



**Electric Utility Commission**  
**December 19, 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

Barbara Day  
Shudde Fath

Stephen Smaha  
Dr. 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](http://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 4-16 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commissioner.](#)

- 
1. **CALL TO ORDER**
  2. **APPROVAL OF MINUTES** - Approve minutes of the November 14, 2011 regular meeting.
  3. **CITIZEN COMMUNICATIONS: GENERAL** (*Please limit to three minutes.*)

**NEW BUSINESS – CONSENT ITEMS**

4. Authorize award and execution of a 36-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX for the purchase of creosote treated wood poles for Austin Energy in an estimated amount not to exceed \$1,463,166, with three 12-month extension options in an estimated amount not to exceed \$487,722 per extension option, for a total estimated contract amount not to exceed \$2,926,332.
5. Authorize award and execution of two 24-month requirements supply contracts for the purchase of street light lamps for Austin Energy with: FACILITY SOLUTIONS GROUP, Austin, TX, in an estimated amount not to exceed \$252,795 with three 12-month extension options in an estimated amount not to exceed \$126,398 per extension option, for a total estimated contract amount not to exceed \$631,989, and with CRAWFORD ELECTRIC SUPPLY CO., Austin, TX, in an estimated amount not to exceed \$46,804, with three 12-month extension options in an estimated amount not to exceed \$23,402 per extension option, for a total estimated contract amount not to exceed \$117,010. The annual amount for all streetlight lamps required under these contracts will be for a total combined estimated amount not to exceed \$748,999.
6. Authorize award and execution of a contract with HYUNDAI HEAVY INDUSTRIES, Orlando, FL, for the purchase of a three-phase autotransformer for Austin Energy in an amount not-to-exceed \$4,318,559.

7. Authorize execution of a construction contract with MALDONADO NURSERY & LANDSCAPING, INC., (MBE/56.1%), San Antonio, TX, for a landscaping and irrigation system at the Mueller Substation in an amount not to exceed \$130,050.07.
8. Authorize award and execution of a 12-month requirements supply contract with GENERAL ELECTRIC COMPANY dba GE Multilin U.S., Burnaby, BC, Canada for the purchase of JungleMUX equipment for Austin Energy and Communications & Technology Management in an estimated amount not to exceed \$675,160, with four 12-month extension options in an estimated amount not to exceed \$474,173 for the first extension option, \$733,120 for the second extension option, \$419,209 for the third extension option, and \$177,273 for the fourth extension option; for a total estimated contract amount not to exceed \$2,478,935.
9. Authorize award and execution of a contract with LIGHTHOUSE SOLAR AUSTIN, Austin, TX, for the installation of solar photovoltaic (PV) systems at seven City of Austin locations in an estimated amount not to exceed \$223,715.
10. Approve issuance of a rebate to Unified Housing of Austin LLC for performing duct diagnostic and improvements at the Limestone Canyon Apartments in an amount not to exceed \$84,895.
11. Approve issuance of a rebate to CWS Caprock Bridge LP for performing duct diagnostic and improvements at the Marquis at Caprock Canyon Apartments in an amount not to exceed \$121,916.
12. Approve issuance of a rebate to Great Hills Marquis Apartments LP for performing duct diagnostic and improvements at the Marquis at Great Hills Apartments in an amount not to exceed \$151,424.
13. Approve issuance of a rebate to Austin Monterey Oaks Inc. for performing duct diagnostic and improvements at The Park at Monterey Oaks Apartments in an amount not to exceed \$58,382.
14. Authorize award and execution of a contract with ALFRED CONHAGEN, INC., OF TEXAS, La Marque, TX, or one of the other qualified offerors to RFP No. DKC0029, to rebuild a feedwater pump at Austin Energy's Sand Hill Energy Center in an estimated amount not to exceed \$135,025.
15. Authorize award and execution of Amendment No. 11 to the contract with AMERICAN FACILITY SERVICES, Alpharetta, GA for janitorial services for Austin Energy, to increase the contract in an amount not to exceed \$25,000, for a total estimated contract amount not to exceed \$529,008.
16. Authorize award and execution of a 12-month requirements service contract with TRUGREEN LANDCARE, Austin, TX or one of the other qualified bidders for IFB-BV No. KDW0065, to provide landscaping services for Austin Energy in an estimated amount not to exceed \$51,380 with three 12-month extension options in an estimated amount not to exceed \$51,380 per extension option, for a total estimated contract amount not to exceed \$205,520.

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. If requiring Sign Language Interpreters or alternative formats, please give notice at least three days before the meeting date. Please call Toye Goodson Collins at Austin Energy at (512) 322-6450 for additional information. TTY users route through Relay Texas at 711.

### **NEW BUSINESS – DISCUSSION**

17. Discussion of procedures relating to the distribution of Commission actions to City Council.

### **OLD BUSINESS**

18. Discussion and possible action regarding Austin Energy's strategy to reach goal of 800 MW of peak demand savings by 2020, in reference to Council Resolution 20111006-060.
19. Revise 2012 Meeting Schedule.
20. Discussion and possible action regarding the timing of Austin Energy's rate review implementation, as requested by Commissioners Smaha and Webber.

### **STAFF REPORTS AND BRIEFINGS**

21. Imagine Austin update by Planning & Development Review Department staff
22. Austin Energy Recommendations on Electric Rates
23. Briefing on Austin Energy's Budget Billing Program

### **FUTURE AGENDA ITEMS**

24. Request agenda items including information related to the Upcoming Procurements Report

### **25. ADJOURN**



## ELECTRIC UTILITY COMMISSION REGULAR MEETING MINUTES NOVEMBER 14, 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; Gary ‘Bernie’ Bernfeld, Barbara Day, Shudde Fath, and Stephen Smaha. Dr. Michael Webber was absent.  
Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, Jackie Sargent, Andy Perny, J.J. Gutierrez, David Wood, Mark Dreyfus, Ann Little, Jim Collins, Chris Frye, Fred Yebra, Jeff Vice, Leslie Libby, Richard Morgan, Michael Osborne, Steve Saenz, Sandra Strauss-Jones, Pat Alba, Rusty Maenius, Jamie Mitchell, David Kutach, Vince McGlone, Drusilla Saenz, Marnie Cervenka, Patricia Alofsin, Chris Smith and Toye Goodson of Austin Energy; Edward Campos, Contract & Land Management; and Yolanda Miller and Shawn Harris, Purchasing.
2. **APPROVAL OF MINUTES** – Approve minutes of the October 17, 2011 regular meeting and the October 20, 2011 special-called meeting. **Commissioner Day requested that notations indicating changes in votes that were included in the Decision Point List be included in the minutes. Motion to approve minutes of both meetings, with additions, by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS: GENERAL** – There were no speakers at this time.

### **NEW BUSINESS – CONSENT ITEMS**

4. Authorize award, negotiation and execution of a 12-month service contract with SAFETEC COMPLIANCE SYSTEMS, Vancouver, WA, for access to and support for a web-based materials safety data sheet management system in an estimated not to exceed \$18,000, with four 12-month extensions options in an estimated amount not to exceed \$18,000 per extension option, for a total estimated contract amount not to exceed \$90,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
5. Authorize award, negotiation and execution of a 24-month service contract with GE POWER & WATER, Houston, TX; TRANSCANADA TURBINES, Houston, TX; and WOOD GROUP PRATT & WHITNEY, Bloomfield, CT, for maintenance and repair services for gas turbines at Austin Energy power plants in an estimated amount not to exceed \$8,000,000 each and combined, with two 24-month extensions options in an estimated amount not to exceed \$4,000,000 each and combined per extension option, for a total estimated contract amount not to exceed \$16,000,000 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
6. Authorize award and execution of a contract with ATLAS MANUFACTURING CO., INC., Monticello, MS, for the overhaul and repair of traveling water screen equipment located at Austin Energy's Decker Creek Power Station in an amount not to exceed \$152,390. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
7. Authorize negotiation and execution of Amendment No. 2 to the Water Sale Contract for Industrial Uses dated January 1, 2000, between the City of Austin and the Lower Colorado River Authority to increase the firm water available to Austin Energy for cooling purposes at the

- Fayette Power Plant from 3,500 acre-feet to 7,500 acre-feet per year through 2024. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
8. Authorize award, negotiation and execution of a 24-month service contract with NAES CORP., Houston, TX, and THIELSCH ENGINEERING INC., Del Valle, TX, for maintenance and repair services for Austin Energy's power plants and district cooling plants in an estimated amount not to exceed \$5,400,000 each and combined, with two 24-month extensions options in an estimated amount not to exceed \$5,400,000 each and combined per extension option, for a total estimated contract amount not to exceed \$16,200,000 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-1 with Commissioner Day voting no.**
  9. Approve ratification of a contract with SOLAR TURBINES, INC. Houston, TX for the purchase and replacement of a gas turbine gearbox at the Mueller Energy Center in an amount not to exceed \$132,668. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
  10. Authorize award and execution of a 12-month service agreement with ENTECH SALES & SERVICE, INC., Buda, TX, to provide preventative maintenance services on heating ventilation and air conditioning services for Austin Energy in an estimated amount not to exceed \$17,257, with four 12-month extension options in an estimated amount not to exceed \$17,257 per extension option, for an total estimated contract amount not to exceed \$86,285. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-1 with Commissioner Day voting no.**
  11. Authorize award and execution of a 12-month requirements supply contract with ALAMO IRON WORKS, San Antonio, TX, for the purchase of steel reinforcing bar (rebar) for Austin Energy in an estimated amount not to exceed \$109,653 with four 12-month extension options in an estimated amount not to exceed \$109,653 per extension option, for a total estimated contract amount not to exceed \$548,265. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
  12. Authorize award and execution of a 12-month requirements supply contract with PIONEER TRANSFORMERS LTD., Granby, Quebec, Canada, for the purchase of network transformers for Austin Energy in an estimated amount not to exceed \$1,159,012, with four 12-month extension options in an estimated amount not to exceed \$1,159,012 per extension option, for a total estimated contract amount not to exceed \$5,795,060. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
  13. Authorize award and execution of Amendment No. 2 to a requirements supply contract with STUART C. IRBY CO., Dallas, TX, for 362kV class dead tank circuit breakers for Austin Energy, to increase the contract authorization for the current contract period and remaining two extension options in an estimated amount not to exceed \$629,365 per option, for a revised total contract amount not to exceed \$5,034,920. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
  14. Authorize award and execution of Amendment No. 7 to a requirements supply contract with HYUNDAI HEAVY INDUSTRIES, Orlando, FL, to increase the contract authorization for three-phase power transformers for Austin Energy in an estimated amount not to exceed \$2,479,210, for a revised total contract amount not to exceed \$20,134,970. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

