



**ELECTRIC UTILITY COMMISSION  
REGULAR MEETING MINUTES – Approved 12/13/09  
NOVEMBER 16, 2009**

**The Electric Utility Commission (EUC) convened in a regular meeting on November 16, 2009 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.**

**1. CALL TO ORDER**

Chair Phillip Schmandt called the meeting to order at 6:00 p.m.

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

Staff in attendance: Roger Duncan, Cheryl Mele, Kerry Overton, Elaine Hart, Jeff Vice, Stacey Woodard, Clyde Canady, Pat Sweeney, Cynthia Gonzales, Erika McCartney, Drusilla Saenz, Urcha Dunbar Crespo, Jim Collins, John Wester, Jamie Mitchell, Greg Troxell, Jawana 'J.J.' Gutierrez, Marnie Cervenka, Jan Lawson, Andy Perny, Veronica Lara, Shawn Harris, Rick Fudge, Al Sarria, Kurt Stogdill, Kathleen Garrett, Rose San Miguel, Pat Alba, Dustin McLemore, Amelie Flores, David Wood, Chris Smith, Rosemary Ledesma.

**2. APPROVAL OF MINUTES**

The minutes for the regular meeting of October 19, 2009 were approved with the following amendment on Commissioner Fath's motion, Commissioner Shaw's second, on a 6-0 vote. The amendment was: Page 2, Line 10, the spelling of Michelle McAfee's name was corrected.

**3. CITIZEN COMMUNICATIONS**

Jake Stewart, Roger Wood, Tony Caprero, Mike Sloan, Chris Searles and Scott Johnson spoke regarding the proposed Generation Resource and Carbon Reduction Plan.

**4. NEW BUSINESS**

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

RCA 1 – sponsorship agreement with Austin Habitat for Humanity for a 2010 Corporate Build of a home

RCA 3 – contract amendment with Fox, Smolen & Associates for the design and implementation of a public process for input on Austin Energy's long-range energy plan

RCA 4 – contract with Greater Texas Landscapes for landscaping and grounds maintenance services for power plants

RCA 5 – ratification of a contract with Ives Corporation to repair Sand Hill Energy Center's gas and steam turbine

RCA 6 – contract amendment with Open Systems International for Generation Management System software, annual maintenance and support

RCA 7 – contract amendment with Powerplan Consultants for computer software products and support

RCA 9 – contract through the Texas Department of Information Resources (DIR) with Adjacent Technologies for document and records imaging services

RCA 11 – contract with Power Supply for pre-assembled distribution capacitor banks

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

RCA 2 – supplemental agreement with Weston Solutions for additional engineering design and bid phase services for the Holly Street Power Plant Decommissioning Project

RCA 8 – contract amendment with the Texas Department of Information Resources (DIR) for computer software products and support for the IBM Maximo project

RCA 10 – service agreement with Mastec North America for underground transmission and distribution maintenance services

RCA 12 – contract with KBS Electrical Distributors for station class surge arresters

## 5. OLD BUSINESS

- a. **Discussion and possible action on Austin Energy's proposed generation resource and carbon reduction plan** – Chair Schmandt presented the draft "Report from the Electric Utility Commission regarding the Austin Generation Resource Planning Task Force."

The motion, "Until such time as affordable energy storage technology for solar and wind electricity is developed, I move that the EUC recommend that the City Council support reducing our Fayette coal-fired electricity as a goal rather than as a policy" failed on Commissioner Fath's motion, Vice Chair Shaw's second on a 2-4 vote. Those members voting aye were: Commissioner Fath and Vice Chair Shaw. Those voting nay were: Chair Schmandt, and Commissioners Bernfeld, Smaha and Taylor.

The motion "to recommend the draft 'Report from the Electric Utility Commission regarding the Austin Generation Resource Planning Task Force' dated November 16, 2009, proposing that the Commission support the staff-recommended scenario, as amended by the Task Force, with the proviso that Austin Energy review the plan in two years with the target of accelerating the phase down of the Fayette plant and toward its eventual closure by 2020 if economically and technologically feasible" was approved on Chair Schmandt's motion, Commissioner Taylor's second on a 5-1 vote, with Commissioner Fath voting nay.

Chair Schmandt thanked Austin Energy staff member, Chris Smith, for providing support for weekly meetings of the Task Force.

- b. **Discussion and possible action regarding amendments to the Federal Public Utility Regulatory Policy Act (PURPA)** – The motion to recommend approval of Austin Energy's proposal for implementing the Federal Energy Independence and Security Act of 2007, which amends the Public Utility Regulatory Policy Act of 1978, was approved on Commissioner Fath's motion, Commissioner Smaha's second, on a 6-0 vote.
- c. **Discussion and possible action to approve a proposed franchise agreement between Austin Energy and the City of West Lake Hills** – The motion to recommend, in concept, approval of a franchise agreement with the City of West Lake Hills, including a three percent (of gross electric revenues) franchise tax, that is revenue neutral to Austin

Energy was approved on Chair Schmandt's motion, Commissioner Bernfeld's second, on a 6-0 vote.

**6. STAFF BRIEFINGS AND REPORTS**

- a. **Update on Meeting M/WBE Goals** by Jan Lawson, Director of Business Development and Contract Compliance, Austin Energy; Veronica Lara, Assistant Director, Small and Minority Business Resources Department; Urcha Dunbar Crespo, Deputy Purchasing Officer and Cynthia Gonzales, Acting Deputy Purchasing Officer, Financial & Administrative Services Department.
- b. **Monthly Reports – Upcoming Procurements** by Rosemary Ledesma, Purchasing Manager, and the **Customer Report** by J. J. Gutierrez, Customer Care Vice President.

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

The motion to convene a closed session of the Electric Utility Commission in order to receive briefings on confidential matters of the utility by Austin Energy staff was approved on Commissioner Fath's motion, Vice Chair Shaw's second, on a 6-0 vote. The Commission met in Executive Session from 8:30 p.m. until 9:15 p.m.

**8. ADJOURNMENT**

Chair Schmandt adjourned the regular meeting of the Electric Utility Commission without objection at 9:20 p.m.