



**Electric Utility Commission
October 19, 2009
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 5a 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. PUBLIC HEARING

Conduct a public hearing to review Austin Energy's recommendations regarding the 2007 amendments to the Federal Public Utility Regulatory Policies Act (PURPA)

5. NEW BUSINESS

- a. Discussion and possible action on City Council agenda items related to Austin Energy
- b. Discussion and possible action on an Ordinance amending Section 6-3-48 and Chapter 25-8, Subchapter B, Article 1 of the City Code relating to Tree Protection (Heritage Tree Ordinance)
- c. Discussion and possible action to approve a proposed franchise agreement between Austin Energy and the City of West Lake Hills
- d. Consider and set the Electric Utility Commission Regular Meeting Schedule for 2010

6. OLD BUSINESS

Discussion and Possible Action on Austin Energy's Resource and Climate Protection Plan to 2020

7. REPORTS AND BRIEFINGS

- a. Monthly Reports: Finance, Purchasing, and Customer Care
- b. Solar Rebate Program – A Briefing and Discussion on Revisions and Proposed Revisions
- c. Customer Information System (CIS) – A Six-Month Update

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
SEPTEMBER 14, 2009**

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

1. CALL TO ORDER

Phillip Schmandt, Chair, called the meeting to order at 6:03 p.m.

Commissioners in Attendance: Phillip Schmandt (Chair), Linda Shaw (Vice Chair), Steve Smaha and Steven Taylor. Shudde Fath, Michael Webber and Michael Warner were absent. A quorum was present.

2. APPROVAL OF MINUTES

The minutes for the August 17, 2009 and the August 24, 2009 meetings were approved on Commissioner Taylor's motion and Vice Chair Shaw's second, on a 4-0 vote.

3. CITIZEN COMMUNICATIONS

Lanetta Cooper of the Gray Panthers, Carol Biedrzycki of Texas Ratepayers Organization to Save Energy or Texas ROSE, and Ron Walker, Chancellor with the Diocese of Austin, voiced concerns that Austin Energy's proposed Resource and Climate Protection Plan to 2020 would increase utility bills for low-income and elderly customers. They encouraged postponing a decision on a plan until the utility could provide figures on how the plan would affect customers' utility bills. Chair Schmandt encouraged them to stay for the discussion of the proposed plan later in the meeting.

4. NEW BUSINESS

- a. Action on City Council agenda items related to Austin Energy – Chair Schmandt read into the record Changes & Corrections to RCAs 7, 12 and 13, shown in the numbered list of RCAs attached.

The following Recommendations for Council Action (RCAs) were recommended for approval on consent, on Commissioner Smaha's motion and Commissioner Taylor's second, on a 4-0 vote: 1, 2, 3, 4, 6, 7, 10, 12, 13, and 14.

Chair Schmandt abstained from voting on RCA 8, therefore the item will be considered "reviewed" by the Commission on a vote of 3-0-1.

RCAs 5, 9, 11 and 15 were pulled from the Consent Agenda, discussed and recommended on Commissioner Schmandt's motion and Commissioner Taylor's second, on a 4-0 vote.

- b. Action on the adoption of the 2009 City of Austin Energy Code – Richard Morgan, Manager, Austin Energy Green Building, presented the International Energy Conservation Code (IECC) with local amendments for review and recommendation. The Commission recommended approval of the proposed IECC with local amendments on Commissioner Smaha's motion and Vice Chair Shaw's second, on a 4-0 vote

5. OLD BUSINESS

Discussion of Austin Energy's proposed Resource and Climate Protection Plan to 2020 – Roger Duncan, General Manager, announced that Council consideration of the proposed Plan would be postponed to allow the Electric Utility Commission, the Resource Management Commission and the Austin Generation Resource Planning Task Force more time to consider and make recommendations. Commissioner Smaha suggested that action by the Electric Utility Commission be deferred.

Chair Schmandt said that, in his opinion, the goal of the plan is to provide the lowest cost plan with the least risk, while meeting the City's goals. He also distributed a document outlining his thoughts and concerns on recommendations for the proposed plan.

Speaker Lanetta Cooper, representing the Gray Panthers, urged Austin Energy to provide a better analysis of how the proposed plan would impact utility bills. She distributed a handout to Commissioners including questions and suggestions. Carol Biedrzycki of Texas ROSE, also urged a meaningful bill impact analysis instead of a five-year forecast.

6. AUSTIN ENERGY STAFF

- a. Steve Machicek, Corporate Accounting Director, presented the Financial Report.
- b. A list of Upcoming Procurements was reviewed.
- c. J. J. Gutierrez, Customer Care Vice President, presented a Summer Disconnect and DPA Report. Commissioner Smaha suggested that future reports include the percentage of customers in Deferred Payment Arrangements (or DPAs) who pay their bill within six months.
- d. Steve Saenz, Interim Program Delivery Manager for Energy Efficiency Services, presented Stimulus Funding for Home Weatherization Program. Chair Schmandt recognized speaker Randy Chapman of Texas Legal Services Center. Mr. Chapman said their office reviewed how ARRA funds are allocated and had three comments: 1) there is a need to educate customers; 2) the funds must supplement existing programs; and 3) according to HUD rules, low-income customers pay 30% of the cost of housing—rent plus utilities. If their home is weatherized, the tenant has no more money to pay for other necessities because HUD changes the utility allowance. There are other programs like "MAP" and Austin Energy's CAP that really help customers.

7. EXECUTIVE SESSION

Andy Perny, Assistant City Attorney, read Section 551.086 of the Texas Government Code allowing the Commission to conduct a closed session to discuss or take action on a competitive matter of Austin Energy.

At 7:40 p.m., the Commission convened an Executive Session on Chair Schmandt's motion and Commissioner Taylor's second, on a 4-0 vote. Members received information relating to the GreenChoice program.

At 7:55 p.m., Chair Schmandt closed the Executive Session and reconvened the regular session of the meeting without objection.

8. FUTURE AGENDA ITEMS

Commissioners requested a report on HB 1937, financing schemes for solar arrays, for October.

9. ADJOURNMENT

Chair Schmandt adjourned the meeting without objection at 8:00 p.m.

List of RCAs reviewed and approved by the Electric Utility Commission on Sept. 14, 2009

1. Approve issuance of a rebate to HELIOVOLT for the installation of energy efficient equipment including new high efficiency cooling towers, chillers, variable frequency drives (VFDs) and lighting and light controls, in an amount not to exceed \$62,125.
2. Approve the issuance of a Letter of Intent for a rebate to PIONEER ROOFING for the installation of a solar photovoltaic system at 2319 Patterson Industrial, Austin, Texas, 78660, in the amount of \$100,000.
3. Approve the issuance of a Letter of Intent for a rebate to the TEXAS NATIONAL GUARD ARMORY – BEE CAVES for the installation of a solar photovoltaic system at 408 St. Stephens School Road, Austin, Texas, 78746, in the amount of \$100,000.
4. Approve the issuance of a Letter of Intent for a rebate to TRINITY EPISCOPAL SCHOOL for the installation of a solar photovoltaic system at 3901 Bee Caves Road in Austin, Texas, 78746, in the amount of \$100,000.
5. Authorize the use of the Competitive Sealed Proposal project delivery method in accordance with Local Government Code, Chapter 271, Subchapter H, for the decommissioning of the Holly Street Power Plant.
6. Authorize negotiation and execution of a construction contract with FACILITIES REHABILITATION INC., Taylor, TX, for the Decker Creek Power Station drainage improvements in an amount not to exceed \$135,006.
7. Authorize negotiation and execution of Amendment No. 1 to the professional services agreement with ELLERBE BECKET INC., Minneapolis, MN, for consulting services for Austin Energy's relocated Energy Control Center in the amount of \$4,206,767, which includes an increase of authorization in the amount of \$1,500,000, for a total contract amount not to exceed \$5,000,000.
8. Authorize execution of a construction contract with SUPERIOR CONCRETE FENCE OF TEXAS, INC., Euless, TX, for the Koenig Lane Substation Wall in an amount not to exceed \$85,496.
9. Authorize negotiation and execution of Amendment No. 9 to increase the contract with ABB, Inc., Sugarland, TX for a Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS) upgrade in an amount not to exceed \$1,803,600 for a revised estimated contract amount not to exceed \$18,062,335.
10. Authorize award and execution of a contract with PDMA CORPORATION, Tampa, FL for the purchase of an AC motor test system for Austin Energy facilities, in an amount not to exceed \$76,645.
11. Authorize award and execution of Amendment No. 2 to a contract with GENERAL ELECTRIC INTERNATIONAL, Atlanta, GA, to increase the contract amount for the maintenance of Sand Hill Energy Center's gas and steam turbines in an amount not to exceed \$6,500,000, for a revised total estimated contract amount not to exceed \$37,107,414.
12. Authorize award and execution of a 12-month requirements supply and services agreement with the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) Austin, TX, for the purchase of computer software hardware products, including maintenance, training, information technology services and telecommunication products and services in an estimated amount not to exceed \$10,536,384.
13. Authorize award and execution of a 12-month requirements supply and services agreement with the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) Austin, TX, for the purchase of computer software products, including maintenance, training, and information technology services for FY2009-2010 for Austin Energy in an estimated amount not to exceed \$12,331,750.