15. Authorize award and execution of Amendment No. 14 to a requirements contract with ASPLUNDH TREE EXPERT CO, Corpus Christi, TX, for transmission utility line clearance services for Austin Energy to extend the current contract period by six months and to increase the contract authorization in an estimated amount not to exceed \$750,000, for a revised estimated contract amount not to exceed \$8,622,228.66. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
16. Authorize award and execution of Amendment No. 15 to the requirements contracts with ASPLUNDH TREE EXPERTS CO, Corpus Christi, TX and DAVEY TREE SURGERY CO, Livermore, CA for distribution line clearance services to extend the current contract period by six months and to increase the contract authorization in an estimated combined amount not to exceed \$4,000,000, for a revised estimated combined contract amount not to exceed \$64,000,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
17. Authorize award and execution of a 12-month requirements supply contract with QUALITROL COMPANY LLC, Fairport, NY for the purchase of transformer gauges for Austin Energy in an estimated amount not to exceed \$50,000, with four 12-month extension options in an estimated amount not to exceed \$50,000 per extension option, for a total estimated contract amount not to exceed \$250,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
18. Authorize award, and execution of Amendment 3 to a contract with SAFE ENGINEERING SERVICES & TECHNOLOGIES LTD, Quebec, Canada, for the maintenance and software support for Austin Energy's Current Distribution, Electromagnetic interference, Grounding and Soil structure analysis (CDEGS) software package to exercise the third 12 month extension option in an estimated amount not to exceed \$15,690, and to add six additional 12-month extension options in an estimated amount not to exceed \$16,356 per extension option, for a revised total contract amount not to exceed \$162,634. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
19. Authorize award and execution of two 36-month requirements supply agreements for the purchase of backfill polyurethane foam kits for Austin Energy with PRIESTER-MELL & NICHOLSON, Austin, TX in an estimated amount not to exceed \$446,700 with three 12-month extension options in an estimated amount not to exceed \$148,900 per extension option, for a total estimated contract amount not to exceed \$893,400 and KBS ELECTRICAL DISTRIBUTORS INC., Austin, TX, in an estimated amount not to exceed \$70,875 with three 12-month extension options in an estimated amount not to exceed \$23,625 per extension option, for a total estimated contract amount not to exceed \$141,750. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
20. Authorize award, and execution of Amendment 3 to the contract with ITRON INCORPORATED., Liberty Lake, WA. for the maintenance and software support of ITRON MV-90 Network License associated with Austin Energy's Load Profiler online application, and Lodestar application for load research to exercise the second 12-month extension option in an estimated amount not to exceed \$35,572, and to add three additional 12-month extension options in an estimated amount not to exceed \$36,640 for the first extension option, \$37,739 for the second extension option, and \$38,871 for the third extension option, for a revised total contract amount not to exceed \$216,898. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

21. Authorize award and execution of seven 36-month requirements supply agreements for the purchase of electrical supplies for Austin Energy with: POWER SUPPLY, INC., Austin, TX, in an estimated amount not to exceed \$522,273 with three 12-month extension options in an estimated amount not to exceed \$174,091 per extension option, for a total estimated contract amount not to exceed \$1,044,546, STUART C. IRBY CO., Austin, TX, in an estimated amount not to exceed \$266,943, with three 12-month extension options in an estimated amount not to exceed \$88,981 per extension option, for a total estimated contract amount not to exceed \$533,886, TECHLINE, INC., Austin, TX, in an estimated amount not to exceed \$196,734 with three 12-month extension options in an estimated amount not to exceed \$65,578 per extension option, for a total estimated contract amount not to exceed \$393,468, KBS ELECTRICAL DISTRIBUTORS, Austin, TX, in an estimated amount not to exceed \$157,992, with three 12-month extension options in an estimated amount not to exceed \$52,664 per extension option, for a total estimated contract amount not to exceed \$315,984, TEXAS METER & DEVICE, Waco, TX, in an estimated amount not to exceed \$38,115, with three 12-month extension options in an estimated amount not to exceed \$12,705 per extension option, for a total estimated contract amount not to exceed \$76,230, ACE 1 POWER EQUIPMENT, Austin, TX, in an estimated amount not to exceed \$33,450, with three 12-month extension options in an estimated amount not to exceed \$11,150 per extension option, for a total estimated contract amount not to exceed \$66,900, and with PRIESTER-MELL & NICHOLSON INC., Austin, TX, in an estimated amount not to exceed \$33,282, with three 12-month extension options in an estimated amount not to exceed \$11,094 per extension option, for a total estimated contract amount not to exceed \$66,564. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
22. Authorize award and execution of a 60-month requirements service contract with LEXIS/NEXIS, Miamisburg, OH, for subscription online database services for public records retrieval for Austin Energy in an estimated amount not to exceed \$400,000, with two 12-month extension options in an estimated amount not to exceed \$80,000 per extension option, for a total estimated contract amount not to exceed \$560,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-1 with Commissioner Day voting no.**
23. Authorize award, and execution of Amendment 6 to the contract with APERTA, INC, St. Louis, MO for the purchase of Aperta software maintenance and support for Austin Energy's two Quantum 21300 remittance check processors to add an additional seven 12-month extension options in an estimated amount not to exceed \$32,216 for the first extension option, \$33,827 for the second extension option, \$35,518 for the third extension option, \$37,295 for the fourth extension option, \$39,159 for the fifth extension option, \$41,117 for the sixth extension option, and \$43,173 for the seventh extension option, for a total estimated contract amount not to exceed \$383,601. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
24. Approve an ordinance amending the GreenChoice® Energy Rider in Ordinance No. 20110912-007 to extend the Batch 6 subscription expiration date to December 31, 2021. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
25. Authorize execution of a construction contract with TEXAS SOLAR POWER COMPANY, Austin, Texas, for the restoration of a solar array at Austin Energy's Decker Creek Power Station in an estimated amount not to exceed \$947,497.80. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

26. Approve the issuance of a Letter of Intent for a rebate to FORTIS REALTY SERVICES, LLC, Austin, TX, for the installation of solar energy systems designed to serve 25 new construction CONDOMINIUM UNITS and one new construction SHARED HOUSE FACILITY in the PEASE PLACE CONDOMINIUM COMPLEX, 1603 ENFIELD ROAD, 78703 for a total amount of \$160,253.10. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
27. Authorize execution of a 24-month interlocal agreement with THE UNIVERSITY OF TEXAS, Austin, TX on behalf of Clean Energy Incubator, a program of the Austin Technology Incubator for mutual assistance in the clean energy field in an amount not to exceed \$265,000 in the first year and an amount not to exceed \$265,000 in the second year, for a total amount not to exceed \$530,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0-1 with Commissioner Smaha abstaining.**
28. Authorize award, negotiation and execution of a 12-month requirements service agreement with APPLIANCE RECYCLING CENTER OF AMERICA, Minneapolis, MN to provide pick-up and recycling services of old energy inefficient appliances and the delivery and installation of new energy efficient appliances to Austin Energy customers, in an estimated amount not to exceed \$1,025,000 with three 12-month extension options in an estimated amount not to exceed \$1,025,000 per extension option, for a total estimated contract amount not to exceed \$4,100,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
29. Approve an ordinance authorizing acceptance of \$600,000 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as the administering agency, and amending the Fiscal Year 2011-2012 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 201110912-005 to appropriate \$600,000 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
30. Authorize award, negotiation and execution of Amendment No. 4 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 \$144,151, for a revised estimated combined contract amount not to exceed \$922,500. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
31. Authorize award and execution of Amendment No. 2 to a requirements supply contract with ALTEC INDUSTRIES, St. Joseph, MO, to increase the contract amount for repairs to leased truck-mounted aerial devices and digger derricks, in an estimated amount not to exceed \$120,000, for a revised total estimated contract amount not to exceed \$2,062,475. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**



32. Authorize award & execution of a 33-month requirements supply contract through the U.S. Communities Government Purchasing Alliance with Maricopa County, Phoenix, Arizona, with THE HOME DEPOT U.S.A., Atlanta GA, to purchase building supplies and equipment in an estimated amount not to exceed \$1,386,000 with three twelve-month extension options in the estimated amounts \$504,000; \$554,400 and \$609,840 respectively for a total estimated contract amount not to exceed \$3,054,240. (Shared contract among City departments.) **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
33. Authorize award and execution of a 36-month requirements service contract with ACE FLOOR SOLUTIONS, LLC., San Antonio, TX and JELCO dba JELLISON, INC., Austin, TX, or one of the other qualified bidders for IFB-BV No. PAX0211, to provide flooring installation and repairs in an estimated amount not to exceed \$4,750,200 each and combined, with three 12-month extension options in estimated amounts not to exceed \$2,255,040 each and combined for the first extension option, \$2,706,048 each and combined for the second extension option, and \$3,247,258 each and combined for the third extension option, for a total estimated contract amount not to exceed \$12,958,546 each and combined. (Shared contract among City departments.) **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

