast)			X	
<b>I. A. 5.</b>	Competitive Fuel Price Information				X
<b>I. A. 6.</b>	Stored/Reserve Fuel Supply			X	
<b>I. A. 7.</b>	Budgets for Fuel Purchases			X	
<b>I. A. 8.</b>	Actual Fuel Purchases			X	
<b>I. B.</b>	<b>Generation</b>				
<b>I. B. 1.</b>	Generating Unit Design, Operating and Performance Data				X
<b>I. B. 2.</b>	Maintenance Schedules				X

Section	Description	Always available upon written request	2 Year - Subject to review for release if 2 or more years old	5 Year - Subject to review for release if 5 or more years old	Competitive Information which will NOT be released
I. B. 3.	Capital Improvement Plans & Strategies			X	
I. B. 4.	Competitive Benchmarking Information			X	
I. B. 5.	Generating Unit Dispatch & Outage Information				X
I. B. 6.	Critical Non-Fuel Procurement Activities			X	
I. B. 7.	Jointly Owned Generating Facilities				X
I. C.	Wholesale Power				
I. C. 1.	Contract Materials and/or Proposals for Purchase and/or Sale of Wholesale Power			X	
I. C. 2.	Pricing Strategies				X
I. C. 3.	Sales & Revenues (Historical & Forecast)				X
I. C. 4.	Competitive Wholesale Power Price Information			X	
I. C. 5.	Alliances and Joint Ventures for Wholesale Power Generation and/or Sales				X
I. D.	Acquisition, Disposition or Exchange of Generation Related or Fuel-Related Assets				
I. D. 1.	Generation Facilities and Critical Equipment		X		
I. D. 2.	Property		X		
I. D. 1. & 2.	Aggregate Information of a type included in AE's audited financial statements is excluded from items I. D. 1 and 2.	X			
II.	Retail Activities				
II. A.	Customer Information				X
II. B.	Sales & Marketing				
II. B. 1.	Energy Retail Sales & Revenue Information (Historical & Forecast)			Historical Aggregate-X	Forecast-X
II. B. 2.	Non-Energy Retail Sales & Revenue Information (Historical & Forecast)			Historical Aggregate-X	Forecast-X
II. B. 3.	Sales and Promotion Strategies, Plans & Budgets (Historical & Forecast)				X

Section	Description	Always available upon written request	2 Year - Subject to review for release if 2 or more years old	5 Year – Subject to review for release if 5 or more years old	Competitive Information which will NOT be released
II. B. 4.	Contracts and/or Proposals for Sales and Promotion Programs				X
II. B. 5.	Contracts and/or Proposals for Retail Sales and Non-Energy Retail Sales				X
II. C.	<b>Market Research</b>				
II. C. 1.	Market Research Studies				X
II. C. 2.	Proposals for Market Research Studies				X
II. C. 3.	Marketing Research Strategies, Plans & Budgets (Historical & Forecast)				X
II. C. 4.	Secondary Market Research Data				X
II. D.	<b>Product/Service Development &amp; Pricing</b>				
II. D. 1.	Business Plans for Retail Products and Services				X
II. D. 2.	Competitive Market Intelligence for Retail Products and Services				X
II. D. 3.	Market Research Related to Development of Retail Products and Services				X
II. D. 4.	Retail Pricing Plans & Studies				X
II. D. 5.	Energy Load Research				X
II. E.	<b>Supply Contracts/Arrangements for Retail Products and Services</b>				
II. E. 1.	Wholesale Energy Supplies				X
II. E. 2.	Non-Energy Products and Services				X
III.	<b>Corporate Planning &amp; Strategy Information</b>				
III. 1.	Corporate Business Plan			X	
III. 2.	Acquisition Assessments			X	
III. 3.	Debt Allocation and Debt Refunding Strategies				X
III. 4.	Internal Audit Reports				X
III. 5.	Consulting Reports		Non-generation and Non-retail-X	Generation and Retail-X	

Section	Description	Always available upon written request	2 Year - Subject to review for release if 2 or more years old	5 Year - Subject to review for release if 5 or more years old	Competitive Information which will NOT be released
III. 6.	Internal Audit Work Papers and Consulting Work Papers				X
III. 7.	Corporate Inventions/Innovations				X
III. 8.	Financial, Accounting & Statistical Data Submitted Voluntarily and Confidentially to Industry Groups, to the extent containing information regarding Competitive Matters			X	
III. 9.	Supplier Information			X	
III. 10.	Corporate Cash Flow Projection			X	
III. 11.	Business Unit Financial Statements			X	

RESOLVED, That the Electric Utility Commission recommends that the City Council direct the City Manager to develop a plan for implementing a new formula for the calculation of the General Fund Transfer for the fiscal year beginning October 1, 2010, which meets the following criteria:

1. Substitutes “non fuel revenues” for “gross revenues” in the current General Fund Transfer formula;
2. Is made revenue neutral to the maximum extent feasible by selecting the percentage of non fuel revenues for the minimum and maximum General Fund Transfer that will create the identical range of the minimum and maximum amounts of the General Fund Transfer as was created under the current formula in the prior three (3) years; and
3. Will have no adverse impact on Austin Energy’s bond rating.

Submitted by Phillip Schmandt on Jan. 4, 2010