



Electric Utility Commission
March 21, 2011 – 6:00 p.m.
Town Lake Center, Shudde Fath Conference Room
721 Barton Springs Road, Austin, Texas

AGENDA

Members:

Phillip Schmandt, Chair
Linda Shaw, Vice Chair
Gary “Bernie” Bernfeld

Shudde Fath
Stephen Smaha

Steve Taylor
Michael E. Webber

For more information, please visit: [City of Austin Boards and Commissions Information Center](http://www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm)

(www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm)

The Electric Utility Commission may go into a closed session, if necessary, under Chapter 551 of the Texas Government Code to discuss or take action on a "competitive matter" of Austin Energy as provided for under Section 551.086. [Reading and Action on Consent Agenda: Items 4-14 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commissioner.](#)

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1. **CALL TO ORDER**
 2. **APPROVAL OF MINUTES** - Approve minutes of the February 28, 2011 regular meeting.
 3. **CITIZEN COMMUNICATIONS: GENERAL**

NEW BUSINESS – CONSENT ITEMS

4. Recommend approval of an ordinance authorizing acceptance of \$2,121,100 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 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$2,121,100 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area.
5. Recommend authorization to award and execute Amendment No. 3 to six requirements service contracts with AIRTECH ENERGY SYSTEMS, INC., Austin, TX; CLIMATE MECHANICAL, INC., Austin, TX; GO GREEN SQUADS LLC, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; VALDEZ REMODELING & WEATHERIZATION, INC., Austin, TX; and WEATHERIZATION MANAGEMENT GROUP, Dallas, TX, to increase the contract for weatherization measures and improvement services in an estimated combined amount not to exceed \$1,652,000, for a revised estimated combined contract amount not to exceed \$6,477,490.
6. Recommend authorization to award and execute Amendment No. 3 to nine requirements service contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; CITY CONSERVATION, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort

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Worth, TX, to increase the contract for weatherization test in audit services in an estimated combined amount not to exceed \$275,349, for a revised estimated combined contract amount not to exceed \$778,349.

7. Recommend authorization to award and execute Amendment No. 2 to nine requirements service contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; CITY CONSERVATION, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, to increase the contract for weatherization final inspection audit services in an estimated combined amount not to exceed \$178,000, for a revised estimated combined contract amount not to exceed \$428,000.
8. Recommend approval of an ordinance amending Chapter 6-7 of the City Code relating to Energy Conservation Audit and Disclosure requirements.
9. Recommend approval of a rebate to Dell Computers, Inc. for the installation of energy efficient equipment in an amount not to exceed \$92,853.
10. Recommend authorization to negotiate and execute Work Component Amendment No. A-1 to the Construction Manager at Risk Agreement with DPR Construction, Inc., Austin, TX for a Partial Guaranteed Maximum Price of \$2,093,490 for both Work Component No. 01 - Demolition and Work Component No. 02 - Site Facilitization for the construction of the Austin Energy System Control Center, plus a contingency in the amount of \$46,000, for a total not-to-exceed authorization amount of \$2,139,490.
11. Recommend authorization to award and execute a 12-month requirements supply contract with KBS ELECTRICAL DISTRIBUTORS, INC., Austin, TX for the purchase of station class surge arresters for Austin Energy in an estimated amount not to exceed \$120,000, with four 12-month extension options in an estimated amount not to exceed \$120,000 per extension option, for a total estimated contract amount not to exceed \$600,000.
12. Recommend authorization to award and execute Amendment No.1 to a requirements service contract with COMPUTER SCIENCE CORPORATION, Houston, TX to increase the contract amount for the purchase of software technology and implementation services including training in an amount not to exceed \$600,000, for a revised estimated contract amount not to exceed \$2,400,000.
13. Recommend authorization to award and execute Amendment No. 1 to a requirements supply contract with TEXAS DIGITAL SYSTEMS, INC., College Station, TX to increase the contract amount for the expansion of information delivery services for the new City of Austin/Austin Energy Walk-in Customer Service Center, including the purchase of monitors, software, installation, annual maintenance and support, and implementation in an estimated amount not to exceed \$54,000 for the current contract period, and in an estimated amount not to exceed \$3,000 for each of the three 12-month extension options, for a total estimated contract amount not exceed \$292,401.

14. Recommend authorization to award, negotiate, and execute a 12-month contract with SOLAR TURBINES INC, Houston, TX for an annual maintenance agreement for the gas turbine at Mueller Energy Center in an amount not to exceed \$139,816, with four 12-month extension options in an estimated amount not to exceed \$121,096 per extension option, for a total estimated contract amount not to exceed \$624,200.

STAFF REPORTS AND BRIEFINGS

15. Monthly Financial Report
16. Briefing on the Clean Energy Accelerator (U.S. Department of Energy "BetterBuildings" Program)
17. Monthly Update on the Rate Redesign Process
18. **FUTURE AGENDA ITEMS** – Request agenda items, including briefings related to the Upcoming Procurements Report
19. **ADJOURNMENT**



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
FEBRUARY 28, 2011**

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 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Shudde Fath, Stephen Smaha, Steve Taylor, and Dr. Michael E. Webber. Gary ‘Bernie’ Bernfeld was absent.

Staff in attendance: Cheryl Mele, Elaine Hart, Jackie Sargent, David Wood, Andy Perny, J.J. Gutierrez, Karl Rabago, Mark Dreyfus, Ron Humphrey, Christopher Frye, Sonny Poole, Fred Yebra, Pat Alba, Vince McGlone, Shawn Harris, Alicia Loving, David Kutach, Adrienne Brandt, Chris Smith, Pat Sweeney, Laura Tyler, Scott Jarman, Drusilla Saenz, Rosemary Ledesma, Patricia Alofsin, Alan Claypool, Ann Little, Matt Russell, and Toye Goodson Collins.

2. **APPROVAL OF MINUTES** - Approve minutes of the January 24, 2010 regular meeting.
Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Fath, passed on a vote of 6-0.
3. **CITIZEN COMMUNICATIONS** – Roger Wood and John Sutton expressed concern regarding Item 8, the Energy Efficiency Cost Recovery Charge.

NEW BUSINESS

4. Recommend authorization to execute a construction contract with RS ELLIS, INC. dba SOUTHWEST CORPORATION, Austin, TX for a Control House to serve the future Mueller Substation in an amount not to exceed \$123,323. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
5. Recommend authorization to execute a construction contract with PRISM DEVELOPMENT, INC., Austin, TX, for the installation of a masonry wall, 12 feet in height and 1,940 feet in length, around the perimeter of Austin Energy’s Kingsbery Substation in an amount not to exceed \$316,015. **Motion to approve by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 6-0.**
6. Recommend authorization to award and execute Amendment No. 15 to a requirements service contract with PIKE ELECTRIC INC, Mount Airy, NC to increase the contract for transmission and distribution electrical services for Austin Energy in an estimated amount not to exceed \$1,250,000, for a revised estimated contract amount not to exceed \$36,127,592.95. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
7. Recommend authorization of payment of an amount not to exceed \$875,000 to settle eminent domain proceedings relating to the acquisition of two 200-foot wide electric easements, being 1.055 acres each for a total of 2.110 acres, and the acquisition in fee of a 20.67-acre tract, all out of the James Gilleland Survey Number 13, Abstract Number 12, Travis County, Texas, in connection with the construction of a combination transmission/distribution

substation and related improvements. The owners of the needed property interests are Fannie Ruth Salyer, Don Allen Salyer, and Sylvia Gay Meyer. Gravel rights interests are held by Ella Louise Lind, Ralph Daily Glass, James Robert Glass, Mary Francis Wisian, and James Parker, all of whom are parties to the eminent domain proceedings. **Motion to approve by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 6-0.**

8. Recommend approval of an ordinance amending the electric rate schedule included in Exhibit A of Ordinance No. 20100913-004 to add a tariff for an Energy Efficiency Cost Recovery Charge. **Motion to approve by Commissioner Fath, seconded by Commissioner Taylor, passed on a vote of 6-0.**
9. Recommend authorization to award and execute a contract with FLINTCO INC., Austin, TX, for the design and installation of a thermal energy storage tank in an estimated amount not to exceed \$537,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
10. Recommend authorization to award and execute a contract through TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with TRANE U.S., La Crosse, WI, for the purchase and installation of a centrifugal chiller at the John Henry Faulk Library in an estimated amount not to exceed \$203,229. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
11. Recommend approval of the issuance of a rebate to Leander I.S.D. for the installation of energy efficient equipment at Vandergrift High School in an amount not to exceed \$140,709. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
12. Recommend authorization to award, negotiate and execute a 24-month contract with KEMA, INC., Burlington, MA; GDS ASSOCIATES, INC., Marietta, GA; and ICF INTERNATIONAL, Plano, TX, or one of the other qualified responders to RFQS No. TVN0010, for demand side management consulting services in an estimated amount not to exceed \$1,700,000 each and combined with one 12-month extension option in an estimated amount not to exceed \$850,000 each and combined, for a total estimated contract amount not to exceed \$2,550,000 each and combined. **Motion to approve by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 6-0.**
13. Recommend authorization to negotiate and execute a one-month renewal of a lease for 49,911 square feet of office space and a new 72-month lease with a one-year extension option for 71,806 square feet of office space at 811 Barton Springs Road with T-C Barton Springs LLC for an amount not to exceed \$12,167,173 with an extension option for an amount not to exceed \$2,208,034, for a total new lease amount not to exceed \$14,375,207. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**

NEW BUSINESS

14. **Discuss and approve a resolution regarding City staff's ongoing cost analysis of the boards and commissions systems.** On January 27, 2011, City Council approved a resolution "directing the City Manager to work with the City Clerk to conduct a cost analysis of the City's boards and commissions system." In response, the EUC created a resolution urging the City Manager to "consider consolidating the review of Austin Energy to a single commission

so as to eliminate the need to have city staff spend duplicative nights before two commissions” (the EUC and the Resource Management Commission). **Motion to approve by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.** The resolution will be forwarded by Austin Energy staff to the City Manager and City Council Members.