#### **AGENDA ADDENDUM**

- 33a. Authorize the execution of a construction contract with TOLERO CONSTRUCTION, LLC, Austin, TX, for renovation work at Austin Energy's Town Lake Center, in the amount not to exceed of \$403,613. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

#### **NEW BUSINESS – DISCUSSION ITEMS**

34. Discussion and possible action regarding Austin Energy's strategy to reach goal of 800 MW of peak demand savings by 2020, in reference to Council Resolution 20111006-060 – Chris Strand, President, Resource Conservation Contractor's Association (RCCA), addressed the Commission with recommendations. Austin Energy staff distributed a draft report for review. Commissioners requested that information about the ECAD ordinance be added to the report and that their discussion be continued at next month's meeting to consider additional recommendations to Council. Commissioner Bernfeld requested an update from Austin Energy on the number of homes in compliance with the ECAD ordinance and ongoing work with ABoR on implementation of the ordinance.
35. Adopt 2012 Meeting Schedule – Commissioners approved the 2012 meeting schedule with the following dates: January 23, February 27, March 19, April 16, May 21, June 18, July 16, August 20, September 17, October 15, November 12 and December 17. **Motion to approve by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**

#### **OLD BUSINESS**

36. Discussion and possible action regarding Austin Energy solar generation planning – The Commission invited Jim Burns and Jeff Howard of CommunitySun and Sunshine Mathon of Foundation Communities to present their views on community solar projects.

At 8:25 p.m., Chair Schmandt announced a 10-minute break. The Commission reconvened at 8:35 p.m. and continued discussion. **Motion by Chair Schmandt "to recommend to City Council that they instruct the City Manager to implement a program that allows the operation of citizen-owned community solar inside Austin Energy's service territory on a**

basis that recovers the full cost of service to the utility. The motion was seconded by Commissioner Bernfeld and passed on a 5-0-1 vote with Vice Chair Shaw abstaining.

**Motion by Chair Schmandt to recommend to City Council that they instruct the City Manager to implement a program that would return nonprofits to the capacity rebate program allowed for residential customers. Commissioner Smaha expressed concern about supporting this action without seeing its fiscal impact. The Chair withdrew the motion.**

Commissioners requested that Austin Energy make a presentation at their January meeting on ways to promote solar adoption in the nonprofit community.

37. Discussion and acceptance of Austin Energy's Annual Performance Report FY 2010 – **Motion by Chair Schmandt to accept the report as corrected by Commissioner Fath, seconded by Commissioner Smaha, passed on a vote of 6-0.** The corrections were as follows: pages 4, 5, and 7 – add dollar signs to appropriate line items; page 9 – spell out PTC acronym, Production Tax Credit; page 21 – add information about hedging. The report will be made available to the public on Austin Energy's website.

#### **STAFF REPORTS AND BRIEFINGS**

38. Deferred Payment Arrangements and Disconnections Report – Commissioners acknowledged the report included in agenda backup.

#### **FUTURE AGENDA ITEMS**

39. Request agenda items including information related to the Upcoming Procurements Report – Commissioner Fath requested a rate design update and a rate study and bill impact analysis of the majority requests and the minority comments. Mr. Weis offered to provide the rate recommendation briefing to be presented to City Council on December 14. Commissioner Day requested accounting information on Austin Energy's district cooling business. The Commission formed a Working Group composed of Commissioners Day and Bernfeld to meet with Austin Energy staff to discuss the issue.
40. **ADJOURN** – Chair Schmandt adjourned the meeting at 9:05 p.m. without objection.

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: TEXAS ELECTRIC COOP**

**AGENDA DATE: 1/12/2012**

**SUBJECT:** Authorize award and execution of a 36-month requirements supply contract with **TEXAS ELECTRIC COOPERATIVES**, Georgetown, TX for the purchase of creosote treated wood poles for Austin Energy in an estimated amount not to exceed \$1,463,166, with three 12-month extension options in an estimated amount not to exceed \$487,722 per extension option, for a total estimated contract amount not to exceed \$2,926,332.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$365,792 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining 27 months of the original contract period and extension options is contingent upon available funding in future budgets.

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

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

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/2011.

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

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

---

This contract will provide Austin Energy (AE) with a supply of creosote treated wood poles in various sizes from 35 to 70 feet. These poles will be used to replenish stock at AE's Kramer and St. Elmo warehouses for new Capital Improvement Projects as well as to replace existing installed poles as required. The poles are treated with creosote to protect them from rot, fungus and insects.

These poles are necessary to support overhead power line conductor cable, fiber optic cable and related equipment such as transformers, street lights and all other associated hardware for the transmission and distribution of electricity.

MBE/WBE Solicited: 2/0

MBE/WBE Bid: 0/0

**BID TABULATION****IFB No. GGU0096  
Creosote Treated Wood Poles  
(16 line items)**

<b><u>VENDOR</u></b>	<b><u>Total Estimated Annual Amount</u></b>
<b>Texas Electric Cooperatives Georgetown, TX</b>	<b>\$487,722.00</b>
Lufkin Creosoting Co. Lufkin, TX	\$540,320.68
Colfax Treating Company LLC Austin, TX	\$569,971.32
RJ Trading Group LTD. Austin, TX	\$661,864.83
Techline Inc. Austin, TX	\$823,083.00
Bridgewell Resources LLC Tigard, OR	*

\* Non-responsive, did not meet the minimum requirements of the specification.

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

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Thirty-two notices were sent including two MBEs. There are no known WBEs for this commodity code. Six bids were received, with no response from the MBEs.
- c. The pricing offered represents a 1.1% increase to the last contract award made in November 2007.

**APPROVAL JUSTIFICATION**

- a. Lowest bid. Texas Electric Cooperatives is not the current supplier of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: FACILITY SOLUTIONS; CRAWFORD ELECTRIC**

**AGENDA DATE: 1/12/2012**

**SUBJECT:** Authorize award and execution of two 24-month requirements supply contracts for the purchase of street light lamps for Austin Energy with: **FACILITY SOLUTIONS GROUP**, Austin, TX, in an estimated amount not to exceed \$252,795 with three 12-month extension options in an estimated amount not to exceed \$126,398 per extension option, for a total estimated contract amount not to exceed \$631,989, and with **CRAWFORD ELECTRIC SUPPLY CO.**, Austin, TX, in an estimated amount not to exceed \$46,804, with three 12-month extension options in an estimated amount not to exceed \$23,402 per extension option, for a total estimated contract amount not to exceed \$117,010. The annual amount for all streetlight lamps required under these contracts will be for a total combined estimated amount not to exceed \$748,999.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$112,350 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining 15 months of the original contract period and extension options is contingent upon available funding in future budgets.

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

**PURCHASING:** Lowest bids of five bids received.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/2011.

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

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

---

These contracts will provide for the supply of various street light lamps including high pressure and metal halide. These lamps will be used to replenish stock at Austin Energy's Kramer and St. Elmo warehouses for immediate issue to illumination construction and maintenance crews on an as-needed basis. These items will enable Austin Energy to provide lighting throughout the utility service area.

MBE/WBE Solicited: 0/0

MBE/WBE Bid: 0/0

**BID TABULATION****IFB No. GGU0100  
Street Light Lamps  
(10 - line items)**

<b><u>VENDOR</u></b>	<b><u>Number of Line Items Bid</u></b>	<b><u>Number of Line Items Awarded</u></b>	<b><u>Total Annual Award</u></b>
<b>Facility Solutions Group Austin, TX</b>	<b>10</b>	<b>6</b>	<b>\$126,398</b>
<b>Crawford Electric Supply Co. Austin, TX</b>	<b>10</b>	<b>3</b>	<b>\$23,402</b>
Border States Electric Austin, TX	10	0	No Award
KBS Electrical Austin, TX	9	0	No Award
Stuart C. Irby Austin, TX	8	0	No Award

Recommended awards are based on the lowest bid per line item and in the best interest of the City. A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office web site.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Eighty-five notices were sent. There are no known MBE/WBEs for this commodity code. Five bids were received.
- c. The pricing offered represents a 1.67% increase to the last contracts awarded in November 2007 and June 2008.

**APPROVAL JUSTIFICATION**

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

**CITY OF AUSTIN - PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: HYUNDAI HEAVY INDUSTRIES**

**AGENDA DATE: 01/26/2012**

**SUBJECT:** Authorize award and execution of a contract with **HYUNDAI HEAVY INDUSTRIES**, Orlando, FL, for the purchase of a three-phase autotransformer for Austin Energy in an amount not-to-exceed \$4,318,559.

**AMOUNT AND SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.

**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 12/19/2011.

**PURCHASING:** Lowest evaluated bid meeting specifications of eleven 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 is for the one-time purchase of a three-phase autotransformer for Austin Energy (AE). Autotransformers are power transformers in which the primary and secondary coils share all or some windings. AE uses autotransformers in step down applications in large substations to reduce the voltage level from a higher transmission voltage (345kV) to AE's standard urban voltage (138kV). This ability to handle these high voltages makes autotransformers a vital part of the transmission system; especially during times of high peak load since congestion charges can be incurred from the Electric Reliability Council of Texas if transmission paths are unable to handle the load.

This autotransformer has an expected lifespan of thirty years and comes with a five (5) year warranty from the date of acceptance. It will be installed at the newly developed Dunlap Substation, located approximately 1.5 miles north of the intersection of Taylor Lane and FM 969 (Webberville Road).