14. Authorize award, negotiation, and execution of a 12 month requirements contract through the State of Texas Department of Information Resources (DIR) with Dell, Inc., Round Rock, Texas, for the purchase of Power Management Software (NightWatchman) and related maintenance and services, in an estimated amount not to exceed \$172,300 and two 12 month extension options in an amount not to exceed \$33,840 each, for a total amount not to exceed \$239,980.
15. Authorize execution of Amendment No. 2 to the contract with MCCULLOUGH HEATING AND AIR CONDITIONING, Austin, TX; AIRTECH ENERGY SYSTEMS, Austin, TX; and CLIMATE MECHANICAL, Austin, TX, for the weatherization of single-family homes, manufactured homes, and duplexes for eligible low-income, elderly or disabled Austin Energy customers, to increase the contract in an estimated amount not to exceed \$150,000 for the current contract term, for a revised total estimated contract amount not to exceed \$2,474,999.
16. Authorize award and execution of a 24-month revenue service agreement with UTILITY RECYCLING SERVICES, INC., Wills Point, TX, for the sale and disposal of obsolete transformers for Austin Energy in an amount not to exceed \$356,182 with three 12-month extension options in an amount not to exceed \$178,091 per extension option, for a total contract amount not to exceed \$890,455.



**CITY OF AUSTIN D/B/A AUSTIN ENERGY'S PROPOSAL FOR IMPLEMENTING
THE FEDERAL ENERGY INDEPENDENCE AND SECURITY ACT OF 2007**

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CITY OF AUSTIN D/B/A AUSTIN ENERGY'S PROPOSAL FOR IMPLEMENTING THE FEDERAL ENERGY INDEPENDENCE AND SECURITY ACT OF 2007

The Federal Energy Independence and Security Act of 2007 (EISA), which amends the Public Utility Regulatory Policies Act of 1978 (PURPA)¹, requires the City of Austin, as the owner of an electric utility, to conduct a public hearing to consider adopting standards² (the "PURPA standards" attached at Appendix A) that address:

- 1) integrating energy efficiency resources into its resource planning and adopting cost-effective energy efficiency as a priority resource;
- 2) modifying its rate design to promote energy efficiency investments; and
- 3) making smart grid information available to its customers and others.

This document sets forth the proposed recommendations of Austin Energy staff to City Council regarding the adoption of the PURPA standards. The City Council may adopt or decline to adopt any particular standard, or may choose to adopt one or more in modified form, as it deems appropriate to carry out the three stated purposes of PURPA, which are: 1) energy conservation, 2) the optimal efficiency of utility resources, and 3) equitable electric rates. City staff will conduct public hearings on this proposal before the Electric Utility Commission (EUC) at its regularly scheduled meeting on October 19, 2009, and before the Resource Management Commission (RMC) on October 20, 2009. A final presentation and recommendation will be made to the City Council on a date to be determined, no later than December 19, 2009, the statutory deadline for a final determination. Public comments prior to those meetings are welcome and encouraged, and may be submitted to Cynthia Hayes at Austin Energy, 721 Barton Springs Rd., Austin, Texas 78704 (fax at 322-6521 / email at cynthia.hayes@austinenergy.com). Persons who wish to comment at the EUC or RMC public hearings should be present to sign in to speak before 6:00 p.m. on October 19 for the EUC and before 6:30 p.m. on October 20 for the RMC.

¹ 16 U.S.C. §§2601 et seq.

² The relevant standards enacted in the EISA are set forth in 16 U.S.C. §2621(16),(17), and (19). The standard contained in subsection 18 is addressed to state regulatory bodies and thus is not under consideration as part of this proposal.

A. PURPA STANDARD 16 – INTEGRATED RESOURCE PLANNING

If adopted, PURPA standard 16 would require Austin Energy to: 1) integrate energy efficiency resources into its resource planning, and 2) adopt policies establishing cost-effective energy efficiency as a priority resource.³

The Austin City Council has already adopted policies that direct Austin Energy to integrate energy efficiency into its resource planning and that establish energy efficiency as a priority resource. The utility's current energy efficiency policies began with resolutions passed by Council in 2003. Council resolution no. 20030828-038⁴ directed Austin Energy to, among other things, develop a strategic plan that incorporated progressive and ambitious renewable energy and energy conservation programs. Council resolution no. 20030925-002⁵ established an energy efficiency savings goal of 15% by 2020. These Council mandates were incorporated into Austin Energy's 2003 Strategic Plan,⁶ which was approved by Council on December 04, 2003.

More recently, by adopting the Climate Protection Plan contained in Council resolution no. 20070215-023,⁷ Council has directed the utility to achieve 700 megawatts of avoided load through the use of energy efficiency and conservation programs. That resolution also established the goal of establishing "the most energy efficient building codes in the nation," including requiring all new residential buildings built in the City to be net-zero-energy capable and all other new buildings to have 75% increased energy efficiency by 2015.

To implement Council policy, Austin Energy offers low interest loans for residential customers who install efficiency upgrades such as new HVAC, additional insulation, solar screens, and new ductwork. In fiscal year 2008 (the most recent year for which comprehensive statistics have been compiled) Austin Energy issued 213 loans, in addition to 2,223 rebates for residential customers who participated in the Home Performance with Energy Star program.

Austin Energy programs for fiscal year 2008 involved 55,471 program participants. These programs include energy efficiency rebates, demand response, GreenBuilding, and increased efficiency through codes and standards. These efforts resulted in 64.1 megawatts of peak demand reduction, and annual energy reductions of 132,192 megawatt hours.

Another example of current City policy that already meets the spirit of PURPA standard 16 is City Code Chapter 6-7, also known as the Energy Conservation and Disclosure Ordinance and sometimes referred to as the "point of sale" ordinance. This ordinance requires every owner of a home more than ten years old, with certain exceptions, to obtain an energy audit and disclose the results to the buyer prior to any sale of the residence. It also requires energy audits

³ 16 U.S.C. §2621(d)(16).

⁴ [20030828-038, Resolution](#)

⁵ [20030925-002, Resolution](#)

⁶ <http://www.austinenenergy.com/About%20Us/Newsroom/Strategic%20Plan/index.htm>

⁷ [20070215-023, Resolution](#)

to be performed on older multifamily facilities and that certain high energy use facilities undergo energy efficiency retrofits. Commercial facilities are required to obtain and disclose standardized energy efficiency ratings. Council resolution no. 20081106-048,⁸ which accompanied the adoption of Chapter 6-7, established aggressive energy efficiency goals to be met through implementation of the ordinance and provided for enhanced rebates to be used to help achieve those goals. For fiscal year 2008 the demand reduction is estimated to equal to 7.03 megawatts and 12,541 megawatt hours.

In addition, a new initiative called the Pecan Street Project addresses some of the stated purposes of this and the two standards that follow. The Pecan Street Project will explore ways to advance the clean energy industry and to integrate the electric grid with a communication network and necessary software and hardware to monitor, control and manage the generation, transmission, distribution, storage and consumption of energy by any customer. Recognizing that distributed generation and smart grid technologies hold great potential to maximize energy efficiency and the use of renewable energy sources, Council resolution no. 20080925-084⁹ directs the City Manager to work with the Environmental Defense Fund and other community stakeholders to achieve these goals.

Based on the foregoing, Austin Energy staff believes that the City is already more than in compliance with the requirements of PURPA standard 16. Adoption of the standard would essentially have no effect on current City policy, other than to broadly require what the City is already doing. There is no reason, therefore, to decline to accept this standard as City policy or to modify it in any way.

Staff Recommendation:

Austin Energy staff recommends that the City Council adopt PURPA standard 16 as City policy, while recognizing that the City Council has already adopted, and the City Manager has implemented, policies¹⁰ that integrate energy efficiency into utility resource planning and establish cost-effective energy efficiency measures as a priority resource. Staff believes that existing City Council policies already exceed the requirements of PURPA standard 16 and should be reaffirmed, not replaced. PURPA standard 16 should serve only as a minimum baseline for integrated resource planning, and should complement, rather than supersede, the policies already adopted by City Council on these matters. Adoption of PURPA standard 16 in and of itself should not require any action by City staff not already required by existing City Council policies.

⁸ [20081106-048, Resolution](#)

⁹ [20080925-084, Resolution](#)

¹⁰ See, e.g., Council resolutions [20081106-048, Resolution](#), [20080925-084, Resolution](#), [20071018-036, Resolution](#), [20070215-023, Resolution](#), [20070201-031, Resolution](#), [20070111-002, Resolution](#), [20030925-002, Resolution](#), and [20030828-038, Resolution](#).

Staff also notes that energy efficiency is given high priority (increasing the energy efficiency savings goal from 700 to 800 megawatts by 2015) as a resource in the staff-proposed generation resource plan that is currently under public discussion; however, adoption of PURPA standard 16 at this point should not be construed as foreclosing the full discussion of all options – including energy efficiency – in the public resource planning process.

B. PURPA STANDARD 17 – RATE DESIGN MODIFICATIONS THAT PROMOTE ENERGY EFFICIENCY INVESTMENTS

If adopted, PURPA standard 17 would require Austin Energy to design its rates in a way that would align its incentives with the delivery of cost-effective energy efficiency and promote energy efficiency investments by its customers.¹¹ In making its determination, PURPA sets forth six policy options to be considered as the means of achieving the goal of PURPA standard 17:

- 1) eliminating the “throughput” incentive (i.e., the incentive to increase revenue by increasing sales volume) and other regulatory and management disincentives to energy efficiency;
- 2) providing incentives for the successful management of energy efficiency programs;
- 3) including the impact on adoption of energy efficiency as one of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;
- 4) adopting rate designs that encourage energy efficiency for each customer class; and
- 5) offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating homeowners about all existing federal and state incentives, including the availability of low cost loans, that make energy efficiency improvements more affordable.