OLD BUSINESS

15. Possible revision of the 2011 Meeting Schedule. **Motion to move the November 21 meeting to November 14 made by Commissioner Fath, seconded by Commissioner Taylor, passed on a vote of 6-0.**
16. Discussion and action on the Bylaws. Commissioners accepted revisions made by City Council to Chapter 2-1 of the City Code—the Ordinance governing boards and commissions—and to the EUC bylaws requested by the Commission in November 2008. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
17. Discussion regarding City regulation of electric customer privacy. Andy Perny, Assistant City Attorney, and J.J. Gutierrez, Customer Care VP, provided information regarding disclosure of consumption data and setting up an NDA process for conducting research. The Commission requested that staff return with a proposal on a policy and process for providing customer information in zip+4 cells.
18. Discussion and possible action regarding Austin Energy budget issues and program funding for FY 2012. Elaine Hart, Chief Financial Officer, provided members with requested data on payments made to the city outside the General Fund transfer and allocations by department of shared expenses. Chair Schmandt read aloud a resolution created by the EUC entitled, “Eliminating General City Expenses from Austin Energy’s 2012 Budget to Protect City Council Powers to Amend Rates without Appeal to the Public Utility Commission.” **Motion to approve by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.** Commissioners requested that staff forward the resolution to the City Manager, City Council Members, and to members of the Public Involvement Committee for the Rate Review process.

STAFF REPORTS AND BRIEFINGS

19. Monthly Financial Report by Elaine Hart, Chief Financial Officer.
20. Legislative Report by Patricia Alofsin, Director, Government Relations.
21. Report on the Rolling Blackouts of February 2, 2011 by Cheryl Mele, Chief Operating Officer.
22. Monthly Update on the Rate Redesign Process by Mark Dreyfus, Director, Regulatory & Government Affairs.
23. **FUTURE AGENDA ITEMS** – Commissioner Smaha requested that staff provide a GreenChoice® update before October 1, 2011.
24. **ADJOURNMENT** – Chair Schmandt adjourned the meeting at 8:55 p.m. without objection.

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/07/2011**

SUBJECT: Approve an ordinance authorizing acceptance of \$2,121,100 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 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$2,121,100 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area.

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

FISCAL NOTE: A fiscal note is required.

FOR MORE INFORMATION: Karl R. Rábago, Vice-President, Distributed Energy Services, 322-6098; Fred Yebra, Director, Energy Efficiency Services, 482-5305.

PRIOR COUNCIL ACTION: November 19, 2009 – Approved acceptance of a \$2.9 million grant from DOE and an interlocal agreement with Travis County; April 8, 2010 – Approved contracts to complete weatherization services; September 13, 2010 – Approved AE's Operating Budget including \$2.983 million in additional grant funds from DOE; January 13, 2011 – Approved acceptance of an additional \$86,774 grant from DOE.

BOARDS AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 21, 2011 and by the Resource Management Commission on March 22, 2011.

The Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) awarded Austin Energy grant funds to weatherize homes for low-income, elderly, and disabled customers within Austin Energy's service area. The award was through the American Recovery and Reinvestment Act (ARRA) for the 2009 Weatherization Assistance Program (WAP.)

TDHCA has notified Austin Energy that its contract will be amended to reflect a voluntary reobligation of funds and a contract extension through December 31, 2011. TDHCA stated, "The Reobligation is attributable to the outstanding performance to date, the implementation of quality assurance processes and the current capacity of your [Austin Energy's] contractor base."

TDHCA continues with "This opportunity reflects the processes that you have implemented for quality assurance and high levels of production. Additionally, it recognizes that your [Austin Energy's] current contractors have the capacity to produce the additional units, and that no time will be lost due to a rebid process. As you know, the State of Texas wants to expend all of the ARRA funds without returning them to the Treasury. Our fiscal analysis (projections) of your

current production shows that your current production allows AE to continue to be a high performer in the ARRA WAP network.”

This budget amendment is to accept an additional \$2,121,100.00 in grant funds included in the amended version of the contract, which disbursed the second year allocation of funds. The new budget total for this grant award is \$8,090,874.00. The grant period is from September 1, 2009 to December 31, 2011. The General Fund is not required to contribute to this grant. Austin Energy has hired four full-time grant-funded employees to support execution of the program; continuation of these positions will be evaluated in light of budget and program needs at the time.

Acceptance of these funds allows Austin Energy to continue weatherization services to approximately 1,706 homes for the two-year grant period, including single-family homes, manufactured homes, duplexes, and qualifying multi-family complexes. Significantly, the additional funds will allow Austin Energy to complete work for a number of customers for whom applications have already been processed. The ARRA sets the income limit for eligibility at 200 percent of the Federal Poverty Guidelines.

Weatherization Assistance Program Results to Date:

- Austin Energy has generated green jobs by contracting with 24 vendors to conduct initial assessments, weatherization construction measures, and final inspections of eligible homes.
- As of February 2011, vendors have performed 1,264 Test-In assessments, weatherized 1,075 homes, and conducted 770 final inspections (Test-Out).)
- As of February 2011, the Weatherization Assistance Program has expensed and encumbered a total of \$3.3M of the grant budget.

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF AMERICAN RECOVERY AND REINVESTMENT (ARRA) FUNDS FROM THE U.S. DEPARTEMENT OF ENERGY (DOE) THROUGH THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) AS THE ADMINISTRACTING AGENCY AND AMENDING THE FISCAL YEAR 2010-2011 AUSTIN ENERGY OPERATING BUDGET SPECIAL REVENUE FUND OF ORDINANCE 20100913-002 TO APPROPRIATE SUCH FUNDS.

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

PART 1. The Council authorizes the acceptance of \$2,121,100 in funds provided by the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA).

PART 2. The Council amends the 2010-2011 Austin Energy Operating Budget Special Revenue Fund of ordinance 20100913-002 to appropriate \$2,121,100 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area.

PART 3. This ordinance takes effect on April 20, 2011.

PASSED AND APPROVED

_____, 2011

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Lee Leffingwell
Mayor

APPROVED: _____
Karen Kennard
Acting City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/07/2011**

SUBJECT: Authorize award and execution of Amendment No. 3 to six requirements service contracts with AIRTECH ENERGY SYSTEMS, INC., Austin, TX; CLIMATE MECHANICAL, INC., Austin, TX; GO GREEN SQUADS LLC, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; VALDEZ REMODELING & WEATHERIZATION, INC., Austin, TX; and WEATHERIZATION MANAGEMENT GROUP, Dallas, TX, to increase the contract for weatherization measures and improvement services in an estimated combined amount not to exceed \$1,652,000, for a revised estimated combined contract amount not to exceed \$6,477,490.

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

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

PURCHASING: Contract Amendment

PRIOR COUNCIL ACTION: 4/08/10 – Approved six 24-month contracts

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 3/21/2011 and the Resource Management Commission on 3/22/2011.

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

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

On April 8, 2010, Council approved six 24-month requirements service contracts for weatherization measures and improvement services in an estimated combined amount not to exceed \$4,825,490. The weatherization measures/improvements performed on each home will maintain and improve energy efficiencies that can be shown are cost-effective by ensuring that the discounted savings-to-investment ratio (SIR) is greater than or equal to one. Improvements would include measures such as caulking, adding insulation or duct work and the tune-up, repair or replacement of heating and cooling systems.

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

The original federal grant was for \$5,969,774.00 for the grant period from October 1, 2009 through August 31, 2011 and was estimated to provide for the audit and weatherization of 1,000 low income, elderly, and disabled Austin Energy customers homes. To date, Austin Energy has a total of 770 homes completed or in the process of receiving a final inspection (test-out). Due to Austin Energy's strong performance on expenditures and production, they have since received a voluntary reobligation of \$2,121, 000.00 in additional grant funding.