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

**BID TABULATION**  
**IFB No. GAL0029      Three-Phase Autotransformer      (1 – line item)**

<b><u>Vendor</u></b>	<b><u>Total Bid Amount</u></b>	<b><u>Total Evaluated Bid Amount*</u></b>
<b>Hyundai Heavy Industries</b> <b>Orlando, FL</b>	<b>\$4,318,559.00</b>	<b>\$6,730,259.00</b>
Baoding TianWei Baobian Elec. Co, LTD Baoding, Hebei, China	\$3,960,000.00	\$6,927,000.00
Waukesha Electric Systems, Inc. Waukesha, WI	\$4,737,440.00	\$7,301,490.00
Siemens Energy, Inc. Wendell, NC	\$4,719,530.00	\$7,372,430.00
ABB, Inc. St. Louis, MO	\$4,439,000.00	\$7,386,620.00
Texas Electric Cooperatives Georgetown, TX	\$4,922,900.00	\$8,065,440.00
Efacec USA, Inc. Norcross, GA	\$5,446,500.00	\$8,319,590.00
Energy Parts Solutions Sedalia, MO	\$5,483,100.00	\$8,625,640.00
HICO American Sales & Tech., Inc. Pittsburgh, PA	\$4,762,600.00	\$10,123,170.00
Mitsubishi Electric Power Products, Inc. Warrendale, PA	\$7,739,000.00	\$10,927,900.00
Smit Transformer Sales, Inc. Summerville, SC	**	**

\* The Total Evaluated Bid is the Total Bid plus the cost of losses (electricity lost during the voltage reduction) over the 30-year life span of the transformer. The formula was published in the solicitation.

\*\* Non-responsive, failed to provide a bid bond with their offer as required by 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. Eighty-one notices were sent, including one MBE. Eleven bids were received, with no response from the MBE.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

**APPROVAL JUSTIFICATION**

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



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

**AGENDA DATE: 01/12/2012**

**SUBJECT:** Authorize execution of a construction contract with Maldonado Nursery & Landscaping, Inc, (MBE/56.1%), San Antonio, TX, for a landscaping and irrigation system at the Mueller Substation in an amount not to exceed \$130,050.07.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 Capital Budget of Austin Energy.

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

**FOR MORE INFORMATION CONTACT:** David Wood 322-6940; Dorthy Kester 505-7041.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on December 19, 2011.

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

**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) by meeting the goals with 56.1% prime participation (MBE) and 2.15% WBE subcontractor participation.

-----  
--

The project will add landscaping around the Mueller Substation, located at 4305 Manor Road, Austin, Texas, which is in the final phase of construction. In March 2010, Council approved the purchase of 5.87 acres of land from the Parks & Recreation Department (PARD) at the Morris Williams Golf Course for the construction of the substation. Council approved construction of the substation's security enclosure in August 2011 and the substation was partially energized in October 2011.

The substation will serve the growing Central East Austin area, including the Mueller redevelopment, and relieve the over-burdened substations at Fiesta, Wheless and Kingsbery in Central East Austin.

The design concept for the landscaping was agreed upon by participants in community meetings hosted by Austin Energy (AE) in the summer of 2010. Participants included representatives from area neighborhood associations, a nearby worship facility, groups utilizing the Morris Williams Golf Course, members of the design community, and staff from PARD and AE. The culmination of the work from the meetings are included in a report dated September 27, 2010, "Summary of Recommendations Resulting from Stakeholder Input on AE's Substation at Morris Williams Golf Course." Participants were also invited to submit additional comments on the report and the landscape plan bid documents. The Project Management Team took these comments into consideration when creating the bid documents for the landscaping project.

The landscape plan uses native, drought-tolerant plants and reclaimed water for the irrigation system.

The contract allows 74 calendar days for completion of this project. This project is located within zip code 78723.

**M/WBE Summary:**

Bid documents were distributed to five general contractors. Bids were opened on November 10, 2011. Maldonado Landscaping submitted the lower of two bids received:

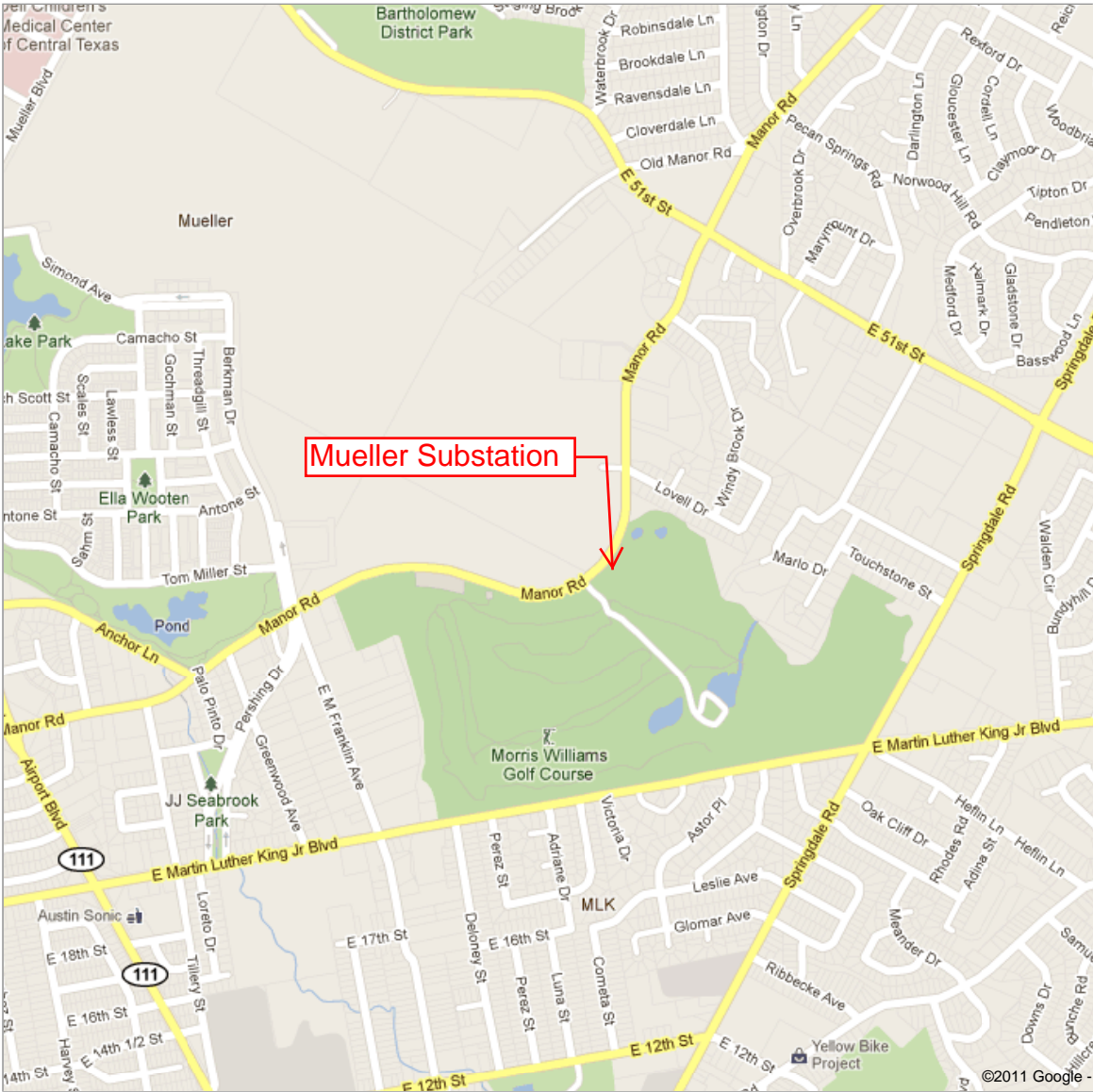
Maldonado Nursery & Landscaping, Inc, San Antonio, TX	\$130,050.07
Kiva, Inc, Buda, TX	\$156,197.00

The contractor's choice of work methodology provides for four areas of subcontracting opportunities listed below. Project specific goals stated in the solicitation were: 7.51% MBE and 2.14% WBE. Total participation estimated on base bid amount of \$130,050.70:

<b>M/WBE TOTAL – PRIME</b>	<b>\$72,960.54</b>	<b>56.10%</b>
Maldonado Nursery & Landscaping, Inc, San Antonio, TX		
<b>WBE TOTAL – SUBCONTRACTORS</b>	<b>\$2,790.00</b>	<b>2.15%</b>
(FH) Capital Lawn Solution, Austin, TX (irrigation checks)	\$2,600.00	2.00%
(FW) Liquid Waste Solution, LLC, Austin, TX (portable toilets)	\$190.00	0.15%
<b>NON M/WBE TOTAL – SUBCONTRACTORS</b>	<b>\$54,399.53</b>	<b>41.75%</b>
John Deere Landscapes, San Antonio, TX (landscape/irrigation supplies)	\$53,006.73	40.76%
All-Tex Supply, Austin, TX (moisture barrier)	\$1,292.80	0.99%

The Contractor submitted a MBE/WBE Compliance Plan that met the goals of the solicitation and was approved by the Small & Minority Business Resources Department. Second low bidder information is provided.

SECOND BIDDER - Kiva, Inc, Buda, TX \$156,197.00  
22.41% NON M/WBE prime participation; 75.19% MBE and 2.4% WBE subcontractor participation.