While PURPA standard 17 purports to concern rate design modifications, two of the policy options to be considered – subparts (2) and (5) concerning energy efficiency incentives and programs – are not necessarily limited to rate design. With respect to subpart (2), Austin Energy staff refers back to the discussion above concerning standard 16. It is clear that current Council policy calls for the implementation of aggressive energy efficiency programs, including incentives for implementing such programs. Accordingly, staff recommends that Council adopt PURPA standard 17(2) under the same conditions as those for standard 16 – that the standard be adopted as a supplement to existing Council policy.

¹¹ 16 U.S.C. §2621(17).

Austin Energy operates several demand response programs designed to reduce peak demand on approximately 15 summer peak days. The demand response programs through September 2009 have installed 70,930 remotely controlled thermostats and 14,454 electric water heater timers targeted primarily at the residential markets. In addition there are two commercial demand response programs that provide incentives to customers who reduce demand upon request.

Subparts (1), (3), and (5) are directed at the City's rate making authority. Staff notes that, in light of the City Council's existing policies regarding the high priority of energy efficiency, all three policy options are worthy of consideration. However, only subpart (3) expressly calls for balancing energy efficiency concerns with other valid rate making objectives.

Staff believes that the adoption of subpart (3) would be proper and consistent with current City policy, while at the same time leaving intact the City Council's broad rate-making discretion in any future rate proceeding. Staff does not believe that it would be proper, at this time, to adopt either subpart (1) or (4) as the chosen means of achieving the purpose of standard 17. The City Council is free to adopt either approach if and when a rate making proceeding is brought before it. Only at that time, however, would there be a full opportunity to consider either means within the context of a full proceeding, taking into consideration all other policy objectives and rate design methodologies, which may or may not be consistent with these PURPA standards.

Staff Recommendation:

Austin Energy staff recommends that the City Council partially adopt PURPA standard 17. The Council should adopt subparts (2) and (5) of the standard – regarding energy efficiency incentive programs and other efficiency and demand response programs, respectively – as written, with the exception of the requirement to offer home energy audits. Home energy audits are currently provided by private third-parties and should be encouraged on a voluntary basis in conjunction with Austin Energy's energy efficiency rebate programs. Audits are also now required by law in many circumstances under City Code Chapter 6-7. As with PURPA standard 16, adoption of subparts (2) and (5) should complement, rather than supersede, the policies already adopted by City Council on these matters. Adoption of PURPA standard 17 should not require any action by City staff not already required by existing City Council policies.

City Council should adopt subpart (3), but decline to adopt subparts (1) and (4) at this time for the reason that no rate making proceeding is likely until at least 2012, and that the City Council should retain the full rate-making discretion with which it is currently vested by state law. Subparts (1) and (4) should be considered only in the context of a full rate-making proceeding rather than the limited proceeding now underway.

C. PURPA STANDARD 19 – SMART GRID INFORMATION

PURPA standard 19¹² would require that all electric customers have access to certain information from the utility. The information required to be provided includes:

- 1) time-based electricity prices in both the retail and wholesale markets;
- 2) the number of kilowatt-hours of electricity purchased by the customer;
- 3) not less than daily updates on prices and usage, including hourly prices and use information if available, and a day-ahead projection of such price information to the extent available; and
- 4) annual reporting of the utility's generation resources by type of generation, including the amount of greenhouse gas emissions associated with each type of generation, for intervals during which such information is available on a cost-effective basis.

PURPA standard 19 would also require Austin Energy to provide 24/7 internet access to this information. Anyone would be able to obtain information that is not specific to a customer, whereas only customers would be able to access their own usage information.

From 2004 to date, Austin Energy has been actively building the technology foundation required to successfully manage the smart grid as it develops.¹³ The current Smart Grid Program, Smart Grid 1.0, is focused on systems integration, communications, safety and reliability of electric operations, better and new services, and even better customer service. It goes from the central power plant through the transmission and distribution systems to the meter and back.

Austin Energy currently offers its customers online information regarding the number of kilowatt-hours purchased. The utility is also nearing completion of a system-wide installation of automated meters that will allow two-way communication between the utility and customers' meters. Additionally, the utility is exploring technologies that would enable customers to obtain near real-time information regarding their usage levels, whether through Austin Energy's own web portal, third-party applications, or in-home display devices. Deployment of these systems and technology will allow Austin Energy to provide the information specified in PURPA standard 19.

Austin Energy's Smart Grid 2.0, will be defined by recommendations of the Pecan Street Project, with focus on the grid beyond the meter and into the premise (e.g. home, office, store, mall, building) with integration back to our utility grid. Smart Grid 2.0 will focus on managing and leveraging distributed generation (e.g., solar photovoltaics, micro wind), storage, plug-in

¹² 16 USC §2621(d)(19).

¹³ Austin Energy's 2008 Strategic Planning Update at p. 10-11.

<http://www.austenergy.com/About%20Us/Newsroom/Strategic%20Plan/index.htm>

hybrid vehicles, electric vehicles and smart appliances on the customer side of the meter. Innovations may include, for example, smart home energy control systems/portals that provide customers with more information, alternatives, and decision support.

Current City Council policy already requires Austin Energy to make available the information specified in subpart (4) on an annual basis¹⁴, with the exception of greenhouse gas emission data, and Austin Energy also provides this information in its written annual report. Staff believes that also including overall greenhouse gas emission data associated with each resource would be a valuable service to its customers and consistent with the goals of the Climate Protection Plan.

Unless and until time-based rates are available to its customers, the adoption of PURPA standard 19 with respect to real-time retail rates would be of little value, and the cost of implementing such a capability would not be justified. In any event, staff does not see any value in providing wholesale price information, as wholesale prices do not necessarily correlate with customers' usage, given that Austin Energy is a vertically integrated utility with its own generation capacity. Customers wishing to obtain wholesale price information may currently do so through ERCOT's website.

Staff Recommendation:

Staff recommends that the City Council adopt PURPA standard 19 subparts (2) and (4), and subpart (3) as it pertains to usage rather than price information. For the reasons stated above, Staff recommends that the City Council decline to adopt subpart (1) related to time-based electricity price.

¹⁴ [20051201-002, Resolution](#)

Appendix A: 16 USC §2621(d)(16), (17), and 19

16 USCA § 2621(d)

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(16) Integrated resource planning

Each electric utility shall--

- (A) integrate energy efficiency resources into utility, State, and regional plans; and
- (B) adopt policies establishing cost-effective energy efficiency as a priority resource.

(17) Rate design modifications to promote energy efficiency investments

(A) In general

The rates allowed to be charged by any electric utility shall--

- (i) align utility incentives with the delivery of cost-effective energy efficiency; and
- (ii) promote energy efficiency investments.

(B) Policy options

In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider--

- (i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency;
- (ii) providing utility incentives for the successful management of energy efficiency programs;
- (iii) including the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;
- (iv) adopting rate designs that encourage energy efficiency for each customer class;
- (v) allowing timely recovery of energy efficiency-related costs; and
- (vi) offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating homeowners about all existing Federal and State incentives, including the availability of low-cost loans, that make energy efficiency improvements more affordable.

(19) Smart Grid information**(A) Standard**

All electricity purchasers shall be provided direct access, in written or electronic machine-readable form as appropriate, to information from their electricity provider as provided in subparagraph (B).

(B) Information

Information provided under this section, to the extent practicable, shall include:

(I) Prices

Purchasers and other interested persons shall be provided with information on--

(I) time-based electricity prices in the wholesale electricity market; and

(II) time-based electricity retail prices or rates that are available to the purchasers.

(II) Usage

Purchasers shall be provided with the number of electricity units, expressed in kwh, purchased by them.

(III) Intervals and projections

Updates of information on prices and usage shall be offered on not less than a daily basis, shall include hourly price and use information, where available, and shall include a day-ahead projection of such price information to the extent available.

(IV) Sources

Purchasers and other interested persons shall be provided annually with written information on the sources of the power provided by the utility, to the extent it can be determined, by type of generation, including greenhouse gas emissions associated with each type of generation, for intervals during which such information is available on a cost-effective basis.

(C) Access

Purchasers shall be able to access their own information at any time through the Internet and on other means of communication elected by that utility for Smart Grid applications. Other interested persons shall be able to access information not specific to any purchaser through the Internet. Information specific to any purchaser shall be provided solely to that purchaser.

Appendix B: City Council Resolutions (in ascending date order)

Resolution

20030828-038, Resolution – Directs Austin Energy to develop a strategic plan that incorporated progressive and ambitious renewable energy and energy conservation programs.

20030925-002, Resolution – Establishes an energy efficiency goal of 15% by 2020.

20051201-002, Resolution – Defining information that will always be provided to public, including review of performance, costs and planning targets for generating system.

20070111-002, Resolution – Establishing an annual rebate of \$200,000 for implementation of energy efficiency measures by commercial customers, including thermal energy storage systems.

20070201-031, Resolution – Directs City Manager to undertake a directed marketing campaign to further promote Austin Energy's energy audit, rebate and loan-buy down programs to the most energy inefficient residential households to achieve better energy efficiency and reduce energy costs for those households.

20070215-023, Resolution – Adopts a Climate Protection Plan.

20071018-036, Resolution – Directs City Manager to bring forward measures outlined in Zero energy Capable Homes Task Force final report to meet the goal of achieving zero energy capability in all new single-family home construction in Austin by 2015.

20080925-084, Resolution – Directs City Manager to work with Environmental Defense Fund and other community stakeholders in furtherance of the goals of the Pecan Street Project.

20081106-048, Resolution – Establishes aggressive energy efficiency goals to be met through implementation of ordinance adopting City Code Chapters 6-7.