This proposed Amendment would allow for the completion of weatherization projects for which applications have already been received as well as some designated multifamily units using this additional grant funding. The time period for this additional funding is extremely short necessitating an expedited process to receive as well as use the funds. Austin Energy (AE) met with TDHCA on February 28, 2011 to discuss the option to receive additional funding and AE was advised of the proposed amendment increasing the amount of the grant on March 9th, 2011. The Department of Energy held the official hearing for all movement of funds among subrecipients on March 28th 2011. It is imperative that the projects are completed and the funds expended within the grant period time frame which does not allow for time to re-solicit the project. AE already having contractors in place to be able to do the work in this time frame was a recognized factor in TDHCA's decision to provide the additional funding. This additional funding will allow Austin Energy to complete 1,712 homes (71% more than originally anticipated) during the grant period.

Contract Summary

Original Contract	Original 24-month contract		\$ 4,825,490.00
Amendment No.1	Amended contract to add FACTA requirements		\$ 0
Amendment No. 2	Correction to Amendment No. 2 regarding M/WBE compliance plans		\$ 0
Proposed Amendment No. 3	Increase contract amount from additional Federal funding to allow for additional weatherization measures and improvement services		\$1,652,000.00
Total Revised Contract Amount			\$6,477,490.00

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/07/2011**

SUBJECT: Authorize award and execution of Amendment No. 3 to nine requirements service contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; CITY CONSERVATION, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, to increase the contract for weatherization test in audit services in an estimated combined amount not to exceed \$275,349, for a revised estimated combined contract amount not to exceed \$778,349.

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

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

PURCHASING: Contract Amendment

PRIOR COUNCIL ACTION: 4/08/10 – Approved nine 24-month contracts

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 3/21/2011 and the Resource Management Commission on 3/22/2011.

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

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

On April 8, 2010, Council approved nine 24-month requirements service contracts for weatherization test in audit services in an estimated combined amount not to exceed \$450,000. The audit pre-determines the energy efficient measures that can be performed and are cost-effective by ensuring that the discounted savings-to-investment ratio (SIR) is greater than or equal to one. The energy audit assessment will establish the priority of weatherization measures necessary to increase the energy efficient level of a particular home.

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

The original federal grant was for \$5,969,774.00 for the grant period from October 1, 2009 through August 31, 2011 and was estimated to provide for the audit and weatherization of 1,000 low income, elderly, and disabled Austin Energy customers homes. To date, Austin Energy has a total of 770 homes completed or in the process of receiving a final inspection (test-out). Due to Austin Energy's strong performance on expenditures and production, they have since received a voluntary reobligation of \$2,121, 000.00 in additional grant funding.

This proposed Amendment would allow for the completion of weatherization projects for which applications have already been received as well as some designated multifamily units using this additional grant funding. The time period for this additional funding is extremely short necessitating an expedited process to receive as well as use the funds. Austin Energy (AE) met with TDHCA on February 28, 2011 to discuss the option to receive additional funding and AE was advised of the proposed amendment increasing the amount of the grant on March 9th, 2011. The Department of Energy held the official hearing for all movement of funds among subrecipients on March 28th, 2011. It is imperative that the projects are completed and the funds expended within the grant period time frame which does not allow for time to re-solicit the project. AE already having contractors in place to be able to do the work in this time frame was a recognized factor in TDHCA's decision to provide the additional funding. This additional funding will allow Austin Energy to complete 1,712 homes (71% more than originally anticipated) during the grant period.

Contract Summary

Original Contract	Original 24-month contract		\$ 450,000.00
Amendment No.1	Amended contract to add FACTA requirements		\$ 0
Amendment No. 2	Administrative Increase		\$53,000.00
Proposed Amendment No. 3	Increase contract amount from additional Federal funding to allow for additional weatherization test-in audits		\$275,349.00
Total Revised Contract Amount			\$778,349.00

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/07/2011**

SUBJECT: Authorize award and execution of Amendment No. 2 to nine requirements service contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; CITY CONSERVATION, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, to increase the contract for weatherization final inspection audit services in an estimated combined amount not to exceed \$178,000, for a revised estimated combined contract amount not to exceed \$428,000.

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

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

PURCHASING: Contract Amendment

PRIOR COUNCIL ACTION: 4/08/10 – Approved nine 24-month contracts

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 3/21/2011 and the Resource Management Commission on 3/22/2011.

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

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

On April 8, 2010, Council approved nine 24-month requirements service contracts for weatherization final inspection (test out) audit services in an estimated combined amount not to exceed \$250,000. The audit determines that the approved weatherization construction measures/improvements have been completed correctly and ensure that a savings-to-investment ratio (SIR) greater than or equal to one is achieved.

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

The original federal grant was for \$5,969,774.00 for the grant period from October 1, 2009 through August 31, 2011 and was estimated to provide for the audit and weatherization of 1,000 low income, elderly, and disabled Austin Energy customers homes. To date, Austin Energy has a total of 770 homes completed or in the process of receiving a final inspection (test-out). Due to Austin Energy's strong performance on expenditures and production, they have since received a voluntary reobligation of \$2,121, 000.00 in additional grant funding.

This proposed Amendment would allow for the completion of weatherization projects for which applications have already been received as well as some designated multifamily units using this additional grant funding. The time period for this additional funding is extremely short necessitating an expedited process to receive as well as use the funds. Austin Energy (AE) met with TDHCA on February 28, 2011 to discuss the option to receive additional funding and AE was advised of the proposed amendment increasing the amount of the grant on March 9th, 2011. The Department of Energy held the official hearing for all movement of funds among subrecipients on March 28th, 2011. It is imperative that the projects are completed and the funds expended within the grant period time frame which does not allow for time to re-solicit the project. AE already having contractors in place to be able to do the work in this time frame was a recognized factor in TDHCA's decision to provide the additional funding. This additional funding will allow Austin Energy to complete 1,712 homes (71% more than originally anticipated) during the grant period.

Contract Summary

Original Contract	Original 24-month contract		\$ 250,000.00
Amendment No.1	Amended contract to add FACTA requirements		\$ 0
Proposed Amendment No. 2	Increase contract amount from additional Federal funding to allow for additional weatherization final inspection audits		\$178,000.00
Total Revised Contract Amount			\$428,000.00

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

AGENDA DATE: 04/07/2011

SUBJECT: Approve an ordinance amending Chapter 6-7 of the City Code relating to Energy Conservation Audit and Disclosure requirements.

AMOUNT AND SOURCE OF FUNDING: There is no unanticipated fiscal impact.

FISCAL NOTE: A fiscal note is not required.

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

PRIOR COUNCIL ACTION: November 6, 2008 – Approved Ordinance 20081106-047 (“ECAD” Ordinance) adding a Chapter 6-7 to the City Code, in support of Resolution No. 20081106-048 for Energy Efficiency, and Resolution No. 200715-023 for Austin Climate Protection Plan.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 21, 2011 and the Resource Management Commission on March 22, 2011.

The Energy Conservation Audit and Disclosure (“ECAD”) Ordinance was approved in 2008 and went into effect in June of 2009. It requires residential home sellers to disclose energy audit results to potential buyers, multi-family owners to disclose energy audit results to tenants and potential tenants, and commercial facility owners to disclose energy efficiency ratings to the City and to potential buyers.

This code amendment makes several clarifications and improvements to the ECAD ordinance, including ensuring that home sellers disclose energy audit results prior to the executing a contract with a buyer, adding a separate category related to condominiums, excluding commercial facilities under 10,000 square feet, phasing in commercial facilities reporting requirements over time based on the size of the facility, implementing annual rating of commercial buildings, and allowing that exemptions are valid for ten years.

These changes are important steps in achieving a higher level of efficacy for the ECAD Ordinance and will resolve ongoing issues associated with its implementation.

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 6-7 OF THE CITY CODE RELATING TO ENERGY CONSERVATION AUDIT AND DISCLOSURE REQUIREMENTS.**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:****PART 1.** City Code Chapter 6-7 is amended to read:**CHAPTER 6-7. ENERGY CONSERVATION.****ARTICLE 1. General Provisions.****§ 6-7-1 DEFINITIONS.**

In this chapter:

- (1) **COMMERCIAL FACILITY** means a building used for non-residential, civic, or commercial, and/or industrial uses, excluding manufacturing-building and does not include an industrial building, with a gross floor area of 10,000 square feet or greater.
- (2) **CONDOMINIUM** means a site that combines separate ownership of individual units with common ownership of other elements such as common areas.
- (23) **DIRECTOR** means the director of the Austin Electric Utility.
- (4) **GROSS FLOOR AREA** means the total number of enclosed square feet measured between the exterior surfaces of the fixed walls within any structure used or intended for supporting or sheltering any use or occupancy.
- (35) **MULTI-FAMILY FACILITY** means a site with five or more dwelling units.
- (46) **OWNER** means a person with a freehold interest in a facility to which this chapter applies.
- (57) **RESIDENTIAL FACILITY** means a site with four or fewer dwelling units.
- (68) **TIME OF SALE** means the effective date of an executory contract the recording of a deed binding transferring the purchaser legal title to real property to purchase implement the sale of property.