**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: GENERAL ELECTRIC COMPANY**

**AGENDA DATE: 01/12/2012**

**SUBJECT:** Authorize award and execution of a 12-month requirements supply contract with GENERAL ELECTRIC COMPANY dba GE Multilin U.S., Burnaby, BC, Canada for the purchase of JungleMUX equipment for Austin Energy and Communications & Technology Management in an estimated amount not to exceed \$675,160, with four 12-month extension options in an estimated amount not to exceed \$474,173 for the first extension option, \$733,120 for the second extension option, \$419,209 for the third extension option, and \$177,273 for the fourth extension option; for a total estimated contract amount not to exceed \$2,478,935.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$617,660 is available in the Fiscal Year 2011-2012 Capital Budget of Austin Energy. Funding in the amount of \$38,333 is available in the Fiscal Year 2011-2012 Operating Budget of Communications & Technology Management. Funding for the remaining four months of the original contract period and extension options is contingent upon available funding in future budgets.

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

**PURCHASING:** Sole Source.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/2011.

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

**FOR MORE INFORMATION CONTACT:** Gage Loots, Buyer II/512-322-6118

---

This contract is for the purchase of JungleMUX synchronous optical networking (SONET) multiplexer equipment for Austin Energy (AE) and Communications & Technology Management (CTM) on an as-needed basis. A multiplexer (or MUX) is a device that selects several analog or digital input signals and combines these inputs into a single data stream thereby increasing the amount of data that can be sent over the network within a certain amount of time and bandwidth. SONET is a standardized multiplexer protocol that transfers multiple digital bit streams over optical fiber using lasers or highly coherent light from light-emitting diodes.

The JungleMUX equipment composes the SONET communications network that links various locations throughout the City including power plants, substations, and utility control centers. This industrial communications network supports the supervisory control and data acquisition (SCADA) systems used to remotely monitor and control the processes at these locations. These products will be used to replace damaged equipment and to establish additional communications

circuits. Only JungleMUX equipment is compatible with the existing network whether as replacements of failed units or as new installations to expand the current network to new locations.

JungleMUX products are of a proprietary design that is exclusively manufactured and directly sold by GE Multilin U.S. with no authorized distributors. Therefore, GE Multilin U.S. is the sole source provider of these products.

DRAFT

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: LIGHTHOUSE SOLAR AUSTIN**

**AGENDA DATE: 1/12/2012**

**SUBJECT:** Authorize award and execution of a contract with **LIGHTHOUSE SOLAR AUSTIN**, Austin, TX, for the installation of solar photovoltaic (PV) systems at seven City of Austin locations in an estimated amount not to exceed \$223,715.

**AMOUNT AND SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 Capital Budget for Austin Energy.

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

**FOR MORE INFORMATION:** Terry V. Nicholson, Sr. Buyer / 512-322-6586

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

**BOARDS AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on December 19, 2011.

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

---

This contract is for installation services of solar photovoltaic (PV) systems at seven City-owned buildings. The systems will be connected on the building side of the main electric meter, thereby reducing energy costs by approximately \$14,150 a year. The Contractor will be responsible for all aspects of the installation including the required hardware, labor, safety, supervision, and related tasks for a complete turnkey service. Installation of this equipment is expected to be completed within four months of contract award.

The locations receiving the installations and their respective system kilowatt ratings are as follows:

- Ruiz Library, 1600 Grove Blvd. - 4.8 kW
- Spicewood Springs Library, 8637 Spicewood Springs Rd. - 5.28 kW
- Cepeda Library, 651 N. Pleasant Valley Rd. - 5.28 kW
- Health Department, 7201 Levander Loop, Bldg. H - 10.4 kW
- Austin Energy's St. Elmo Service Center, 4411-B Meinardus Dr. - 10.56 kW
- South Austin Recreation Center, 1100 Cumberland Rd. - 10.56 kW
- Givens Recreation Center, 3811 East 12<sup>th</sup> St. - 60.48 kW

In 2007, the City of Austin established a Climate Protection Plan that expands on Austin Energy's (AE) 2003 Strategic Plan calling for AE to implement a highly visible public awareness

and education program involving the installation of solar PV systems at branch libraries and community centers. This contract will expand the number of municipal facilities that have solar PV installations and promote conservation through the use of alternative energy sources while generating an estimated 139 Renewable Energy Credits per year. The installations have been solicited together to facilitate an economy of scale and these facilities offered good orientation and roof space to accommodate the systems.

This energy improvement will save enough energy to provide electricity to 14 average Austin homes for a year. The resulting savings are equivalent to the planting of 3,044 trees or 152 acres of forest in Austin's parks or the removal of 155,853 vehicle miles or 19 cars from Austin roadways. This project will save 80.71 tonnes of Carbon Dioxide (CO<sub>2</sub>), 34 pounds of Sulfur Dioxide (SO<sub>2</sub>), 172 pounds of Nitrogen Oxide (NO<sub>x</sub>), and 224 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.

MBE/WBE solicited: 3/2

MBE/WBE bid: 0/0

**BID TABULATION IFB No. TVN0068**  
**Solar Photovoltaic System Installation Services**

<b><u>Vendor</u></b>	<b><u>Bid Total</u></b>
<b>Lighthouse Solar, Austin</b>	<b>\$223,715</b>
Solar Community, Austin	\$228,710
QA Construction Services, Inc., Austin	\$275,945
Texas Solar Power Co., Austin	\$312,229
S. Randall Electric, Inc., Austin	\$325,111
Hill Country Ecopower, Inc., Austin	*

\* Non-responsive, did not meet minimum qualifications

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. Eighty notices were sent, including three MBEs and two WBEs. Six bids were received with no response from the MBE/WBE's.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

**APPROVAL JUSTIFICATION**

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

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

**AGENDA DATE: 01/12/2012**

**SUBJECT:** Approve issuance of a rebate to Unified Housing of Austin LLC for performing duct diagnostic and improvements at the Limestone Canyon Apartments in an amount not to exceed \$84,895.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 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 or Stephen Leinweber, Manager, Energy Efficiency Services, at 322-6056.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/11.

---

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Unified Housing of Austin LLC in the amount not to exceed \$84,895 for performing duct diagnostic and improvements at the Limestone Canyon Apartments in accordance with the City of Austin's Multi-Family Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Resource, Generation, Climate Protection Plan to 2020, approved in April 2010 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Limestone Canyon Apartments is located at 12118 Walnut Park Crossing, in Austin, Texas 78753. The property is comprised of 14 buildings containing 260 apartment units, with 225,492 square feet of living space. The demand (kW) savings associated with this energy efficiency duct sealing project is estimated at 109.6 kW, at a program cost of \$775 per kilowatt saved. The avoided kWh, estimated at 164,384 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 98.7 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.062 metric tons of Sulfur Dioxide (SO<sub>2</sub>), and 0.069 metric tons of Nitrogen Oxides (NO<sub>x</sub>).

In addition to the reduced air and toxic pollution, the project savings are also equivalent to an estimated 221,620 vehicle miles traveled, the removal of 18.9 cars from our roadways, or the planting of 2,536 trees or 127 acres of forest in Austin's parks.



## RCA PROJECT FACT SHEET

Customer Name: Limestone Canyon Apartments  
*Property Owner: UNIFIED HOUSING OF AUSTIN LLC*  
*Property Management Company: Sunridge Management*

File Number: 838

Facility Address: 12118 Walnut Park Crossing, Austin, TX 78753

Customer Contact: Andrea Setzler

Estimated Rebate: Not to exceed \$84,895

Equipment Installed: Duct Diagnostic & Improvement Program – Uncased Fan Coils & Stud Mount AHU's

Demand Savings: 109.6 kW – estimated

KWh Savings: 164,384 kWh - estimated

Cost per kW: \$ 775

Estimated Project Cost: \$84,895

- *The project costs for Multifamily Duct Diagnostic & Improvements equal the contractor's total costs to provide this service.*
- *This energy efficiency improvement qualifies at rebate levels of \$.38 / 221,092 conditioned space & \$.20 / 4,400 conditioned space in compliance of ECAD Ordinance.*
- *For this retrofit, the contractor project price was equal to rebate costs and equivalent to \$775 per kW saved.*

Estimated Completion Date: No later than three (3) months after LOI

Site Information: Limestone Canyon, 12118 Walnut Park Crossing,  
 Austin, TX 78753.

**Comments:**

Limestone Canyon is located at 12118 Walnut Park Crossing. in Austin, Texas. The property is comprised of fourteen (14) buildings containing 260 apartment units, with 225,492 square feet of living space.

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

**AGENDA DATE: 01/12/2012**

**SUBJECT:** Approve issuance of a rebate to CWS Caprock Bridge LP for performing duct diagnostic and improvements at the Marquis at Caprock Canyon Apartments in an amount not to exceed \$121,916.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 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 or Stephen Leinweber, Manager, Energy Efficiency Services, at 322-6056.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/11.

---

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to CWS Caprock Bridge LP in the amount not to exceed \$121,916 for performing duct diagnostic and improvements at the Marquis at Caprock Canyon Apartments in accordance with the City of Austin's Multi-Family Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Resource, Generation, Climate Protection Plan to 2020, approved in April 2010 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Marquis at Caprock Canyon Apartments is located at 4411 Spicewood Springs Rd., in Austin, Texas 78759. The property is comprised of 28 buildings containing 336 apartment units, with 322,268 square feet of living space. The demand (kW) savings associated with this energy efficiency duct sealing project is estimated at 156.6 kW, at a program cost of \$778 per kilowatt saved. The avoided kWh, estimated at 234,933 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 141.1 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.089 metric tons of Sulfur Dioxide (SO<sub>2</sub>), and 0.098 metric tons of Nitrogen Oxides (NO<sub>x</sub>).

In addition to the reduced air and toxic pollution, the project savings are also equivalent to an estimated 316,733 vehicle miles traveled, the removal of 27 cars from our roadways, or the planting of 3,624 trees or 181 acres of forest in Austin's parks.