**Upcoming Requests for Council Action (RCAs) related to Austin Energy
For Review by the Electric Utility Commission on October 19, 2009**

AUSTIN ENERGY

1. Approve an ordinance authorizing acceptance of \$2,900,000 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as the administering agency, and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$2,900,000 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area. Related to RCA #2. (11/19/09 Council Agenda; Staff responsible: RABAGO, YEBRA)
2. Authorize negotiation and execution of an Interlocal Agreement between the City of Austin/Austin Energy and Travis County to implement a home weatherization program for low-income, elderly, and disabled residents, as provided for and funded by the American Recovery and Reinvestment Act (ARRA) of 2009. Related to RCA #1. (11/19/09; RABAGO, YEBRA)
3. Approve the issuance of a Letter of Intent for a rebate to Bull Creek Market for the installation of a solar photovoltaic system at 6203 North Capitol of Texas Highway in Austin, Texas, in the amount of \$100,000. (11/05/09; RABAGO, LIBBY)

CONTRACT AND LAND MANAGEMENT

4. Authorize execution of a 12-month Indefinite Quantity/Indefinite Delivery construction contract with BIS TEPCO Inc., Deer Park, TX, for the installation of underground chilled water piping in an amount not to exceed \$4,000,000, with two 12-month extension options in an amount not to exceed \$4,000,000 for each extension option, for a total contract amount not to exceed \$12,000,000 or until all funds are expended. (11/05/09; COLLINS)

PURCHASING

5. Authorize award, negotiation, and execution of a 24-month requirements service contract with PENN CREDIT CORPORATION, Harrisburg, PA, for the primary collection of inactive delinquent utility accounts in an estimated amount not to exceed \$390,114, with three 12-month extension options in an estimated amount not to exceed \$195,057 per extension option, for a total estimated contract amount not to exceed \$975,285; and a 24-month requirements service contract with WEST ASSET MANAGEMENT, INC., Hartford CT, and SOUTHWEST CREDIT SYSTEMS, L.P., Plano, TX, for the secondary collection of inactive delinquent utility accounts in an estimated amount not to exceed \$1,332,000 each and combined, with three 12-month extension options in an estimated amount not to exceed \$666,000 per extension option each and combined, for a total estimated contract amount not to exceed \$3,330,000 each and combined. (11/05/09; OVERTON; GUTIERREZ)
6. Authorize execution of a 24-month interlocal agreement with THE UNIVERSITY OF TEXAS, Austin, TX, on behalf of Clean Energy Incubator, a program of the Austin Technology Incubator for mutual assistance in the clean energy field in an amount not to exceed \$710,000. (11/05/09; BAKER, STOGDILL)

7. Authorize award and execution of a 24-month requirements supply contract with CUSTOM CRETE, Austin, TX for ready-mix concrete in an estimated amount not to exceed \$860,942 with three 12-month extension options in an estimated amount not to exceed \$430,471 per extension option, for an estimated total contract amount not to exceed \$2,152,355. (11/19/09; LEDESMA)

RCA 1

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 11/5/09

PAGE 1 of 2

SUBJECT: Approve an ordinance authorizing acceptance of \$2,900,000 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as the administering agency, and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$2,900,000 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$2,900,000 is available from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of October 1, 2009 to August 31, 2011. No match is required.

FISCAL NOTE: A fiscal note is attached.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on October 19, 2009 and by the Resource Management Commission (RMC) on October 20, 2009.

FOR MORE INFORMATION CONTACT: Karl Rabago, Vice-President, Distributed Energy Services, 322-6098; Steve Saenz, Acting Program Delivery Manager, Energy Efficiency Services, 482-5325.

RELATED ITEM: Related to RCA #2.

The Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) awarded Austin Energy \$2,900,000 in grant funds to weatherize homes for low-income, elderly, and disabled customers within Austin Energy's service area. This program will also generate jobs that will help infuse the green construction industry, while increasing home energy efficiency for low income households, reducing their cost burden, and creating a healthier environment.

TDHCA awarded \$288 million in federal stimulus funding to 66 cities, counties, and eligible nonprofit organizations across the state to weatherize the homes of an estimated 40,000 low income Texans. The awards were made through the American Recovery and Reinvestment Act (ARRA) for the 2009 Weatherization Assistance Program (WAP).

The acceptance of these funds will allow Austin Energy to provide weatherization services to approximately 500 homes a year, for the two-year grant period, including single-family homes, manufactured homes, duplexes, and qualifying multi-family complexes. The ARRA sets the income limit for eligibility at 200 percent of the Federal Poverty Guidelines.

Austin Energy will receive \$2,900,000 a year for two years, of which a maximum of 20 percent will be allocated to health and safety related costs (carbon monoxide testing, installation of smoke detectors, ventilation, etc.) and five percent to administrative costs (hiring of four temporary employees) for this federally-funded home weatherization program. The grant period is from October 1, 2009 to August 31, 2011.

This newly created Federal Weatherization Assistance Program compliments Austin Energy's existing Free Home Energy Improvement Program. The goals of both programs are to increase the energy efficiency of the home, increase the comfort level of the home's inhabitants, reduce energy consumption, lower utility bills, and improve the health and safety of residents.

In order to comply with DOE and TDHCA guidelines, Austin Energy will ensure each home weatherized will achieve a savings to investment ratio of one or greater. TDHCA will monitor Austin Energy's performance onsite to ensure compliance with program guidelines.

Through the implementation of this grant, Austin Energy will share a joint mission to maximize energy efficiency while protecting the environment, and promoting community education through the ARRA Weatherization Assistance Program. The grant guidelines include a requirement to educate the public on energy conservation and energy efficiency measures that can be implemented at the customer level.

OPERATING BUDGET

Fiscal Note

DATE OF COUNCIL CONSIDERATION:

11/19/2009

WHERE ON AGENDA:

ORDINANCE

DEPARTMENT:

Austin Energy

SUBJECT: Approve an ordinance authorizing acceptance of \$2,900,000 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as the administering agency, and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$2,900,000 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area.

FINANCIAL INFORMATION:

| | Amended Budget 2009-2010 | Impact of This Action | Amended Budget 2009-2010 |
|---|--------------------------------|--------------------------|--------------------------------|
| American Recovery and Reinvestment Act | \$0 | \$2,900,000 | \$2,900,000 |
| Grant Term 10/01/2009 to 08/31/2010 | | | |
| Total | <u>\$0</u> | <u>\$2,900,000</u> | <u>\$2,900,000</u> |

FTEs

-

Source: \$2,900,000 grant funds is available from the American Recovery and Reinvestment Act (ARRA) grant funds

The Grant Term is October 1, 2009 to August 31, 2010.

Director, Planning & Budget

Signature: David Kutach

Date: 10/16/2006

RCA 2

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 11/19/09

Page 1 of 1

SUBJECT: Authorize negotiation and execution of an Interlocal Agreement between the City of Austin/Austin Energy and Travis County to implement a home weatherization program for low-income, elderly, and disabled residents, as provided for and funded by the American Recovery and Reinvestment Act (ARRA) of 2009.

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

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

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on October 19, 2009 and by the Resource Management Commission (RMC) on October 20, 2009.

FOR MORE INFORMATION CONTACT: Karl Rabago, Vice-President, Distributed Energy Services, 322-6098; Steve Saenz, Acting Program Delivery Manager, Energy Efficiency Services, 482-5325.

RELATED ITEM: Related to RCA #1.

This proposed cooperative agreement by which either City (Austin Energy) or County may solicit and purchase goods and services for the weatherization program will achieve cost savings and efficiencies by eliminating multiple government solicitations and reducing the administrative and overhead costs of both suppliers and participating governments.

The City and County will share expertise and resources in order to efficiently provide weatherization services. Both Austin Energy and Travis County received federal funding for the weatherization program. Coordination and cooperation may occur in the following areas of program implementation:

- Exchange of resources regarding eligibility and application
- Program resources
- Exchange of equipment
- Program training and certification
- Coordination of Davis Bacon Act (Federal Labor Standards Act) Implementation
- Lead safe work practices (lead abatement)
- Health and safety implementation

RCA 3

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 11/05/09

Page 1 of 1

SUBJECT: Approve the issuance of a Letter of Intent for a rebate to Bull Creek Market for the installation of a solar photovoltaic system at 6203 North Capitol of Texas Highway in Austin, Texas, in the amount of \$100,000.

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 financial impact. A fiscal note is not required.

BOARD AND COMMISSION ACTION: To be reviewed by the Resource Management Commission on October 20, 2009.

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

Austin Energy (AE) requests authorization to issue a Letter of Intent to Bull Creek Market in the amount of \$100,000 for the installation of a solar photovoltaic (PV) system at 6203 North Capitol of Texas Highway in Austin, Texas, 78731. The total installed cost is estimated to be \$150,288.22 and the rebate will cover approximately 67% of the cost. The rebate level for this project is \$3,720 per kW. The solar equipment, which meets AE program requirements, includes a total of 160 solar modules rated at 175 watts and associated inverters are rated at 96% efficiency respectively. A total of 23.2 kW in demand savings is expected.

This energy improvement will save an estimated 35,099 kWh per year—enough to provide electricity to four average Austin homes for a year—and produce an estimated 35 Renewable Energy Credits per year. These savings are equivalent to the planting of 778 trees or 39 acres of forest in Austin's parks or the removal of 39,858 vehicle miles or five cars from Austin roadways. This project will save 23 tons of Carbon Dioxide (CO₂); 29 pounds of Sulfur Dioxide (SO₂); 32 pounds of Nitrogen Oxide (NOX), and 22 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.