§ 6-7-2 APPLICABILITY.

This chapter applies to a ~~commercial, residential, or multi-family facility~~ if the facility that receives electric service from the Austin Electric Utility, as determined by the director.

§ 6-7-3 ADMINISTRATIVE RULES.

- (A) The director shall adopt administrative rules for the implementation of this chapter.

- (B) The rules shall be available for inspection at the Austin Electric Utility administrative offices during normal business hours.

§ 6-7-4 VARIANCES.

- (A) The director may grant a variance from a requirement of this chapter if the director determines that, due to special circumstances unique to the applicant's facility and not based on a condition caused by actions of the applicant, strict compliance with provisions of this chapter would cause undue hardship. A variance granted under this subsection (A) must be limited to the minimum change necessary to avoid the undue hardship.
- (B) In addition to the variance authorized in subsection (A), the director may grant a variance from a requirement in this chapter if the director determines that:
- (1) application for a permit to substantially remodel or demolish the facility will be filed not later than 6 months after the time of sale; and
 - (2) in the case of remodel, the owner and the purchaser of the facility have entered into a binding agreement, in a form approved by the director, whereby the purchaser of the facility agrees to complete an energy audit within a specified period of time after remodel of the facility is complete.
- (C) In addition to the variance authorized in subsection (A), the director may grant a variance from the requirements of Article 4 *Commercial Facilities* if the director determines that the facility ~~is a data center or other high energy use facility that~~ cannot be adequately evaluated using currently available audit or rating tools.
- (D) A person may seek a variance by filing an application with the director. The director may require the applicant to provide information the director determines is necessary to evaluate the variance request.

§ 6-7-5 ENERGY AUDIT REQUIREMENTS.

- (A) A residential or multi-family energy audit required under this chapter must:
- (1) be conducted by a person certified as a building performance analyst or equivalent by an agency approved by the director; and
 - (2) use the audit and disclosure forms prescribed by rule under § 6-7-3.
- (B) A residential or multi-family energy audit ~~required under~~ performed in accordance with this chapter may be used to will meet the energy audit requirements of this chapter for a period of ten years after the audit is initially performed, unless a more recent audit meeting the requirements of this chapter has been conducted.

Article 2. Residential Facilities.

§ 6-7-11 RESIDENTIAL ENERGY AUDIT.

(A) The owner of a residential facility must, in order to meet the disclosure deadline requirements required under this article before the time of sale of the facility, have an energy audit of the facility completed.

(B) The person conducting the audit must provide a copy of the energy audit to the director not later than 30 days after the audit is complete.

§ 6-7-12 DISCLOSURE REQUIRED.

The owner of a residential facility must provide a copy of the energy audit required under this article to the purchaser or prospective purchaser of the facility:

(1) concurrent with the seller's disclosure notice required under state law; or

(2) if no seller's disclosure notice is required under state law, before the time of sale and the person performing the audit must provide a copy of the energy audit to the director not later than 30 days after the audit is complete.

§ 6-7-13 EXEMPTIONS.

(A) This article does not apply to transfers of title to real property in the following circumstances:

- (1) through a foreclosure sale or trustee's sale, or a deed in lieu of foreclosure;
- (2) through a pre-foreclosure sale where the seller has reached an agreement with the mortgage holder to sell the facility for an amount less than the amount owed on the mortgage;
- (3) through the exercise of or under the threat of eminent domain;
- (4) from one family member to another family member without consideration;
- (5) under a court order or probate proceedings; or
- (6) under a decree of legal separation or dissolution of marriage, or property settlement agreement incidental to such a decree.

(B) This article does not apply to a residential facility if one or more of the following apply:

- (1) the facility was constructed no more than ten years before the time of sale;
- (2) the facility participated in the Austin Energy Home Performance with Energy Star program, or an equivalent Austin Electric Utility program, not more than ten years before the time of sale and either:
 - (a) performed at least three of the efficiency measures,
 - (b) performed all recommended efficiency measures, as determined by the director, or

- (b~~c~~) received from the Austin Electric Utility an energy efficiency rebate of an amount prescribed by rule, but not less than five hundred dollars (\$500.00);
- (3) the facility participated in the Austin Energy Free Weatherization Program, or an equivalent Austin Electric Utility program, not more than ten years before the time of sale;
 - (4) the purchaser of the facility qualifies for and has signed an agreement, in a form acceptable to the director, agreeing to participate in the Austin Energy Free Weatherization Program or an equivalent Austin Electric Utility program, not later than six months after the time of sale; or
 - (5) the facility is manufactured housing built on a permanent chassis and designed to be used without a permanent foundation.

Article 3. Multi-Family Facilities.

§ 6-7-21 MULTI-FAMILY ENERGY AUDIT.

- (A) The owner of a multi-family facility ~~which is~~ will be at least ten years old on June 1, 2009-2011 must have an energy audit of the facility performed not later than June 1, 2011.
- (B) The owner of a multi-family facility not required to perform an energy audit under subsection (A) must have an energy audit of the facility performed not later than 10 years after construction of the facility is complete.
- (C) The owner of a multi-family facility required to have an energy audit of the facility performed under subsection (A) or (B) must have subsequent energy audits performed not later than ten years after the date of the most recent required audit for the facility.

§ 6-7-22 DISCLOSURE REQUIRED.

The owner of a multi-family facility must post and provide to current and prospective tenants the results of the energy audit required under this article. The results must be on a form and in locations prescribed by rule. In addition, the owner must provide a copy of the required audit to the director not later than 30 days after the audit is complete.

§6-7-23 HIGH ENERGY USE FACILITIES.

- (A) Regardless of the date of construction of the facility, the director shall issue a notice to the owner of a multi-family facility that the director determines has an average per-square-foot energy usage exceeding 150% of the average for multi-family facilities within the Austin Electric Utility service area.
- (B) An owner who receives a notice issued under subsection (A) shall implement energy efficiency improvements to the facility sufficient to reduce ~~bring the per-square-foot energy usage of the facility to within 110% by 20% of the average per square foot energy~~

usage of multi-family facilities within the City not later than eighteen months after receipt of the notice.

- (C) An owner required to implement improvements under this section may apply to the director for additional time to complete the improvements, but must file the application not later than 90 days after receipt of the notice. If the director determines that more than eighteen months is required to complete the improvements, the owner may execute a contract in a form acceptable to the director whereby the improvements required under this section will be completed within a period of time determined by the director.

§ 6-7-24 EXEMPTIONS.

This article does not apply to a multi-family facility if:

- (1) the owner completed comprehensive duct remediation work on the facility through participation in an Austin Electric Utility rebate program no more than ten years before ~~June 1, 2009~~ the otherwise applicable audit deadline under this Article;
- (2) HVAC equipment was replaced through an Austin Electric Utility rebate program in all units of the facility no more than ten years before ~~June 1, 2009~~ the otherwise applicable audit deadline under this Article; or
- (3) HVAC equipment was replaced with equipment meeting the requirements for an Austin Electric Utility rebate program, though not participating in the program, in all units of the facility no more than ten years before ~~June 1, 2009~~ the otherwise applicable audit deadline under this Article.

Article 4. Commercial Facilities.

§ 6-7-31 COMMERCIAL FACILITY RATING.

- (A) The owner of a commercial facility that ~~is at least ten years old on June 1, 2009~~ has a gross floor area of 75,000 square feet or greater must calculate an energy use rating for the facility not later than June 1, ~~2014~~2012, using an audit or rating system approved by the director.
- (B) The owner of a commercial facility that has a gross floor area of 30,000 square feet or greater, but less than 75,000 square feet, must calculate an energy use rating for the facility not later than June 1, 2013, using an audit or rating system approved by the director.
- (C) The owner of a commercial facility that has a gross floor area of 10,000 square feet or greater, but less than 30,000 square feet, must calculate an energy use rating for the facility not later than June 1, 2014, using an audit or rating system approved by the director.
- (~~B~~D) The owner of a commercial facility ~~not~~ required to calculate an energy use rating for the facility under subsection (A), (B), or (C) must calculate an energy use rating for the facility by June 1 of each year following the first rating required for the facility not later

than 10 years after construction of the facility is complete, using an audit or rating system approved by the director.

§ 6-7-32 DISCLOSURE REQUIRED.

The owner of a commercial facility must make a copy of the energy rating calculation required under this article available to a purchaser or prospective purchaser of the facility before the time of sale and must provide a copy to the director not later than 30 days after the audit is complete.