## RCA PROJECT FACT SHEET

Customer Name: Marquis at Caprock Canyon Apartments  
*Property Owner: CWS CAPROCK BRIDGE LP*  
*Property Management Company: CWS Apartment Homes LLC*

File Number: 1392

Facility Address: 4411 Spicewood Springs Rd, Austin, TX 78759

Customer Contact: Kirsten Greiner

Estimated Rebate: Not to exceed \$121,916

Equipment Installed: Duct Diagnostic & Improvement Program – Uncased Fancoils & Upflows

Demand Savings: 156.6 kW – estimated

KWh Savings: 234,933 kWh - estimated

Cost per kW: \$ 778

Estimated Project Cost: \$121,916

- *The project costs for Multifamily Duct Diagnostic & Improvements equal the contractor's total costs to provide this service.*
- *This energy efficiency improvement qualifies at rebate levels of \$.38 / 318,068 conditioned space & \$.20 / 4,200 conditioned space in compliance of ECAD Ordinance.*
- *For this retrofit, the contractor project price was equal to rebate costs and equivalent to \$778 per kW saved.*

Estimated Completion Date: No later than three (3) months after LOI

Site Information: Marquis at Caprock Canyon, 4411 Spicewood Springs Rd., Austin, TX 78759.

**Comments:**

Marquis at Caprock Canyon is located at 4411 Spicewood Springs Road in Austin, Texas. The property is comprised of twenty-eight (28) buildings containing 336 apartment units, with 322,268 square feet of living space.

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

**AGENDA DATE: 01/12/2012**

**SUBJECT:** Approve issuance of a rebate to Great Hills Marquis Apartments LP for performing duct diagnostic and improvements at the Marquis at Great Hills Apartments in an amount not to exceed \$151,424.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 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 or Stephen Leinweber, Manager, Energy Efficiency Services, at 322-6056.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/11.

---

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Great Hills Marquis Apartments LP in the amount not to exceed \$151,424 for performing duct diagnostic and improvements at the Marquis at Great Hills Apartments in accordance with the City of Austin's Multi-Family Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Resource, Generation, Climate Protection Plan to 2020, approved in April 2010 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Marquis at Great Hills Apartments is located at 10500 Great Hills Trail, in Austin, Texas 78759. The property is comprised of 15 buildings containing 406 apartment units, with 399,852 square feet of living space. The demand (kW) savings associated with this energy efficiency duct sealing project is estimated at 194.3 kW, at a program cost of \$779 per kilowatt saved. The avoided kWh, estimated at 291,492 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 175 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.110 metric tons of Sulfur Dioxide (SO<sub>2</sub>), and 0.122 metric tons of Nitrogen Oxides (NO<sub>x</sub>).

In addition to the reduced air and toxic pollution, the project savings are also equivalent to an estimated 392,984 vehicle miles traveled, the removal of 33.5 cars from our roadways, or the planting of 4,497 trees or 225 acres of forest in Austin's parks.

## RCA PROJECT FACT SHEET

Customer Name: Marquis at Great Hills Apartments  
*Property Owner: GREAT HILLS MARQUIS APARTMENTS LP*  
*Property Management Company: CWS Apartment Homes LLC*

File Number: 582

Facility Address: 10050 Great Hills Trl, Austin, TX 78759

Customer Contact: Cali Wood

Estimated Rebate: Not to exceed \$151,424

Equipment Installed: Duct Diagnostic & Improvement Program – Uncased Fancoils & Upflows

Demand Savings: 194.3 kW – estimated

KWh Savings: 291,492 kWh - estimated

Cost per kW: \$ 779

Estimated Project Cost: \$151,424

- *The project costs for Multifamily Duct Diagnostic & Improvements equal the contractor's total costs to provide this service.*
- *This energy efficiency improvement qualifies at rebate levels of \$.38 / 395,852 conditioned space & \$.20 / 4,000 conditioned space in compliance of ECAD Ordinance.*
- *For this retrofit, the contractor project price was equal to rebate costs and equivalent to \$779 per kW saved.*

Estimated Completion Date: No later than three (3) months after LOI

Site Information: Marquis at Great Hills, 10050 Great Hills Trl., Austin, TX 78759.

**Comments:**

Marquis at Great Hills is located at 10050 Great Hills Trail in Austin, Texas. The property is comprised of twenty-eight (15) buildings containing 406 apartment units, with 399,852 square feet of living space.

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

**AGENDA DATE: 01/12/2012**

**SUBJECT:** Approve issuance of a rebate to Austin Monterey Oaks Inc. for performing duct diagnostic and improvements at The Park at Monterey Oaks Apartments in an amount not to exceed \$58,382.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 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 or Stephen Leinweber, Manager, Energy Efficiency Services, at 322-6056.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/11.

---

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Austin Monterey Oaks Inc. in the amount not to exceed \$58,382 for performing duct diagnostic and improvements at The Park at Monterey Oaks Apartments in accordance with the City of Austin's Multi-Family Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Resource, Generation, Climate Protection Plan to 2020, approved in April 2010 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

The Park at Monterey Oaks Apartments is located at 4701 Monterey Oaks Blvd., in Austin, Texas 78749. The property is comprised of 15 buildings containing 224 apartment units, with 233,526 square feet of living space. The demand (kW) savings associated with this energy efficiency duct sealing project is estimated at 113.5 kW, at a program cost of \$514 per kilowatt saved. The avoided kWh, estimated at 170,240 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 102.2 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.064 metric tons of Sulfur Dioxide (SO<sub>2</sub>), and 0.071 metric tons of Nitrogen Oxides (NO<sub>x</sub>).

In addition to the reduced air and toxic pollution, the project savings are also equivalent to an estimated 229,515 vehicle miles traveled, the removal of 19.6 cars from our roadways, or the planting of 2,626 trees or 131 acres of forest in Austin's parks.

## RCA PROJECT FACT SHEET

Customer Name: The Park at Monterey Oaks Apartments  
*Property Owner: AUSTIN MONTEREY OAKS INC*  
*Property Management Company: Northland Company*

File Number: 855

Facility Address: 4701 Monterey Oaks Blvd, Austin, TX 78749

Customer Contact: Sallie Chandler

Estimated Rebate: Not to exceed \$58,382

Equipment Installed: Duct Diagnostic & Improvement Program –Upflows

Demand Savings: 113.5 kW – estimated

KWh Savings: 170,240 kWh - estimated

Cost per kW: \$ 514

Estimated Project Cost: \$58,382

- *The project costs for Multifamily Duct Diagnostic & Improvements equal the contractor's total costs to provide this service.*
- *This energy efficiency improvement qualifies at rebate levels of \$.25/conditioned space in for compliance of ECAD Ordinance.*
- *For this retrofit, the contractor price was equal to rebate costs and is equivalent to \$514 per kW saved.*

Estimated Completion Date: No later than three (3) months after LOI

Site Information: The Park at Monterey Oaks, 4701 Monterey Oaks Blvd., Austin, TX 78749.

Comments:  
 The Park at Monterey Oaks is located at 4701 Monterey Oaks Blvd. in Austin, Texas. The property is comprised of fifteen (15) buildings containing 224 apartment units, with 233,526 square feet of living space.

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: ALFRED CONHAGEN, INC., OF TEXAS**

**AGENDA DATE: 1/12/2012**

**SUBJECT:** Authorize award and execution of a contract with **ALFRED CONHAGEN, INC., OF TEXAS**, La Marque, TX, or one of the other qualified offerors to RFP No. DKC0029, to rebuild a feedwater pump at Austin Energy's Sand Hill Energy Center in an estimated amount not to exceed \$135,025.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.

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

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

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/2011

**PURCHASING:** Best Evaluated Proposal of three proposals received.

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

---

This contract will provide for a qualified vendor to disassemble, clean, inspect, repair and overhaul a spare feedwater pump for Sand Hill Energy Center's Combined Cycle Unit 5. The Feedwater Pump provides high pressure water to the plants Heat Recovery Steam Generator (HRSG). Sand Hill Energy Center Unit 5 has two Feedwater Pumps in service and one spare pump. Two Feedwater Pumps are required to achieve full load. The loss of a Feedwater Pump results in the loss of 70 megawatts of power from Austin Energy's most efficient and clean gas fired generator. A spare Feedwater Pump reduces the time required to repair the unit from six weeks to three days. It also increases reliability and reduces the overall cost of repair because the pump does not have to be repaired on an emergency basis.

An Austin Energy team with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide this service. Evaluation criteria included system and concept proposed, compatibility with previous pump modifications proven reliable, schedule, references and cost.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.



MBE/ WBE Solicited: 0/2

MBE/WBE Bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Ninety-seven notices were sent including two WBEs. There are no known MBEs for this commodity code. Three proposals were received, with no response from the WBEs.

**APPROVAL JUSTIFICATION**

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

DRAFT

**EVALUATION MATRIX  
FOR  
Repair Feedwater Pump  
DKC0029**

Evaluation Category		ALFRED CONHAGEN, INC LaMarque, TX	HYDROTEX DYNAMICS INC. Houston TX	NORTHSTAR INDUSTRIES Houston TX
<b>Costs</b>	25 points	25	22	*
<b>SYSTEM CONCEPT &amp; SOLUTIONS</b> 1. Disassembly, cleaning, inspection, parts required 2. component repair and/or refurbishment 3. Reporting 4. shipping., packing, etc 5. competence – 10 years	40 Points	39	33	*
<b>COMPATIBILITY WITH PREVIOUS PUMP MODIFICATIONS</b> Improve reliability & operation: Modify balance drum split ring retainer; modify balance drum removal holes; modify all stationary wear components and machine a stepped rotor shaft for each impeller w/spit rings	15 Points	15	7	*
<b>SCHEDULE</b> Notifications, reports, timeline (1 week after aware, 2weeks or less for inspection, 6 week or less for completed repairs)	10 Points	8	8	*
<b>REFERENCES</b> 1. 3 references to include at least 3 operating facilities where similar services were successfully performed	10 Points	10	9	*
<b>TOTAL</b>		97	79	*

\* Non-responsive, did not provide information necessary for evaluation

As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded or as directed by the Texas Attorney General's Office. Therefore, pricing for the proposals have been omitted from this matrix.