The Commercial Energy Efficiency programs are elements of AE's comprehensive effort to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption. This effort will provide AE with a constructive market transformation opportunity while adding a value-added service to encourage customer retention.

This rebate is the last commercial rebate to be processed under the previous program guidelines. The Commercial Solar Rebate Program was suspended effective September 24, 2009, and no new commercial, multifamily or nonprofit customer applications will be accepted until the date new program guidelines are effective, no later than January 1, 2010. Pending applications without a signed Letter of Intent from AE will be returned to applicants. The new program guidelines for these customers will be developed with engagement from stakeholders and will be based on a performance and/or production incentive system.

RCA 4

Contract and Land Management
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 11/5/09
PAGE: 1 of 2

SUBJECT: Authorize execution of a 12-month Indefinite Quantity/Indefinite Delivery construction contract with BIS TEPSCO Inc., Deer Park, TX, for the installation of underground chilled water piping in an amount not to exceed \$4,000,000, with two 12-month extension options in an amount not to exceed \$4,000,000 for each extension option, for a total contract amount not to exceed \$12,000,000 or until all funds are expended.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$4,000,000 is available in the Fiscal Year 2009-2010 Approved Capitol Budget of Austin Energy.

FISCAL NOTE: A fiscal note is attached.

FOR MORE INFORMATION CONTACT: Jim Collins, Director, On-Site Energy Resources, 322-6426; Louis Rogers, Consulting Engineer, On-site Energy Resources, 505-3747.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on October 19, 2009.

PURCHASING: Lowest bid of two bids received.

MBE / WBE: 12.21% MBE and 4.60% WBE subcontractor participation.

Austin Energy owns and operates three district cooling systems. These systems are located in the downtown CBD, at the Domain, and at Mueller. Austin Energy offers chilled water services from these systems to commercial and multi-family facilities that are located near these systems. By connecting to these services, customers can reduce their capital expenditures while receiving extraordinary system reliability. For Austin Energy, new chilled water customers represent increased long term revenue streams, increased energy efficiency and demand side management and the associated reduction in emissions.

Austin Energy's chilled water distribution system consists of a closed, pressurized system of insulated welded steel pipes connected to district energy plants. This distribution system is located mostly underground in the public right of way, and is defined by the American Society of Mechanical Engineers as a "power piping" system. In addition to the engineering complexities of constructing, operating, and maintaining a pressurized distribution system, there are complex logistical challenges to be considered when installing new sections of piping, as the right of way is very congested both above and below grade.

Austin Energy recently extended chilled water services to the Austonian and the Four Seasons Residences, and is currently working on the Block 21 development. Austin Energy continues to negotiate similar service agreements for new customers to expand the system and increase

revenue. This contract will allow Austin Energy to extend the existing distribution system, as needed, to respond to new customers in a timely manner.

Bid documents were distributed to 18 general contractors. Bids were opened on August 20, 2009. Two were received and one was non-responsive:

| | |
|--------------------------------------|-----------------|
| BIS TEPSCO, Inc., Deer Park, TX | \$ 1,773,412.00 |
| Cardinal Mechanical LP, Pasadena, TX | Non-Responsive |

Participation sub-goals stated in the solicitation were 13.70% MBE and 13.80% WBE. Total participation estimated on base bid amount of \$1,773,412.00:

| | | |
|--|---------------------|---------------|
| <u>TOTAL – PRIME</u> | <u>\$867,907.83</u> | <u>48.94%</u> |
| BIS TEPSCO Inc., Deer Park, TX | | |
| <u>MBE TOTAL – SUBCONTRACTORS</u> | <u>\$216,533.61</u> | <u>12.21%</u> |
| <u>MH Subtotal</u> | | |
| EBC Construction, LLC, Manor, TX | \$216,533.61 | 12.21% |
| <u>WBE TOTAL – SUBCONTRACTORS</u> | <u>\$81,576.95</u> | <u>4.60%</u> |
| Benquest, LLC, Austin, TX | \$37,241.65 | 2.1% |
| McGray & McGray Land Surveyors Inc., Austin, TX | \$8,867.06 | 0.5% |
| Melendez Trucking, Austin, TX | \$35,468.24 | 2.0% |
| <u>NON M/WBE TOTAL – SUBCONTRACTORS</u> | <u>\$607,393.60</u> | <u>34.25%</u> |
| Magnum Tunneling & Boring, Houston, TX (tunneling) | \$313,893.92 | 17.7% |
| Thermacor Process LP, Austin, TX (pipe) | \$152,513.43 | 8.6% |
| Valve & Equipment, Huffman, TX (valves) | \$74,483.30 | 4.2% |
| Gulf Coast Grout, Huffman, TX (grouting) | 66,502.95 | 3.75% |

BIS TEPSCO Inc. submitted a MBE/WBE Compliance Plan that demonstrated a Good Faith Effort meeting the established goals and was approved by the Small & Minority Business Resources Department on October 5, 2009.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

11/5/2009

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Austin Energy

SUBJECT: Authorize award and execution of a 12-month Indefinite Quantity/Indefinite Delivery construction contract with BIS TEPSCO INC., Deer Park, TX, for the installation of underground chilled water piping in an amount not to exceed \$4,000,000, with two 12-month extension options in an amount not to exceed \$4,000,000 for each extension option, for a total contract amount not to exceed \$12,000,000 or until all funds are expended.

FINANCIAL INFORMATION:

Parent Project Name: **Non-Electric Plant Assets - Chillers**

Project Authorization: 2009-2010 Approved Capital Budget

| | | |
|-----------------------|-------------------|------------------------|
| Current Appropriation | \$ 169,017,916.00 | |
| Unencumbered Balance | | \$ 11,978,222.05 |
| Amount of This Action | | <u>(4,000,000.00)</u> |
| Remaining Balance | | <u>\$ 7,978,222.05</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 & Budget

Signature: David Kutach

Date: 10/13/2009

SUBJECT: Authorize award, negotiation, and execution of a 24-month requirements service contract with **PENN CREDIT CORPORATION**, Harrisburg, PA, for the primary collection of inactive delinquent utility accounts in an estimated amount not to exceed \$390,114, with three 12-month extension options in an estimated amount not to exceed \$195,057 per extension option, for a total estimated contract amount not to exceed \$975,285; and a 24-month requirements service contract with **WEST ASSET MANAGEMENT, INC.**, Hartford CT, and **SOUTHWEST CREDIT SYSTEMS, L.P.**, Plano, TX, for the secondary collection of inactive delinquent utility accounts in an estimated amount not to exceed \$1,332,000 each and combined, with three 12-month extension options in an estimated amount not to exceed \$666,000 per extension option each and combined, for a total estimated contract amount not to exceed \$3,330,000 each and combined.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$789,302 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining thirteen 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: Best three evaluated proposals of five proposals received.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on October 19, 2009.

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

FOR MORE INFORMATION CONTACT: Sandy Calles, Sr. Buyer/512-322-6487

Austin Energy currently has two vendors for competitive primary collection services on inactive, unpaid utility accounts and one vendor for tertiary services. In anticipation of increasing Austin Energy's attempts to collect past due or delinquent accounts, an RFP was issued for the services of one additional vendor to perform primary debt collection and to obtain two secondary level vendors. The solicitation also requested responses from a single contractor to perform collection work on accounts valued at \$25 or less and one collection agency to perform a reserve standby function. A previous RFP resulted in two secondary agency contracts being awarded in January 2008, but both vendors have since been terminated because of inability to comply with contractual terms.

One contract is for primary collection services with Penn Credit Corp. and another contract is for two secondary collection services: West Asset Management, Inc. and Southwest Credit Systems, L.P. The RFP stipulated that each vendor could only be awarded at one collection level and since responses for the lower amount collection work included vendors who are being recommended for award at other levels, no vendor is being recommended for award for this level. In addition, no responses were received for the reserve standby function.

For the single primary agency, Austin Energy will refer, on a rotating basis, any utility accounts that have been inactive and unpaid for over 60 days. Approximately 664 inactive accounts, with an average unpaid balance of \$360 per account, will be referred or placed for collections on a monthly basis. The estimated annual amount of referred accounts is \$2,868,480. Contractors are projected to collect approximately \$1,147,392 on an annual basis, before fees.

For the two secondary agencies, Austin Energy will refer, on a rotating basis, any utility accounts that have been with a primary agency for 18-30 months. Approximately 20,500 total inactive accounts, with an average unpaid balance of \$360 per account, are currently ready to be placed with a secondary agency. Future monthly placements will be dependent on the collections rates of the primary agencies. The estimated total annual amount of referred accounts is \$7,400,000. Contractors are projected to collect approximately \$1,850,000 on an annual basis, before fees.

Proposals were evaluated by a panel of six employees from areas representing customer care and collections, fiscal, and legal services. Proposers were required to explain their understanding of the requirements of the scope of work, experience with collection activities and processes, as well as their commission and recovery rates. In addition, the criteria required the proposers to describe payment handling procedures and the handling of non-English speaking customers and customers' questions and concern.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition
- b. One hundred thirty-two notices were sent. There are no known MBE/WBEs available for this service. Five proposals were received.
- c. The commission rate paid to the primary level contractor represents a 9% decrease from the average commission rate for the current contractors awarded in January 2008. Austin Energy anticipates a continued lower volume of referrals with lower average balances.

APPROVAL JUSTIFICATION

- a. Three best evaluated proposals received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

SUBJECT: Authorize execution of a 24-month interlocal agreement with **THE UNIVERSITY OF TEXAS**, Austin, TX on behalf of Clean Energy Incubator, a program of the Austin Technology Incubator for mutual assistance in the clean energy field in an amount not to exceed \$710,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$325,417 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 13 months of the original contract period is contingent upon available funding in future budgets.