Article 5. Condominiums.

§ 6-7-35 CONDOMINIUM AUDIT AND DISCLOSURE.

- (A) The owner of five or more dwelling units located within one condominium is required to meet the energy audit and disclosure requirements of Article 3 *Multi-Family Facilities*, with the exception of § 6-7-23 *High Energy Use Facilities*, for all dwelling units within the condominium owned by the owner.
- (B) The owner of any number dwelling units located within one condominium is required to meet the energy audit and disclosure requirements of Article 2 *Residential Facilities*, unless:
- (1) an energy audit meeting the requirements of Article 3 *Multi-Family Facilities* has been performed for the condominium, and
 - (2) a copy of the energy audit performed on the condominium is disclosed to the purchaser or prospective purchaser prior to the time of sale.

Article 5-6. Enforcement.

§ 6-7-41 PRESUMPTION OF VIOLATION.

The record owner of property is presumed to be responsible for a violation of this chapter that occurs at a facility on the property.

§ 6-7-42 PENALTY.

- (A) A person commits a criminal offense if the person performs an act prohibited by this chapter or fails to perform an act required by this chapter. Each instance of a violation of this chapter is a separate offense.
- (B) Each offense under this chapter is subject to a fine.
- (1) Proof of culpable mental state is not required for a fine of up to \$500.
 - (2) If the person acts with criminal negligence, a fine of up to \$2,000.00 may be assessed.
- (C) Proof of a higher degree of culpability than criminal negligence constitutes proof of criminal negligence.

(D) Prosecution of an offense and enforcement of other remedies under this chapter are cumulative.

PART 2. This ordinance takes effect on _____, 2011.

PASSED AND APPROVED

_____	§	_____
_____	§	_____
_____, 2011	§	_____
		Lee Leffingwell
		Mayor

APPROVED: _____
 Karen M. Kennard
 Acting City Attorney

ATTEST: _____
 Shirley A. Gentry
 City Clerk

DRAFT

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

AGENDA DATE: 04/07/2011

SUBJECT: Approve issuance of a rebate to Dell Computers, Inc. for the installation of energy efficient equipment in an amount not to exceed \$92,853.30

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy, Conservation Rebates and Incentive Fund.

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

FOR MORE INFORMATION CONTACT: Fred Yebra, P.E., Director, Energy Efficiency Services, at 482-5305; Scott Jarman, Engineering Supervisor, at 482-5307.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 21, 2011 and by the Resource Management Commission on March 22, 2011.

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Dell Computers, Inc. in the amount of \$92,853.30 on the installation of High Efficiency LED Lighting, Automatic Lighting Controls, and Server Virtualization in accordance with the City of Austin's Commercial Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Energy Resource Plan, approved in December 2003 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Dell Computers, Inc. is located at 1404 Park Center Drive in Austin, Texas. The demand (kW) savings associated with the high efficiency equipment installed in this project is estimated at 277.41 kW, at a program cost of \$334.72 per kilowatt saved. The avoided kWh, estimated at 2,430,711 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 1,609 metric tons of Carbon Dioxide (CO₂), 1.01 metric tons of Sulfur Dioxide (SO₂), and 1.12 metric tons of Nitrogen Oxides (NO_x).

In addition to the reduced air and toxic metals pollution, the project savings are also equivalent to an estimated 3,277,043 vehicle miles traveled, the removal of 280 cars from our roadways, or the planting of 37,497 trees or 1,875 acres of forest in Austin's parks.

RCA PROJECT FACT SHEET

Customer Name: Dell Computers, Inc.

File Number: 10940

Facility Address: 1404 Park Center Drive, Austin, TX 78753

Customer Contact: Eric Graham, Dell, 512-750-2832
Robert Baird, CLEAResult 512-917-0458

Estimated Rebate: \$ 92,853.30

Equipment Installed: High Efficiency LED Lighting, Automatic Lighting Controls,
and Server Virtualization.

Demand Savings: 277.41 kW

KWh Savings: 2,430,711 kWh

Cost per kW: \$ 334.72

Estimated Project Cost: \$27,193,856

Estimated Completion Date: October 2010

Site Information: Dell Computers, Inc. - PC1 is located at 1404 Park Center Drive, Austin,
Texas 78753.

Comments:

Dell Computers, Inc - PC1 is located at 1404 Park Center Drive. It contains approximately 50,000 square feet of data center "raised floor" space where these energy efficiency measures were installed. Dell PC1 has also participated in a grant assessment study funded by the State Energy Conservation Office and administered by Austin Energy.

**CITY OF AUSTIN – CONTRACT & LAND MGMT DEPT
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 04/07/2011

SUBJECT: Authorize negotiation and execution of Work Component Amendment No. A-1 to the Construction Manager at Risk Agreement with DPR Construction, Inc., Austin, TX, for a Partial Guaranteed Maximum Price of \$2,093,490 for both Work Component No. 01 - Demolition and Work Component No. 02 - Site Facilitization for the construction of the Austin Energy System Control Center, plus a contingency in the amount of \$46,000, for a total not-to-exceed authorization amount of \$2,139,490.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2010-2011 Capital Budget Austin Energy.

FISCAL NOTE: A fiscal note is required.

FOR MORE INFORMATION CONTACT: Laura Lee Franks 322-6854; Lynda Williams 974-3066; Felicia Shaw 974-7141.

PRIOR COUNCIL ACTION: March 5, 2009 – Approved Construction Manager at Risk (CM@R) Agreement with DPR Construction, Inc. June 21, 2007 - Approved use of CM@R Alternative Project Delivery Method.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 21, 2011.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9A of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Goals were established for each specific construction bid package. For **Work Component No. 01** – Demolition MBE/WBE goals established were 1.96% African American; 5.98% Hispanic; 0.70% Native/Asian American; and 1.84% WBE and for **Work Component No. 02** – Site Facilitization (general conditions) MBE/WBE goals established were 1.72% African American; 2.43% Hispanic; 0.20% Native/Asian American; and 2.65% WBE.

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

DPR Construction, Inc., the Construction Manager At-Risk (CM@R) for the remodel and development of this new SCC is actively engaged in preconstruction phase services including constructability reviews, value engineering, cost estimating, and bidding construction work packages. This request for Council authorization is for the first of four anticipated Amendments for the construction of the new System

Control Center. This Amendment A-1 is comprised of the first two work packages – No. 1 - Demolition and No. 2 - Site Facilitization.

AMENDMENT OVERVIEW: DPR Construction, Inc. has solicited and received bids for two construction work components: Work Component No. 01 – Demolition and Work Component No. 02 – Site Facilitization. The work components consisted of multiple trades and scopes of work to be performed at or inside the existing System Control Center. The solicitation packages were issued by DPR Construction, Inc. on August 31, 2010 and bids were opened on September 30, 2010. The solicitations were advertised in the Austin Bid Brief, DPR's ftp site, and in various plan rooms including but not limited to: the Associated Builders and Contractors, the Associated General Contractors, and the City of Austin's SMBR Construction and Technology Center, Asian Contractor Trade Association, the U.S. Hispanic Contractors Association de Austin, and the Metropolitan United Black Contractors. Two pre-bid meetings were held, one on September 7, 2010 and the other on September 9, 2010, for which 56 individuals attended on the two days. To comply with State law, DPR re-bid these two construction work components by advertising in the Austin American Statesman. Subcontractors were given two weeks to bid. The subcontractors who submitted bids in response to the first issuance were required to submit a Letter of Affirmation stating their original bids would remain "as is", otherwise they could withdraw their original bid and submit a new bid. Bids from new subcontractors were accepted. Where DPR had bid on components of work in the original process, their bids had to remain "as is" or they had to withdraw. DPR hosted another pre-bid meeting, and bids were opened on February 15, 2011. For this re-bid process, one additional bid was received for the Site Facilitization package and for the Demolition package two revised bids were received and two new bids were received.

Staff will return to Council for approval of each of the remaining Work Component Amendments for the construction of the new System Control Center. Staff anticipates bringing the next Amendments for the Long Lead Electrical Equipment Work Component and the Structural/Civil/Landscaping Work Component to Council in mid May 2011. It is anticipated that the final Amendment consisting of the Main Work Component will be presented to Council in late June 2011.

This RCA is for authorization to execute a Work Authorization Amendment A-1 for Work Component No. 01, and Work Component No. 02, and authorization \$46,000 project contingency funding for any unforeseen circumstances and to allow for expeditious processing of change orders, if required.

RECOMMENDATION: Authorize negotiation and execution of Work Component Amendment No. A-1 to the Construction Manager at Risk Agreement with DPR Construction, Inc., Austin, TX, for a Partial Guaranteed Maximum Price of \$2,093,490 for both Work Component No. 01 - Demolition and Work Component No. 02 - Site Facilitization for the construction of the Austin Energy System Control Center, plus a contingency in the amount of \$46,000, for a total not-to-exceed authorization amount of \$2,139,490.