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: AMERICAN FACILITY SERVICES**

**AGENDA DATE: 1/12/2012**

**SUBJECT:** Authorize award and execution of Amendment No. 11 to the contract with AMERICAN FACILITY SERVICES, Alpharetta, GA for janitorial services for Austin Energy, to increase the contract in an amount not to exceed \$25,000, for a total estimated contract amount not to exceed \$529,008

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.

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

**PURCHASING:** Contract Amendment

**PRIOR COUNCIL ACTION:** 1/31/2008 – Approved 12-month contract with three 12-month options.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on 12/19/2011.

**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.

**FOR MORE INFORMATION CONTACT:** Karen Williams, Senior Buyer 322-6467

---

This contract amendment will provide additional funding for a janitorial services contract for additional Austin Energy facilities including Decker Creek Power Station, Paul Robbins District Cooling Plant No. 1, District Cooling Plant No. 2, Domain Plant, Holly Laboratory and Sand Hill Energy Center. This janitorial services contract is required to provide a clean and safe environment for City employees and the public. Services provided under this contract are divided into daily, weekly, bi-weekly, monthly, and quarterly tasks that vary by location.

This contract was competitively bid and awarded in 2008 for a 24-month base period and three 12-month extension options. This increase is needed to cover costs for janitorial services at additional Austin Energy sites until a new contract can be bid and awarded.

Contract Summary

Action	Description	Amount
Original Contract awarded 02-19-2008 – 2/18/2010	Original 24-month contract	\$ 211,840
Amendment No.1	Administrative Increase; Added location	\$ 7,600
Amendment No.2	Vendor Name Change	\$ -0-
Amendment No. 3	Administrative Increase; Added locations	\$ 21,000
Amendment No. 4	Administrative Increase; Added locations	\$ 7,353
Amendment No. 5	Administrative Increase; Added location	\$ 3,000
Amendment No. 6	Administrative Increase; Added location	\$ 2,400
Amendment No. 7	Exercise first 12-month extension option	\$ 140,020
Amendment No. 8	Administrative Increase; Added locations	\$ 4,875
Amendment No. 9	Exercise second 12-month extension option	\$ 105,920
Amendment No. 10	Contract restatement to update complete location List	\$ 0
Proposed Amendment No. 11	Increase current contract term by \$25,000	\$ 25,000
Total Revised Contract Amount		\$ 529,008

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: TRUGREEN LANDCARE**

**AGENDA DATE: 1/26/2012**

**SUBJECT:** Authorize award and execution of a 12-month requirements service contract with TRUGREEN LANDCARE, Austin, TX or one of the other qualified bidders for IFB-BV No. KDW0065, to provide landscaping services for Austin Energy in an estimated amount not to exceed \$51,380 with three 12-month extension options in an estimated amount not to exceed \$51,380 per extension option, for a total estimated contract amount not to exceed \$205,520.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$34,253 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining four months of the original contract period and extension options is contingent upon available funding in future budgets.

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

**PURCHASING:** Best-value bid of seven bids received.

**BOARD AND COMMISSION ACTION:** To be reviewed by Electric Utility Commission on 12/19/2011.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-C 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:** Karen Williams, Senior Buyer 322-6467

---

This contract will provide grounds maintenance, mowing, landscaping and sprinkler maintenance and repair services at the following Austin Energy locations: Town Lake Center (TLC), Energy Control Center (ECC), Kramer Lane Service Center Buildings C, D & E, and St. Elmo Service Center. The contract requirements provide a consistent standard for landscaping, ground maintenance and irrigation services to ensure landscape and lawn care management. The Contractor will be responsible for providing and maintaining all equipment necessary for proper maintenance at each location.

The City intends to reduce emissions by promoting the use of cleaner-burning, reduced-emissions powered equipment on contracts for these types of services. The Austin Climate Protection Program staff have provided guidelines for emissions reduction, which were included in this project. These guidelines include the use of alternative fuels rather than gasoline in the large engine lawn equipment used. The City promotes the use of this equipment and other sustainable practices such as green gardening and the use of native plants by evaluating the bids based on a “Best Value” analysis. These “Best Value” solicitations are evaluated on cost, equipment, experience, certifications, and company practices where bidders are awarded additional points for providing more innovative, effective, and sustainable products and services.

In accordance with the City’s intent to reduce emissions by promoting the use of cleaner-burning, reduced emission powered equipment, all of the services on this contract will be performed using biodiesel powered equipment.

This request allows for the execution of a contract with the bidder who provides the best value to the City, that Council selects. If this bidder does not execute a contract with the City, staff will return to Council so that Council may select another best-value bidder and authorize a contract with this bidder.

MBE/WBE solicited: 25/11

MBE/WBE bid: 2/0

<b>IFB (BEST VALUE) NO. KDW0065</b>	
<b>LANDSCAPING SERVICES AT VARIOUS AE LOCATIONS</b>	
<b><u>VENDOR</u></b>	<b><u>TOTAL PRICE</u></b>
Truegreen Landcare	
Austin, TX.....	<b>\$51,380.00</b>
Greater Texas Landscapes, Inc.	
Austin, TX.....	\$67,114.00
Pampered Lawns	
Austin, TX.....	\$71,260.00
Maldonado Nursery & Landscaping, Inc. (MBE)	
San Antonio, TX.....	\$82,247.00
Red & White Greenery, Inc.	
Georgetown, TX .....	\$83,586.74
Biogardener	
Austin, TX.....	\$104,450.00
Rosewood Brothers Landscape & Construction (MBE)	
Austin, TX.....	\$131,580.00

An invitation for bid best value bid process was used for this solicitation. An Austin Energy team evaluated the bids on cost, proposed equipment and experience. 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. One Thousand Fifty-Four notices were sent, including twenty-five MBEs and eleven WBEs.  
Seven bids were received including two MBEs.
- c. The pricing offered represents a 1.82% decrease from the last contract award made in 2006.

**APPROVAL JUSTIFICATION**

- a. Best evaluated bid. Truegreen Landcare is not the current provider of this service at these locations.
- b. The Purchasing Office concurs with Austin Energy’s recommended award.
- c. Advertised on the Internet.



# **Strategy to Reach 800 Megawatts of Peak Demand Savings by 2020**

**Austin Energy's Response to Austin City  
Council Resolution No. 20111006-060**

**December 6, 2011**

**Contact:**

Karl R. Rábago  
Vice President, Distributed Energy Services  
karl.rabago@austinenergy.com  
512.322.6098

## Energy Efficiency & Green Building Programs Overview

Austin Energy's Energy Efficiency Services and Green Building groups provide Residential and Commercial energy management and green building products and services to Austin Energy customers. Program and product offerings include technical assistance, energy audits, recommendations on the most cost-effective measures, and financial incentives for installation of qualifying equipment. Green Building also provides plan-review and technical assistance services to building industry professionals seeking to have their projects evaluated for energy and resource efficiency or sustainability.

Austin Energy's "Power Saver" and Green Building programs drive market transformation to maximize energy resources by lowering electric consumption and bills while increasing customer comfort and satisfaction. Greater efficiency lowers costs to Austin Energy and all of its customers, while also reducing power plant emissions and promoting economic development in the Austin area. Resulting capital purchases by Austin Energy and customers provide economic benefits through increased employment in the local energy efficiency industry. Gains in disposable income from these investments and from customer savings creates additional funds available for spending in the local economy.

The diverse mixture of Residential Efficiency, Commercial Energy Management, and Green Building programs offered by Austin Energy has achieved substantial reductions in peak electric demand, and all-time record reductions in both energy usage, and power plant emissions. Austin Energy is currently assessing performance for FY 2010-11. From October 2009 through September 2010, Austin Energy achieved the following impacts through its energy efficiency and green building programs:

### Demand and Energy Reduction:

- 41.2 Megawatts of Additional Required Power-Plant Peak Capacity  
(approximately 1.5% of the Austin Energy peak of 2,628 for FY 2010)
- 89,000 Megawatt-hours of Energy Savings  
(approximately .75% of Austin Energy sales of 12,000 GWh in FY 2010)

### Annual Power-Plant Emissions' Reductions (metric tonnes):

- |                           |        |
|---------------------------|--------|
| ▪ Carbon Dioxide:         | 53,400 |
| ▪ Nitrogen Oxides:        | 37.2   |
| ▪ Sulfur Dioxide:         | 33.7   |
| ▪ Carbon Monoxide:        | 25.9   |
| ▪ Suspended Particulates: | 4.57   |
| ▪ NMOC (VOC):             | 1.28   |



Detailed information on Energy Efficiency and Green Buildings programs is published annually in the Demand Side Management (“DSM”) Performance Measures Report. Performance measures reported include:

- Annual customer participation
- Annual peak demand reduction (MW)
- Annual energy savings (MWH)
- Avoided costs (\$/kW saved)
- Benefit-cost analysis
- Emissions reductions

### **Overarching Principles:**

- Energy efficiency will be the first priority in meeting new load growth, per Council Resolution No. 990913-05 and others dating back to 1994.
- Increase the energy efficiency goal from 800 MW to 1,000 MW, if viable and cost-effective, per Council-approved Austin Energy Resource and Climate Protection Plan to 2020.
- Study the capability of increasing the maximum investment in energy efficiency that Austin Energy is willing to make and increase or eliminate the cap on Austin Energy investment in individual customer improvements that both reduce peak and total demand for energy, per Council-approved Austin Energy Resource and Climate Protection Plan to 2020.