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

PURCHASING: Interlocal Agreement

PRIOR COUNCIL ACTION: 12/13/07 – Approved 24-month contract

BOARD AND COMMISSION ACTION: 10/19/09 EUC

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). This contract is an Interlocal Agreement; therefore, it is exempted under Chapter 791 of the Texas Government Code.

FOR MORE INFORMATION CONTACT: Sandy Calles, Sr. Buyer/512-322-6487

The Clean Energy Incubator (CEI) is a program of the Austin Technology Incubator at the University of Texas at Austin committed to helping Austin Energy achieve its clean energy “Strategic Goals” and to formulate a strategy to move Austin forward towards becoming the nation’s clean energy capital. Austin Energy intends to assist CEI in its goals by providing financial support that will increase the infrastructure and support services at CEI through the hiring of personnel experienced in the energy industry, to increase CEI’s value to its member companies and to help expand the role of Austin as the headquarters of choice for clean energy companies.

Austin Energy will provide funding for the following programs:

\$100,000 per year for infrastructure contribution and support services

\$75,000 per year for beta testing for clean energy technologies

\$120,000 per year to support the annual Austin Clean Energy Venture Summit

\$60,000 per year to support Council resolution #20070215 adopted on February 15, 2007 directing Austin Energy and CEI to advance and expand the use of clean technology and energy efficiency technologies by working together to further promote Austin Energy as a beta-tester for clean energy technologies.

RCA 7

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: CUSTOM CRETE

AGENDA DATE: 11/19/09

PAGE 1 OF 2

SUBJECT: Authorize award and execution of a 24-month requirements supply contract with CUSTOM CRETE, Austin, TX for ready-mix concrete in an estimated amount not to exceed \$860,942 with three 12-month extension options in an estimated amount not to exceed \$430,471 per extension option, for an estimated total contract amount not to exceed \$2,152,355.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$448,908 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining fourteen months of the original contract period and extension options is contingent upon available funding in future budgets.

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

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

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 10/19/09

PURCHASING: Lowest bid of four 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.

This contract will provide Austin Energy with ready access to 6,190 cubic yards of six different types of ready-mix concrete for use on various installation and maintenance projects. The use of ready-mix concrete includes but is not limited to encasement of electrical conduits, concrete repairs and the installation of pull boxes and transformer pads.

Custom Crete is in compliance with Texas Commission of Environmental Quality requirements.

MBE/WBE solicited: 3/4

MBE/WBE bid: 1/1

BID TABULATION
IFBTVN0040
(9 items)

| <u>Vendor</u> | <u>Bid Total</u> |
|-------------------------------------|-------------------------|
| Custom Crete Austin, TX | \$430,471 |
| Centex Materials Austin, TX | \$437,140 |
| Alpha Ready Mix (WBE) Austin, TX | \$584,169.25 |

**CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: CUSTOM CRETE**

**AGENDA DATE: 11/19/09
PAGE 2 OF 2**

Lone Star Ready Mix (MBE)
Leander, TX

\$486,073

A copy of the Bid tabulation is on file in the Purchasing Office.

PRICE ANALYSIS:

- a. Adequate competition.
- b. Twenty notices were sent including three MBEs and 4 WBEs. Four bids were received, including one MBE and one WBE.
- c. The pricing offered represents a 1.5% increase to the last purchase made in August, 2005. Custom Crete was the vendor on the previous contract.

APPROVAL JUSTIFICATION

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

ORDINANCE NO. _____**AN ORDINANCE AMENDING SECTION 6-3-48 AND CHAPTER 25-8, SUBCHAPTER B, ARTICLE 1 OF THE CITY CODE RELATING TO TREE PROTECTION.****BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:****PART 1. FINDINGS.**

The City Council finds that:

- (1) The urban forest has social, ecological, cultural, economic, historical, and aesthetic benefits for the citizens of Austin.
- (2) A healthy urban forest enhances the health and welfare of the citizens of Austin.
- (3) The urban forest is an asset and important part of the City's infrastructure that city policy seeks to protect.
- (4) The health of the urban forest is entrusted to the City Council for the benefit of current and future citizens of Austin.
- (5) The potential for development to negatively impact the urban forest, including the largest and most significant trees, requires reasonable regulations.

PART 2. Section 25-8-602 (*Definitions*) of the City Code is amended to read as follows:

§ 25-8-602 DEFINITIONS.

In this article:

(1) HERITAGE TREE means a tree that has at least one stem with a diameter of 24 inches or more, measured four and one-half feet above natural grade, and is a species prescribed by rule as eligible for heritage tree designation.

(2)[(4)] OWNER includes a lessee.

~~(3)~~~~(2)~~ PROTECTED TREE means a tree with a diameter ~~[circumference]~~ of 19 ~~[60]~~ inches or more, measured four and one-half feet above natural grade.

~~(4)~~~~(3)~~ REMOVAL means an act that causes or may be reasonably expected to cause a tree to die, including:

- (a) uprooting;
- (b) severing the main trunk;
- (c) damaging the root system; and
- (d) excessive pruning.

PART 2. Section 25-8-603 (*Administration*) of the City Code is amended to read:

§ 25-8-603 ADMINISTRATION.

(A) A city arborist, appointed by the director of the Planning and Development Review Department, shall implement this article.

(B) The ~~[Watershed Protection]~~ Planning and Development Review Department shall adopt administrative rules for the implementation of this subchapter ~~[to:]~~.

(C) The rules shall:

- (1) describe methods to protect trees against damage during development;
- (2) identify actions that will constitute removal; ~~[and]~~
- (3) identify the root areas that require protection against soil compaction or the effects of impervious paving;
- (4) identify the species of trees eligible for heritage tree designation; and
- (5) identify mitigation measures and methods of calculation for fiscal security to ensure performance of mitigation measures that may be required under article 1 of this subchapter.

PART 3. Section 25-8-604 (*Development Application Requirements*) of the City Code is amended by amending Subsection (C) and adding a new Subsection (D) to read:

(C) For an application for preliminary plan, final plat, or site plan approval that proposes the removal of a protected tree, the city arborist must review the

application and make a recommendation before the application may be administratively approved or presented to the Land Use Commission or city council.

- (D) For an application for preliminary plan, final plat, or site plan approval that proposes the removal of a heritage tree, the applicant must file a request for a variance from 25-8-641 before the application for preliminary plan, final plat, or site plan approval may be administratively approved or presented to the Land Use Commission or city council.

PART 4. Section 25-8-605 (*Waiver and Modification of City Requirements*) of the City Code is amended to read:

§ 25-8-605 WAIVER AND MODIFICATION OF CITY REQUIREMENTS.

- (A) If enforcement of a City department policy, rule, or design standard will result in removal of a protected or heritage tree, the ~~[Watershed Protection]~~ Planning and Development and Review Department may request that the responsible City department waive or modify the policy, rule, or design standard to the extent necessary to save the tree.
- (B) The responsible City department may waive or modify the policy, rule, or design standard after determining that a waiver or modification will not result in a serious or imminent adverse effect.
- (C) The city manager shall resolve differences of opinion between the ~~[Watershed Protection]~~ Planning and Development Review Department and another City department under this section.

PART 5. Chapter 25-8, Subchapter B, Article 1 (*Tree and Natural Area Protection*) of the City Code is amended to add a new section 25-8-606 to read:

§25-8-606 ANNUAL REPORT.

The city arborist shall annually report to the Environmental Board and the Urban Forestry Board. The report shall include, but is not limited to, impacts to protected or heritage trees, tree promotional programs, and urban forestry planning efforts.

PART 6. Section 25-8-621 (*Permit Required for Removal of Protected Trees; Exceptions*) of the City Code is amended to read:

25-8-621 PERMIT REQUIRED FOR REMOVAL OF PROTECTED TREES; EXCEPTIONS.

(A) Except as otherwise provided in this section, a person may not remove a protected tree unless the ~~[Watershed Protection]~~ Planning and Development Review Department has issued a permit for the removal under this division.

(B) A person may, without a permit, remove a damaged protected tree that is a hazard to life or property if the tree is removed within seven days of being damaged. The ~~[Watershed Protection]~~ Planning and Development Review Department may extend this deadline for widespread and extensive storm damage.

(C) A person may, without a permit, remove a protected tree if the tree is identified for removal on an approved preliminary plan, final plat or site plan.

~~[(D) A person may, without a permit, remove a protected tree if the tree is identified for removal in a capital improvement project when the project is approved by council.]~~

PART 7. Subsection(C) of Section 25-8-622 (*Application for Removal*) of the City Code is amended to read:

(C) An application for removal of a protected tree must:

- (1) be filed with the director of the Planning and Development Review Department; and
- (2) include the information prescribed by the Administrative Manual.

PART 8. Section 25-8-624 (*Approval Criteria*) of the City Code is amended to read:

§25-8-624 APPROVAL CRITERIA.