WORK COMPONENT AMENDMENT A-1 - COST BREAKDOWN:

Work Component	Title	Amount	Note
No. 01	Demolition	\$665,008	
	Construction Contingency	\$46,551	
	COST OF THE WORK	\$711,559	
No. 02	Site Facilitization (General Conditions Items Bid)	\$409,654	
	General Conditions for Safety Personnel and Security Guard Services	\$320,363	Note 1
	Miscellaneous General Conditions Items	\$198,023	Note 2
	Bonds, Insurance	\$30,548	Note 3
	Allocated General Conditions for Demolition	\$311,527	Note 4
	GENERAL CONDITIONS	\$1,270,115	Note 5
	TOTAL COST OF THE WORK & GENERAL CONDITIONS	\$1,981,674	
	CM's Fee (2.9%)	\$19,285	Note 6
	Allowances (including 2.9% fee)	\$85,000	Note 7
	Subguard Insurance	\$7,531	Note 8
	PARTIAL GMP - AMENDMENT NO. A-1	\$2,093,490	

Note 1: Negotiated general conditions sum for safety supervisor and security guard services

Note 2: Negotiated general conditions sum for temporary storage, demobilization, etc. being bid

Note 3: Bonds and Insurance for both Work Component No. 1 and No. 2

Note 4: Allocation of GCs for Work Component No. 1 Demolition

Note 5: General Conditions Total for both Work Components No. 1 and No. 2

Note 6: Fee on Cost of the Work for Work Component No. 1 Demolition

Note 7: Allowances for Work Component No. 1 Demolition

Note 8: Subguard Insurance for Work Component No. 1 Demolition

Bid Package No. 01 - Demolition

Brief Description: Demolition at or inside the System Control Center building to include but not limited to concrete, masonry, preparation of fire protection, mechanical, plumbing, electrical systems, cleanup, recycling, and debris haul-off.

Detail: The Small and Minority Business Resources Department reviewed and approved the Compliance Plan for this bid package.

The solicitation was issued with the MBE/WBE goals of 1.96% African American; 5.98% Hispanic; 0.70% Native/Asian American; and 1.84% WBE. The compliance plan exceeds the goals as follows: 4.51% African American; 12.62% Hispanic; 11.69% Native/Asian American; and 15.87% WBE.

NON MBE/WBE (CONSTRUCTION MANAGER) DPR CONSTRUCTION, INC.

	0.00%	\$0
MBE TOTAL – SUBCONTRACTOR	28.82%	\$191,657
African American Subtotal	4.51%	\$30,000
(MB) Triad Building Maintenance, Austin, TX (recycling services-including collection)	4.51%	\$30,000
Hispanic Subtotal	12.62%	\$83,946
(MH) Titus Electric, Round Rock, TX (electrical)	12.62%	\$83,946
Native/Asian American Subtotal	11.69%	\$77,711
(MA) Mechanical & Process Systems, Hutto, TX (heating, ventilating and air conditioning)	11.69%	\$77,711
WBE TOTAL – SUBCONTRACTOR	15.87%	\$105,534
(FW) Mid State Plumbing, Austin, TX (plumbing)	7.06%	\$46,934
(FW) Vanguard Fire Systems, Pflugerville, TX (fire protection - architectural services)	2.84%	\$18,900
(FH) Ivy's Trucking, Austin, TX (hauling services)	5.97%	\$39,700
NON M/WBE TOTAL – SUBCONTRACTOR	55.31%	\$367,817
Precision Demolition	48.99%	\$325,817
KST Electric	6.32%	\$42,000

Bid Package No. 02 – Site Facilitization (General Conditions)

Brief Description: Construction Manager's job site office set up consisting of but not limited to office and storage trailers, telephones, computers, utility hookups, office supplies and equipment and office furniture.

Detail: The Small and Minority Business Resources Department reviewed and approved the Compliance Plan for this bid package.

The solicitation was issued with the MBE/WBE goals of 1.72% African American; 2.43% Hispanic; 0.20% Native/Asian American; and 2.65% WBE. The compliance plan exceeds the goals as follows: 5.39% African American; 6.08% Hispanic; 0.39% Native/Asian American; and 12.82% WBE.

NON MBE/WBE (CONSTRUCTION MANAGER) DPR CONSTRUCTION, INC.

	55.86%	\$518,386
MBE TOTAL – SUBCONTRACTOR	11.86%	\$100,031
African American Subtotal	5.39%	\$50,000
(FB) Business Resource Consultants, Austin, TX (minority and small business consulting)	5.39%	\$50,000
Hispanic Subtotal	6.08%	\$56,461
(MH) Viking Fence Co., Austin, TX (fencing, temporary-for construction)	0.78%	\$7,276
(MH) Solis Constructors, Austin, TX (management, construction - non-residential)	4.31%	\$40,000
(MH) Mars Industries, LLC (plumbing)	0.99%	\$9,185
Native/Asian American Subtotal	0.39%	\$3,570
(FA) Accurate CAD & Technical Services, Austin, TX	0.39%	\$3,570
WBE TOTAL – SUBCONTRACTOR	12.82%	\$119,004
(FH) Capitol City Janitorial, Pflugerville, TX (janitorial/custodial services)	0.93%	\$8,660
(FW) Liquid Waste Solutions, Austin, TX (toilets, portable, rental or lease)	6.28%	\$58,301
(FH) ABC Erosion Control, Leander, TX (erosion control services)	2.71%	\$25,143
(FW) PDHS Arial Photography / AERO Photo, St. Petersburg, FL (photography, construction)	0.74%	\$6,900
(FW) Dynamic Reprographics, Austin, TX (blueprinting services)	2.16%	\$20,000
NON M/WBE TOTAL – SUBCONTRACTOR	19.46%	\$180,619
Mod Space (trailers)	11.97%	\$111,119
KST Electric (electrical hookup of trailers and internet/phone)	3.77%	\$35,000
Gustavo L. Garcia (consulting)	1.29%	\$12,000
ProVigil	2.42%	\$22,500

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

AGENDA DATE: 04/07/2011

VENDOR NAME: KBS ELECTRICAL DISTRIBUTORS, INC.

SUBJECT: Authorize award and execution of a 12-month requirements supply contract with **KBS ELECTRICAL DISTRIBUTORS, INC.**, Austin, TX for the purchase of station class surge arresters for Austin Energy in an estimated amount not to exceed \$120,000, with four 12-month extension options in an estimated amount not to exceed \$120,000 per extension option, for a total estimated contract amount not to exceed \$600,000.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$60,000 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining six 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: Gage Loots, Buyer II/512-322-6118

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 03/21/2011.

PURCHASING LANGUAGE: Lowest bid of six bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-D 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 (AE) with a continuous supply of station class surge arresters, to be purchased on an as-needed basis. These surge arresters will be used on AE's three-phase transmission and distribution systems and installed by AE staff in substations. This equipment is designed to protect power system apparatus and critical equipment including transformers and switchgears from surges, line transients, and lightning. Surge arresters are an integral component in maintaining the safe and efficient operation of AE's electrical system.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

BID TABULATION

**IFB No. GAL0011
Station Class Surge Arresters
(16 – line items)**

<u>Vendor</u>	<u>Total Price*</u>
KBS Electrical Distributors, Inc. Austin, TX	\$133,156.95
Priester-Mell & Nicholson, Inc. Austin, TX	\$148,680.00
Techline, Inc. Austin, TX	\$155,683.38
Texas Electric Cooperatives Georgetown, TX	\$180,880.17
Apfelbaum Industrial, Inc. El Paso, TX	\$197,964.00
Power Supply, Inc. Austin, TX	\$243,216.00

- * This contract will be awarded in an annual estimated not-to-exceed amount of \$120,000 as was stated in the solicitation. A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Fifty-six notices were sent. There are no known MBEs/WBEs available for this commodity code. Six bids were received.
- c. The pricing offered represents an 8% decrease from the last contract award in November 2009.

APPROVAL JUSTIFICATION

- a. Lowest bid received. KBS Electrical Distributors, Inc. is the current supplier of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

CITY OF AUSTIN – PURCHASING OFFICE

AGENDA DATE: 04/07/2011

VENDOR RECOMMENDATION

VENDOR NAME: COMPUTER SCIENCE CORPORATION

SUBJECT: Authorize award and execution of Amendment No.1 to a requirements service contract with **COMPUTER SCIENCE CORPORATION, Houston, TX** to increase the contract amount for the purchase of software technology and implementation services including training in an amount not to exceed \$600,000, for a revised estimated contract amount not to exceed \$2,400,000.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$600,000 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is required.

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

PRIOR COUNCIL ACTION: 02/11/2010 – Approved 12-month contract

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 03/21/2011.

PURCHASING LANGUAGE: Contract Amendment.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program) by meeting the goals with 10.50% MBE and 11.00% WBE subcontractor participation

On February 11, 2010 Council approved a 12-month contract with Computer Science Corporation (CSC) to purchase software installation services, technical services, training and ancillary software for the implementation of Oracle's Utility Mobile Workforce Management (MWM) in an estimated amount not to exceed \$1,800,000.

The CSC contract to configure Oracle's Utility MWM software at Austin Energy (AE) was implemented to improve AE's operational capabilities including resource scheduling and routing, automatic vehicle location (AVL) integration, Mobile Map integration and automated mobile dispatching for AE's Electric Service Delivery crews, with the overall goal being to improve customer service.

The MWM project has encountered significant delays with the intent to implement the application software with the current CIS utility billing system. As the schedule got extended, it was apparent that the benefit of implementing MWM to the current CIS system became negligible. As a result, AE decided it would be best to only integrate and implement MWM to the new billing system, Customer Care and Billing (CC&B). This allows the team to assign all

resources for the successful installation of CC&B. AE will be able to successfully roll out the new software with the new billing system.

The scope of the original contract award needs to be modified to include additional services for implementation of the new CC&B system which is expected to go live in fall 2011. This contract amendment no. 1 is proposing to increase the scope of work responsibilities to CSC and add funding in the amount of \$600,000 to cover time, materials and expenses for this additional work.

Contract Summary

Action	Description	Amount
Original Contract awarded 7/31/08	Original 12-month Contract Awarded	\$ 1,800,000
Proposed Amendment No. 1	Increase contract amount to support scope change of Customer Care and Billing System.	\$ 600,000
Total Revised Contract Amount		\$ 2,400,000

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: TEXAS DIGITAL SYSTEMS INC.**

AGENDA DATE: 04/07/2011

SUBJECT: Authorize award, and execution of Amendment No. 1 to a requirements supply contract with **TEXAS DIGITAL SYSTEMS, INC.**, College Station, TX, to increase the contract amount for the expansion of information delivery services for the new City of Austin/Austin Energy Walk-in Customer Service Center, including the purchase of monitors, software, installation, annual maintenance and support, and implementation in an estimated amount not to exceed \$54,000 for the current contract period, and in an estimated amount not to exceed \$3,000 for each of the three 12-month extension options, for a total estimated contract amount not exceed \$292,401.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$54,000 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

FISCAL NOTE: A fiscal note is required.

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

PRIOR COUNCIL ACTION: 6/18/09 - Approved 12-month contract, with four 12-month extension options.

BOARD AND COMMISSION ACTION: To be reviewed by Electric Utility Commission on 03/21/11.

PURCHASING: Contract Amendment

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 3.5% MBE and 6.2% WBE Subcontractor Participation.

On June 18, 2009, Council approved a contract to purchase an information delivery system for the Austin 3-1-1 and City of Austin utilities contact center including monitors, software, annual maintenance and support, and implementation in an estimated amount not to exceed \$170,721, with four 12-month extension options in an estimated amount not to exceed \$14,670 per extension option, for a total estimated contract amount not exceed \$229,401.

The Texas Digital visual information delivery system is critical because it allows the Austin 3-1-1 Center and the City of Austin utilities contact center to communicate critical data and information, such as outages, weather alerts, or any other necessary announcements to be broadcast to management and staff during normal and emergency response situations. This proposed contract amendment no. 1 would allow for the implementation of this critical information delivery system at the new Walk-in Customer Service Center located at 8716 Research Blvd. (Highway 183 near Ohlen Road) so that it can operate with the same capabilities. The new Customer Service Center is scheduled to open at the end of March 2011.

The Texas Digital visual information system is a proprietary system integrated with the Avaya communication platform. The Avaya system will not allow add on components from other vendors.

Contract Summary

Action	Description	Amount
Original Contract awarded 6/18/09	Original 12-month contract, with four 12-month extension options	\$ 229,401
Proposed Amendment No. 1	Increase contract amount to implement information service delivery at AE walk in Service Center for this contract period and remaining 3 extension options	\$ 63,000
Total Revised Contract Amount		\$ 292,401

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: SOLAR TURBINES INC**

AGENDA DATE: 04/07/2011

SUBJECT: Authorize award, negotiation, and execution of a 12-month contract with **SOLAR TURBINES INC**, Houston, TX for an annual maintenance agreement for the gas turbine at Mueller Energy Center in an amount not to exceed \$139,816, with four 12-month extension options in an estimated amount not to exceed \$121,096 per extension option, for a total estimated contract amount not to exceed \$624,200.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$79,268 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining six 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: Shawn Harris, Sr. Supervising Buyer 505-7351

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 21, 2011.

PURCHASING: Sole Source.

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 contract.

This contract is for an equipment and health (maintenance) agreement for the Solar Turbines Inc Mercury 50 gas turbine at Austin Energy's Mueller Energy Center. This agreement will provide for remote diagnostics, semi-annual engine maintenance, and will qualify Austin Energy (AE) to receive a discounted overhaul when it comes due. This maintenance work will supplement the work performed by AE's staff at the plant to help ensure the turbine operates reliably and efficiently. This agreement also will provide for field service, parts and training for AE personnel if they are required.

Solar Turbines Inc is the sole provider and original equipment manufacturer for replacement parts and does not have any authorized distributors for the parts or for the work performed under this agreement.

AUSTIN ENERGY
FY 2011 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	January 2011 Year to Date Actual	January 2011 Year to Date Budget	Variance	Percent
REVENUES				
Service Area Base Revenue	\$ 178,831	\$ 174,487	\$ 4,344	2.5%
Bilateral & Ancillary Service Sales	2,042	7,500	(5,458)	-72.8%
Transmission Service Revenue	20,336	19,242	1,094	5.7%
Transmission Rider	3,656	2,408	1,248	51.8%
Miscellaneous Revenue	13,868	12,816	1,052	8.2%
Interest Income	2,639	2,201	438	19.9%
Total Operating Revenue Without Fuel Revenue	221,372	218,654	2,718	1.2%
Fuel & Green Choice Revenue	125,731	147,984	(22,253)	-15.0%
Total Operating Revenue	347,103	366,638	(19,535)	-5.3%
OPERATING REQUIREMENTS				
Fuel and Green Power Expense	125,520	147,174	21,654	14.7%
Department O&M Without Fuel				
Department O&M	60,511	70,415	9,904	14.1%
Transmission Service Expense	22,885	21,990	(895)	-4.1%
South Texas Project O&M	17,960	19,608	1,648	8.4%
Fayette Power Project O&M	12,322	12,340	18	0.1%
Call Center	8,561	11,267	2,706	24.0%
Energy Conservation Rebates	3,154	3,204	50	1.6%
Bad Debt Expense	1,044	1,020	(24)	-2.4%
Administrative Support Transfer	5,063	5,063	0	0.0%
Total Operating O&M Without Fuel	131,500	144,907	13,407	9.3%
Total Operating Requirements	257,020	292,081	35,061	12.0%
DEBT SERVICE REQUIREMENTS				
Revenue Bond & Other Obligations	49,436	49,401	(35)	-0.1%
Total Debt Service Requirements	49,436	49,401	(35)	-0.1%
TRANSFERS/USES OF COVERAGE				
General Fund Transfer	51,500	51,500	0	0.0%
Electric CIP Transfer	24,647	24,672	25	0.1%
Economic Incentive Fund Transfer	253	253	0	0.0%
Total Transfers	76,400	76,425	25	0.0%
Total Requirements Without Encumbrances	382,856	417,907	35,051	8.4%
Total Encumbrances	13,151	13,151	0	0.0%
Total Requirements	396,007	431,058	35,051	8.1%
CHANGE TO BEGINNING BALANCE	\$ (48,904)	\$ (64,420)	\$ 15,516	24.1%

Rate Redesign Process Update to the Electric Utility Commission, March 21, 2011

Proposed Schedule and Process for Review and Adoption of Rates

Drawing from discussions at the meeting of the Electric Utility Commission (EUC) of February 28th, the following describes a proposed schedule and process for the review and adoption of rates for Austin Energy (AE). Based upon input from the EUC, Austin Energy will prepare an ordinance for approval by the City Council, which will outline the process and set deadlines for review and action.

Objectives of the Review Process

The process adopted by the City Council for review and approval of rates should recognize and promote the goals and objectives of Austin Energy and the City of Austin. The proposed process will provide public transparency and involvement, allow for sufficient public vetting of the issues, provide for adequate due process, and use wisely the time and resources of all involved—from the members of the general public to the Council itself.