(A) The ~~[Watershed Protection]~~ Planning and Development Review Department may ~~[shall]~~ approve an application to remove a protected tree only after determining that the tree:

- (1) prevents reasonable access to the property;
- (2) prevents a reasonable use of the property;
- (3) is a hazard to life or property, and the hazard cannot reasonably be mitigated without removing the tree;
- (4) is dying or dead;
- (5) is diseased, and:

- (a) restoration to sound condition is not practicable; or
 - (b) the disease may be transmitted to other trees and endanger their health; or
- (6) for a tree located on public property or a public street or easement:
 - (a) prevents the opening of necessary vehicular traffic lanes in a street or alley; or
 - (b) prevents the construction of utility or drainage facilities that may not feasibly be rerouted.
- (B) If an application filed by a political subdivision of the state is approved under Subsection (A) (2), the Land Use Commission may, in its discretion, review the approval.
- (C) For an application to remove a protected tree located on private property, an applicant must request a variance, waiver, exemption, modification, or alternative compliance ~~from the Board of Adjustment if the variance that~~ would eliminate the reason for removal of the tree.
 - (1) The application to remove the protected tree may not be approved unless the request ~~[variance]~~ is denied.
 - (2) An application fee is not required for a variance, waiver, exemption, modification, or alternative compliance request required by this subsection.
 - (3) This subsection does not apply to an application that may be approved under Subsection(A)(3), (4), or (5).
- (D) The ~~[Watershed Protection]~~ Planning and Development Review Department ~~shall~~ may require mitigation ~~[,including the planting of replacement trees,]~~ as a condition of application approval. A removal permit may not be issued until the applicant satisfies the condition or posts fiscal security to ensure performance of the condition within one year.

PART 9. Section 25-8-625 (*Action on Application*) of the City Code is amended to read:

§ 25-8-625 ACTION ON APPLICATION.

- (A) The ~~[Watershed Protection]~~ Planning and Development Review Department shall take action on ~~[approve or deny]~~ an application to remove a protected tree:
- (1) not later than the 10th working day after the complete application is filed; or
 - (2) if a variance, waiver, exemption, modification, or alternative compliance request is required by Subsection 25-8-624 (C) (*Approval Criteria*), not later than the ~~[55th day after the application is filed]~~ 10th working day after the request is denied.
- (B) ~~[If a variance request is required by Subsection 25-8-624 (C) (*Approval Criteria*), the Watershed Protection and Development Review Department shall notify the applicant of the 55-day review period.]~~
- ~~(C)~~ An application to remove a tree that is not associated with a pending subdivision, site plan, or building permit application submitted to the City is automatically granted if the ~~[Watershed Protection]~~ Planning and Development Review Department does not take action on ~~[deny]~~ the application before the expiration of the applicable deadline in Subsection (A).

PART 10. Section 25-8-626 (*Effective Date and Expiration of Approval*) of the City Code is amended to read:

§ 25-8-626 EFFECTIVE DATE AND EXPIRATION OF APPROVAL.

- (A) Approval of an application to remove a protected tree is effective immediately.~~[:~~
- ~~(1) on the third day after it is granted; or~~
 - ~~(2) immediately, if the application was approved under Subsection 25-8-624(A) (3), (4), or (5) (*Approval Criteria*).]~~
- (B) An approval to remove a protected tree expires:
- (1) one year after its effective date; or

(2) for a development described in Subsection 25-8-621(C) ~~[or (D)]~~ (*Permit Required For Removal Of Protected Trees; Exceptions*), when the development plan expires.

PART 11. Chapter 25-8 Subchapter B, Article 1 (*Tree and Natural Area Protection*) of the City Code is amended to renumber Division 3 (*Shoreline Relocation; Lake Fill*) as Division 4 and add a new Division 3 to read:

Division 3. Heritage Trees.

§ 25-8-641 REMOVAL PROHIBITED.

- (A) Removal of a heritage tree is prohibited unless the Planning and Development Review Department has issued a permit for the removal under this division.
- (B) A permit to remove a heritage tree may be issued only if a variance is approved under Section 25-8-642 (*Administrative Variance*) or 25-8-643 (*Land Use Commission Variance*).
- (C) The requirements in this division apply to trees on private and public property. To the extent of conflict with another section of the Code, this division applies.
- (D) A person may, without a variance, remove a damaged heritage tree that is a hazard to life or property if the tree is removed within seven days of being damaged. The director may extend this deadline for widespread and extensive storm damage.

§ 25-8-642 ADMINISTRATIVE VARIANCE.

- (A) The director of the Planning and Development Review Department may grant a variance from Section 25-8-641 (*Removal Prohibited*) to allow removal of a heritage tree only after determining, based on the city arborist's recommendation, that the heritage tree:
 - (1) is dying or dead;
 - (2) is a hazard to life or property, and the hazard cannot reasonably be mitigated without removing the tree; or
 - (3) is diseased and:

- (a) restoration to sound condition is not practicable; or
 - (b) the disease may be transmitted to other trees and endanger their health.
- (B) No application fee and no mitigation are required for a variance request under subsection (A).
- (C) The director of the Planning and Development Review Department may grant a variance from Section 25-8-641 (*Removal Prohibited*) to allow removal of a heritage tree associated with a subdivision, site plan, or building permit application submitted to the City only after determining, based on the city arborist's recommendation, that under the development plan submitted, removal of the heritage tree will result in the protection of the maximum number of trees on the site.
- (D) The director of the Planning and Development Review Department may grant a variance from Section 25-8-641 (*Removal Prohibited*) to allow removal of a heritage tree that is less than 30 inches in diameter measured four and one-half feet above natural grade only after determining, based on the city arborist's recommendation, that the heritage tree meets the criteria in Section 25-8-624 (A) (*Approval Criteria*) and that:
 - (1) removal of the heritage tree is not based on a condition caused by the method chosen by the applicant to develop the property; and
 - (2) the applicant has applied for and been denied a variance, waiver, exemption, modification, or alternative compliance from another City Code provision which would eliminate the need to remove the heritage tree, as required in Section 25-8-646 (*Variance Prerequisites*).
- (E) A variance granted under this section:
 - (1) shall be the minimum change necessary;
 - (2) shall require mitigation as a condition of variance approval for variances requested under subsections (C) and (D) of this section; and
 - (3) may not be issued until the applicant has satisfied the mitigation conditions required under this subsection (E) (2) or posted fiscal security adequate to ensure performance of the mitigation conditions not later than one year after issuance of the variance.

- (F) The director of the Planning and Development Review Department shall prepare written findings to support the grant or denial of a variance request under subsections (C) or (D) of this section.

25-8-643 LAND USE COMMISSION VARIANCE.

- (A) The Land Use Commission may grant a variance from Section 25-8-641 (*Removal Prohibited*) to allow removal of a heritage tree that is 30 inches or larger in diameter measured four and one-half feet above natural grade only after determining, based on the city arborist's recommendation, that the heritage tree meets the criteria in Section 25-8-624 (A) (*Approval Criteria*), and that:
- (1) removal of the heritage tree is not based on a condition caused by the method chosen by the applicant to develop the property;
 - (2) the applicant has applied for and been denied a variance, waiver, exemption, modification, or alternative compliance from another City Code provision which would eliminate the need to remove the heritage tree, as required in Section 25-8-646 (*Variance Prerequisites*).
- (B) A variance granted under this section:
- (1) shall be the minimum change necessary;
 - (2) shall require mitigation as a condition of variance approval; and
 - (3) may not be issued until the applicant has satisfied the mitigation conditions required under this Subsection (B) (2) or posted fiscal security adequate to ensure performance of the mitigation conditions not later than one year after issuance of the variance.
- (C) Consideration of a variance under this section requires:
- (1) review by the Environmental Board; and
 - (2) review by the Urban Forestry Board if the heritage tree is located on public property or a public street or easement.

§ 25-8-644 APPEAL.

- (A) An applicant may appeal denial of an administrative variance under section 25-8-642 to the Land Use Commission.

- (B) An appeal under this section requires:
 - (1) review by the Environmental Board; and
 - (2) review by the Urban Forestry Board if the heritage tree is located on public property or a public street or easement.

§ 25-8-645 APPLICATION FOR VARIANCE.

- (A) For a heritage tree located on public property or a public street or easement, an application requesting a variance to allow removal of the heritage tree may be filed by:
 - (1) a City department, public utility, or political subdivision with the authority to install utility lines or other public facilities in or above the property, street, or easement; or
 - (2) the owner of property adjoining the site of the tree.
- (B) For a heritage tree located on private property, an application requesting a variance to allow removal of the heritage tree may be filed by:
 - (1) the owner of the property on which the tree is located; or
 - (2) the city arborist, if the tree is seriously diseased or is a safety hazard.
- (C) An application requesting a variance to allow removal of a heritage tree must:
 - (1) be filed with the director of the Planning and Development Review Department; and
 - (2) include the fee prescribed by ordinance; and
 - (3) include the information prescribed by the Administrative Criteria Manual.
- (D) The application fee is not required if the application is based solely on the criteria in Subsections 25-8-624 (A) (3), (4) or (5).

§ 25-8-646 VARIANCE PREREQUISITE.

- (A) If a variance, waiver, exemption, modification, or alternative compliance from another City Code provision would eliminate the need for a variance

from Section 25-8-641 (*Removal Prohibited*), before requesting a variance to allow removal of a heritage tree on private property the applicant must:

- (1) request a variance, waiver, exemption, modification or alternative compliance from the Code provisions that would eliminate the need to remove the heritage tree; and
 - (2) obtain a grant or denial of the variance, waiver, exemption, modification or alternative compliance that would eliminate the need to remove the heritage tree.
- (B) The request for a variance to allow removal of a heritage tree may not be considered unless the variance, waiver, exemption, modification or alternative compliance from other City Code provisions is denied.
- (C) The application fee for a variance from another City Code provision required under this section is waived.
- (D) This section does not apply to an application for a variance to remove a heritage tree based on the criteria in Subsections 25-8-624 (A) (3), (4) or (5).
- (E) The body considering the variance, waiver, exemption, modification or alternative compliance will consider the benefit of preserving the heritage tree in determining whether to grant or deny the request for a variance, waiver, exemption, modification or alternative compliance from another City Code provision.

§ 25-8-647 ACTION ON APPLICATION.

- (A) The director of the Planning and Development Review Department shall take action on a variance request to allow removal of a heritage tree:
- (1) not later than the 10th working day after the complete application is filed; or
 - (2) if a variance, waiver, exemption, modification or alternative compliance from another City Code provision is required under Subsection 25-8-646 (*Variance Prerequisite*), not later than the 10th working day after the request is denied.

- (B) If the application is based on a damaged heritage tree constituting an immediate hazard to life or property, the application shall be approved or denied within 24 hours and no application fee shall be required.
- (C) An application to remove a tree that is not associated with a pending subdivision, site plan, or building permit application submitted to the City is automatically granted if the director does not act on the application before the expiration of the applicable deadline.

§ 25-8-648 VARIANCE EFFECTIVE DATE AND EXPIRATION.

- (A) Approval of a variance request to allow removal of a heritage tree is effective immediately.
- (B) A variance to allow removal of a heritage tree expires:
 - (1) one year after its effective date, provided that the mitigation conditions in the variance remain in effect until the conditions are met; or
 - (2) for an application that is associated with a pending subdivision, site plan, or building permit submitted to the City, when the development permit expires.

PART 12. Section 6-3-48 (*Review of Recommendation to Remove Protected Tree*) is amended to read:

§ 6-3-48 REVIEW OF RECOMMENDATION TO REMOVE PROTECTED OR HERITAGE TREE.

(A) Not later than the 10th business day before delivery of owner notification under Section 6-3-46 (*Notice of Abatement*), the urban forester shall submit to the city arborist a written request for review of removal of a protected or heritage tree under the jurisdiction of Subchapter B, Article 1 (*Tree and Natural Area Protection*) of Chapter 25-8 (*Environment*) of the Code.

(B) The city arborist shall respond to the urban forester with written comments not later than the 10th day after the date the request for review was submitted.

PART 13. This ordinance takes effect on _____, 2009.

PASSED AND APPROVED

_____, 2009

§
§
§

Lee Leffingwell
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk

2010

January

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| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

February

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March

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April

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May

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June

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July

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August

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September

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October

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November

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December

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| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

Bylaws Article 7. Meetings (D)

The regular meeting of the commission shall be held on the third Monday of each month at 6:00 p.m., at the Town Lake Center, 721 Barton Springs Road, Austin, Texas, unless otherwise determined by the commission. If the regular meeting day is a holiday, the meeting will be held on the following Monday of the month.

EUC Meeting Dates in 2010:

January 25
February 22
March 15
April 19
May 17
June 21
July 19
August 16
September 20
October 18
November 15
December 20

Holidays and Observances:

Jan 1 [New Year's Day](#)
Jan 18 [Martin Luther King Day](#)
Feb 14 [Valentine's Day](#)
Feb 15 [Presidents' Day](#)
May 9 [Mother's Day](#)
May 31 [Memorial Day](#)

Jun 20 [Father's Day](#)
Jul 4 [Independence Day](#)
Jul 5 ['Independence Day' observed](#)
Sep 6 [Labor Day](#)
Oct 11 [Columbus Day](#)
Nov 2 [Election Day](#)

Nov 11 [Veterans Day](#)
Nov 25 [Thanksgiving Day](#)
Dec 24 ['Christmas Day' observed](#)
Dec 24 [Christmas Eve](#)
Dec 25 [Christmas Day](#)
Dec 31 ['New Year's Day' observed](#)

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

Unaudited Results
\$ in Thousands

| | August 2009 Year to Date Actual | August 2009 Year to Date Budget | Variance | Percent |
|---|--|--|------------------|----------------|
| <u>REVENUES</u> | | | | |
| Service Area Base Revenue | \$ 547,132 | \$ 545,576 | \$ 1,556 | 0.3% |
| Bilateral & Ancillary Service Sales | 23,167 | 21,655 | 1,512 | 7.0% |
| Transmission Service Revenue | 52,193 | 51,773 | 420 | 0.8% |
| Miscellaneous Revenue | 29,472 | 33,314 | (3,842) | -11.5% |
| Interest Income | 12,806 | 16,058 | (3,252) | -20.3% |
| Total Operating Revenue Without Fuel Revenue | 664,770 | 668,376 | (3,606) | -0.5% |
| Fuel & Green Choice Revenue | 407,600 | 472,179 | (64,579) | -13.7% |
| Total Operating Revenue | 1,072,370 | 1,140,555 | (68,185) | -6.0% |
| <u>TRANSFERS IN</u> | | | | |
| Repair & Replacement Fund | 35,000 | 35,000 | - | 0.0% |
| Strategic Reserve Fund | 8,215 | 8,215 | - | 0.0% |
| Total Transfers | 43,215 | 43,215 | - | 0.0% |
| Total Revenue | 1,115,585 | 1,183,770 | (68,185) | -5.8% |
| <u>OPERATING REQUIREMENTS</u> | | | | |
| Fuel and Green Power Expense | 408,545 | 472,294 | 63,749 | 13.5% |
| <u>Department O&M Without Fuel</u> | | | | |
| Department O&M | 170,113 | 193,296 | 23,183 | 12.0% |
| Transmission Service Expense | 53,570 | 45,999 | (7,571) | -16.5% |
| South Texas Project O&M | 53,638 | 54,271 | 633 | 1.2% |
| Fayette Power Project O&M | 20,220 | 20,484 | 264 | 1.3% |
| Call Center | 24,744 | 28,715 | 3,971 | 13.8% |
| Energy Conservation Rebates | 14,175 | 14,147 | (28) | -0.2% |
| Bad Debt Expense | 4,203 | 4,458 | 255 | 5.7% |
| Administrative Support Transfer | 12,688 | 12,720 | 32 | 0.3% |
| Total Operating O&M Without Fuel | 353,351 | 374,090 | 20,739 | 5.5% |
| Total Operating Requirements | 761,896 | 846,384 | 84,488 | 10.0% |
| <u>DEBT SERVICE REQUIREMENTS</u> | | | | |
| Revenue Bond | 155,891 | 167,250 | 11,359 | 6.8% |
| Other Obligations | 836 | 5,378 | 4,542 | 84.5% |
| Total Debt Service Requirements | 156,727 | 172,628 | 15,901 | 9.2% |
| <u>TRANSFERS/USES OF COVERAGE</u> | | | | |
| General Fund Transfer | 95,000 | 95,000 | 0 | 0.0% |
| Electric CIP Transfer | 125,761 | 125,583 | (178) | -0.1% |
| Repair & Replacement Fund Transfer | 5,000 | 5,000 | 0 | 0.0% |
| Total Transfers | 225,761 | 225,583 | (178) | -0.1% |
| Total Requirements Without Encumbrances | 1,144,384 | 1,244,595 | 100,211 | 8.1% |
| Total Encumbrances | 14,226 | 14,226 | 0 | 0.0% |
| Total Requirements | 1,158,609 | 1,258,821 | 100,211 | 8.0% |
| CHANGE TO BEGINNING BALANCE | \$ (43,024) | \$ (75,051) | \$ 32,026 | -42.7% |

[illegible]

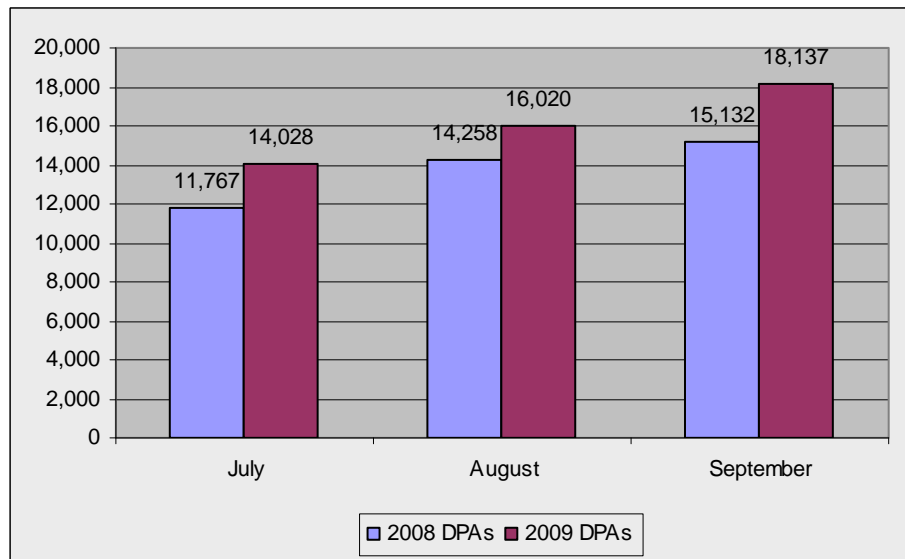


Summer Disconnect and DPA Report **Electric Utility Commission** **10/19/09**

Deferred Payment Agreements

| Month | 2008 DPAs | 2009 DPAs |
|---------------|-----------|-----------|
| July | 11,767 | 14,028 |
| August | 14,258 | 16,020 |
| September | 15,132 | 18,137 |
| Monthly Total | 41,157 | 48,185 |

Note: In September 2009 there was a 20% increase in the number of DPAs written over those written in 2008.



For the period August 21, 2009 through September 30, 2009, 12,925 summer 6-month DPAs were written. As of October 12, 2009, 75% of DPAs are current on their terms.

Residential Disconnections

| Month | 2008 Disconnects | 2009 Disconnects |
|---------------|------------------|------------------|
| July | 3,181 | 1,938 |
| August | 3,911 | 824 |
| September | 3,840 | 5,323 |
| Monthly Total | 10,932 | 8,085 |