Schedule of EUC Briefings

Over the spring and summer of 2011, Austin Energy will present briefings at the regularly scheduled meetings of the Electric Utility Commission on key issues arising in the rate review. Austin Energy proposes the following schedule:

March—Proposed Consolidated Rate Classes and Cost Allocation Alternatives

April—Preliminary Revenue Requirement

May—No rate review briefing so the EUC may hear the 5-year forecast

June—Preliminary Residential Rate Design

July—Preliminary Commercial and Industrial Rate Design

August—Preliminary Transition Plan and Outstanding Issues

September—Organizational discussion for EUC's Formal Review

Each meeting will provide an opportunity for public comment on the presentation topic. Should the EUC be interested, Austin Energy could schedule a special one-half or full day workshop to review ratemaking best practices and processes.

Release of AE Recommendations for Public Review

Over the course of the summer, Austin Energy staff will assemble its recommendations into a detailed rate analysis report for release to the Electric Utility Commission and the general public. The rate analysis report will include the detailed cost of service analysis, including cost allocation; the adjusted revenue requirement; and rate design proposals. Austin Energy will host a special meeting of the Electric Utility Commission on September 1st, to which the general public and the members of the Public Involvement Committee will be invited. At that meeting, Austin Energy staff will present the rate analysis report. Following that meeting, the full rate

analysis report will be made available to the public for review for one month prior to initiation of the formal review by the EUC.

Public Notice

Austin Energy will provide formal, public notice of the meeting in September to release the rate analysis report, the schedule of meetings of the EUC and Council, and the process for public participation. Notice will be published in newspapers having general circulation throughout the service area and on the Austin Energy website. Austin Energy will also notify, via e-mail, members of the Public Involvement Committee and other individuals and organizations that have engaged with Austin Energy on these issues.

EUC Review and Decision Schedule

The EUC will hold its regularly scheduled October and November meetings to analyze and make recommendations to the Council on Austin Energy's rate analysis report. The EUC may also schedule additional weekly formal meetings as necessary from October 3rd to November 14th, the date of the scheduled November meeting of the EUC. The meetings will cover revenue requirement, cost allocation, and rate design, among other issues.

The Commission review will provide three alternatives for citizen comment. The first alternative is the existing process for citizens' communications, which allows any member of the community to make a statement before the Commission. A second alternative will allow any citizen to submit comments to the rate review website. The third option will allow a customer to request to provide formal comments to the Commission on issues arising in the rate review. These comments can take the form of oral and/or written presentations. At its initial October meeting, the Commission will review these requests, and if the number of parties is such that the process could become unwieldy, the Commission will have the opportunity to align parties.

At each meeting the EUC will receive briefings from Austin Energy and its consultants on the topics posted for that meeting. Austin Energy's briefings will be made available to the public in advance to allow the parties providing comments a reasonable amount of time to prepare their comments on AE's recommendations. The participating customers will then have the opportunity to submit written or oral briefings. These briefings will allow customers the opportunity to present their recommendations without the burden associated with a full legal proceeding requiring testimony and cross examination of witnesses, while allowing for adequate opportunity for due process. The commissioners will have the opportunity to ask questions of Austin Energy staff and participating customers. After the customer comments are heard, Austin Energy staff will respond to issues raised and clarify questions from participants or the Commission. This process will allow the EUC to hear both an explanation of AE's recommendations and receive input from the community in order to fairly weigh the issues at play and the different perspectives on those issues.

At each EUC meeting, time will be reserved for the Residential Rate Advisor to make a presentation or present comments from the perspective of residential consumers on the topics at issue for that meeting. The commissioners will have an opportunity to ask questions of the Residential Rate Advisor, and Austin Energy staff will be available to respond to issues raised and clarify questions from the Residential Rate Advisor or the Commission.

Final Recommendations of the EUC

At its regularly scheduled meeting on November 14th, the Electric Utility Commission will complete its recommendations to the Council. The recommendations to Council will be memorialized in a “Decision Point List,” a document delineating the key issues and any formal motions considered by the EUC. By October, Austin Energy will distribute to the EUC a draft Decision Point List as an aid in organizing the EUC decision-making process. With input from the EUC, Austin Energy will update the Decision Point List as issues arise during the EUC review. The EUC may use this list as a starting point for its recommendations to the Council. Austin Energy will assist the EUC in forwarding the final approved Decision Point List, as well as any other documents approved by the Commission to the City Council for its consideration.

City Council Review and Decision Schedule

Austin Energy’s rate analysis report—as may be revised following the EUC process—and the EUC recommendations will be presented to the City Council during at least one work session to be scheduled in late November or early December. This will allow the Council time to address the rate request at its regularly scheduled meetings on December 8 and 15. The Council will take final action on the rate request at its December 15th meeting or at a meeting date set by the Council. Rates as adopted by the Council will be effective on or after January 1, 2012.

City Ordinance Adopting a Process

Following discussion at the EUC’s March meeting on a proposed schedule and process for the review of and recommendation on rates, Austin Energy will prepare a draft City Ordinance for consideration of the EUC at its April meeting. The ordinance will memorialize the recommended schedule and process to be followed by Austin Energy and the Electric Utility Commission in the review of and recommendation on rates. Following the EUC’s review of the rate process ordinance, Austin Energy will forward the ordinance to the Council for comment and approval.

ELECTRIC UTILITY COMMISSION

Tentative Schedule of Upcoming Briefings and Reports

In addition to Financial (Jan-Oct), Procurements, and DPA/Disconnection (May-Sept) Reports

APRIL 18, 2011

- Texas Nodal Market Implementation (Sweeney)
- AE Quarterly Briefing (incl. rate redesign process update) Weis
- Austin Climate Protection Program Biannual Report (Athens)

MAY 16, 2011

- Monthly Update on Rate Redesign Process (Weis)
- Fuel Hedging Program (Sweeney)
- FY 2012-2016 Financial Forecast and FY 2012 Budget work session (Hart)

JUNE 20, 2011

- Monthly Update on Rate Redesign Process (Weis)
- FY 2012 Budget Work Session (Hart)
- Power Factor (Rabago)
- Report on M/WBE Goals (Purchasing Dept; emailed)

JULY 18, 2011

- AE Quarterly Briefing (incl. rate redesign process update) Weis

AUGUST 15, 2011

- FY 2011-2012 Budget Presentation, Action (Hart)
- Monthly Update on Rate Redesign Process (Weis)

SEPTEMBER 19, 2011

- Monthly Update on Rate Redesign Process (Weis)
- Report on M/WBE Goals (Purchasing Dept; emailed)

OCTOBER 17, 2011

- Election of Officers
- Monthly Update on Rate Redesign Process (Weis)
- Austin Climate Protection Program Biannual Report (Athens)

NOVEMBER 14, 2011

- Monthly Update on Rate Redesign Process (Weis)
- Adopt meeting schedule

DECEMBER 19, 2011

- Monthly Update on Rate Redesign Process (Weis)
- Report on M/WBE Goals (Purchasing Dept; emailed)

UPCOMING PROCUREMENTS BY AUSTIN ENERGY						Purchasing Department Report • Electric Utility Commission • March 21, 2011	
	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION		
1	Switch Gear	\$1,000,000	ESD/Finance	May	Master Agreement for the purchase of 3-Phase deadfront switch gear		
2	Rental of Back-up Equipment as needed	\$182,000/yr	On-Site Energy Resources	May	Annual agreement for rental of back-up equipment on an as-needed basis including chillers, boilers and generators for both downtown Chiller Plants, Mueller, and Domain		
3	138kV Potential Transformers	\$180,000	ESD	May	Master Agreement for the purchase of 138kV potential transformers		
4	Circuit Switchers	\$825,000	ESD	May	Master Agreement for the purchase of 145kV circuit switchers		
5	Bill Payment Terminals	\$250,000	Customer Care	May	Purchase of bill payment terminals for AE walk-in payment centers		
6	Stormwater Pond Maintenance	\$150,000/yr	Environmental Care & Protection	May	Annual agreement for maintenance and repair to ensure stormwater ponds owned, operated by, or affecting AE are in compliance with environmental criteria and regulations		
7	Temporary Staffing Services	\$4,500,000/yr	Customer Care	June	Temporary staffing services for personnel for inbound customer service representatives for the AE Customer Service Center and Austin 3-1-1		
8	Asbestos Inspection & Air Monitoring Services	\$250,000/yr	Environmental Care & Protection	June	Master Agreement for a contractor to provide asbestos inspection and air monitoring for lead, mold etc. on an as-needed basis for AE		
9	Gas Turbine Maintenance	\$16M over 6 years	Power Supply & Market Operations	June	Master Agreement for maintenance Services for AE Gas Turbines at Decker and Sand Hill		
10	Engine Generator	\$960,000	Distributed Energy Services	June	Generator for the Hornsby Bend Biogas project, funded by Federal Grant		
11	Battery Banks	\$175,000/yr	ESD	June	Master Agreement for the purchase of 130V Battery Banks		
12	Forklift Lease Agreement	\$136,000/yr	ESD/Finance	June	Master Agreement to provide AE with forklifts, total of seven forklifts for various AE locations		