### **Overall Strategy to Reach 800 MW by 2020**

Austin Energy’s strategy to reach 800 MW of peak demand savings by 2020 involves an accelerated target mix of energy efficiency products and services including demand response program initiatives to residential and commercial electric customers. These initiatives will be complemented by a new and innovative rate structure that will promote greater conservation and energy efficiency while improving long-term revenue stability. Adoption of the new rate structure is one key to incentivizing and accomplishing the 800 MW goal.

Tools for obtaining energy savings represent a full continuum of approaches from education and suasion, to cash incentives for customers and/or contractors, to requirements in the energy code. Austin Energy acts to harvest energy efficiency opportunities largely in response to pervasive market failures (that is, customers not making cost-effective investments in energy efficiency due to excessive expectations of program return, lack of information about technology performance, lack of understanding about the value of savings, disconnects between consumption behavior and billing information, and others) that result in otherwise rational customers and market participants not making fully private investments in energy efficiency opportunities. To ensure responsible use of customer funds, Austin Energy views energy efficiency like a resource, to be developed in preference to other resources when more cost-effective and advantageous to the customers and community. As product markets mature to become more self-sustaining (for example, in the purchase and use of compact fluorescent light bulbs among many customer groups), Austin Energy program managers shift funds and

resources to cost-effective options with less market penetration (for example, in the use of LED lighting). In each case, Austin Energy shifts program emphasis between energy efficiency measures and customer classifications to maximize both near- and long-term benefits of programs.

At the overall program level, Austin Energy's portfolio of energy efficiency services are tested for their ability to deliver reliable energy savings benefits at or below the cost of the next-best electric service resource—a combined-cycle natural gas-fired generation plant. As set out below, over the past several years Austin Energy's programs have beat this benchmark by between 35% and 65%. In fact, the average residential electric bill in Austin is about 15% lower than the average Texas residential bill, including in the "competitive" or "deregulated" markets, due to decades of operation of Austin Energy's energy efficient programs. Austin Energy rigorously tests and annually reports the cost-effectiveness of products and services offered against standard industry cost-effectiveness tests as well, to ensure cost-effectiveness for customers, the utility, and society at large.

Table 1: Energy Efficiency &amp; Green Building Megawatt Savings Forecast as of Dec. 2, 2010

Program Savings (MW)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2007-20	2011-20
	<b>Actual</b>				<b>Forecast</b>											
Comm Rebates	15.6	12.8	11.8	10.0	11.9	11.5	12.0	12.0	12.5	12.5	12.5	12.5	12.5	12.5	172.6	122.5
Comm Thermostats	1.7	1.4	0.6	0.6	0.1	0.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	13.1	8.7
Comm Peak Load Mgmt	3.6	1.3	3.1	2.0	4.1	2.0	3.0	2.5	1.5	-	-	-	-	-	23.0	13.1
Municipal Conservation	-	0.1	0.3	0.4	0.8	1.1	1.2	1.2	1.2	1.2	0.5	0.5	0.5	0.5	9.4	8.7
Small Business	1.3	1.8	1.2	1.9	1.5	2.5	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	33.2	26.9
Thermal Storage Lg Primary	1.5	1.6	2.0	-	<i>Combined with Thermal Storage Gen Svc, below</i>											5.1
Thermal Storage Gen Svc	0.5	0.5	0.7	0.0	1.1	2.5	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	26.7	25.0
Vending Miser	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	0.2	-
Res Appliance New	-	-	-	-	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	6.1	6.1
Res Appliance Existing	2.3	4.2	3.4	4.9	4.6	1.4	2.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	32.3	17.6
Home Performance	5.0	5.0	7.4	5.3	4.2	5.5	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5	82.0	59.2
Free Weatherization	0.6	0.5	0.5	0.4	1.0	1.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	9.3	7.3
HP w/ES Loans	0.4	0.4	0.3	0.2	1.2	0.5	1.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	10.4	9.0
Multi Family	5.1	4.6	3.1	4.5	4.0	3.0	3.7	4.3	4.4	4.4	4.4	4.4	4.4	4.4	58.8	41.5
Res Water Heater	1.5	0.8	1.1	1.3	0.6	2.9	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2	33.6	28.9
Res Thermostats	10.2	9.8	3.6	2.3	0.9	3.3	2.0	1.5	1.0	0.5	0.5	0.5	0.5	0.5	37.1	11.2
GB Commercial	1.5	4.8	4.8	1.6	2.6	2.4	1.4	1.8	1.9	1.9	1.9	2.1	2.2	2.2	33.1	20.4
GB Comm Code	3.2	5.2	3.1	1.4	2.4	3.0	4.0	6.0	7.0	8.3	9.4	9.6	9.8	10.1	82.5	69.6
GB Residential	0.8	0.9	0.6	0.6	0.4	0.4	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8	8.8	6.0
GB Res Code	6.9	4.9	2.9	3.2	4.7	5.3	6.9	7.0	7.2	8.5	8.7	8.9	9.1	9.2	93.3	75.5
GB Multi Family	0.8	1.3	1.0	0.5	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	6.3	2.8
GB Multi Family Code	2.7	2.2	1.0	0.1	1.0	1.2	1.4	1.6	1.6	2.0	2.0	2.0	2.0	2.0	22.9	16.8
<b>Total</b>	<b>65.4</b>	<b>64.1</b>	<b>52.4</b>	<b>41.2</b>	<b>48.0</b>	<b>50.8</b>	<b>56.5</b>	<b>57.8</b>	<b>58.3</b>	<b>59.4</b>	<b>60.2</b>	<b>61.4</b>	<b>61.9</b>	<b>62.4</b>	<b>800.0</b>	<b>576.8</b>

(May not total due to rounding. Comm = Commercial, Res = Residential, HP w/ES = Home Performance with Energy Star, GB = Green Building)

Sub-Totals by Type	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2007-20	2011-20
Commercial	24.3	19.7	19.6	14.9	19.5	20.2	22.7	22.2	21.7	20.2	19.6	19.6	19.6	19.6	283.3	204.9
Residential	25.2	25.3	19.5	18.9	17.3	18.1	19.4	18.4	18.1	17.6	17.6	18.1	18.1	18.1	269.6	180.8
Green Builder	15.9	19.2	13.4	7.5	11.2	12.5	14.4	17.2	18.5	21.7	23.0	23.8	24.2	24.7	247.1	191.2
Direct Load Control	19.0	15.5	11.0	6.2	6.9	11.3	11.8	10.8	9.4	7.4	7.4	7.4	7.4	7.4	138.5	86.9
Cycling	15.5	12.5	7.3	4.9	5.2	5.9	6.0	5.0	3.5	1.5	1.5	1.5	1.5	1.5	73.2	33.0
Energy Eff Services	49.5	45.0	39.0	33.8	36.8	38.3	42.1	40.6	39.8	37.8	37.2	37.7	37.7	37.7	552.9	385.7

(Does not total: These are overlapping program groupings to illustrate areas of emphasis. E.g., Residential programs include some Load Control and Cycling, as well as other types of measures.)

Table 2: Financial Incentives and Total Expenses for Energy Efficiency Products (2006-2010)

	Financial Incentives (\$/kW)					Total Allocated Expenses (\$/kW)				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
<b>Residential Efficiency</b>										
Appliance Efficiency Program	447	403	460	535	570	543	536	526	575	600
Home Performance ES - Rebate	411	410	460	535	586	482	515	526	671	755
Home Performance ES - Loan	475	598	609	665	438	580	730	675	1,026	1,065
Free Weatherization	1,165	824	1,579	1,472	1,221	1362	1,057	1,645	1,940	1,845
Multi-Family Program	349	234	336	532	485	399	290	402	603	529
Clothes Washer Rebate	400	400	1,242	1,139	1,100	443	453	1,308	1,471	1,339
Duct Leaks Sealing/Diag. (S.Fam)	598	922				658	1,008			
Refrigerator Recycling	750	537	426	719	772	809	602	492	836	854
Power Partner	267	324	256	681	713	286	347	322	731	906
Cycle Saver	234	299	274	500	239	256	325	340	577	379
Compact Fluorescent Lighting	220	207	102	194		259	247	169	207	
Subtotal (Weighted Average)	367	349	362	556	571	417	404	428	645	693
<b>Comm. Energy Management</b>										
Commercial Rebate (no ILA-03)	188	244	236	240	285	258	287	302	273	331
Small Business	234	174	365	207	498	265	210	431	281	548
Municipal	473	NA	1,675	1,756	31	1823	NA	1,741	2,418	528
Power Partner (Comm & Muni)	273	561	215	482	343	275	636	281	635	583
Load Coop			4	2	5			70	20	32
Engineering Support	3	15	0	0	0	15	25	66	16	4,964
Commercial Smart Vendor	980	-	1,311	288	75	1886	319	1,377	1,346	1,193
Subtotal (Weighted Average)	221	218	219	196	271	403	264	285	241	340
<b>Green Building</b>										
Subtotal	193	0	0	0	0.0	48	58	65	68	179
<b>Total DSM Programs</b>		<b>216</b>	<b>210</b>	<b>280</b>	<b>359</b>	<b>319</b>	<b>268</b>	<b>276</b>	<b>347</b>	<b>472</b>

Source: DSM Performance Measures Report, 2010

Each year, annual program participation and savings levels are evaluated to create short term and longer term forecasts of both energy and peak demand savings. Budgets for Energy Efficiency Services and Green Buildings groups, and the Conservation Rebates Incentive Fund (CRIF)—the primary budget components related to energy efficiency programs—have over the past years resulted in an average of about 45 MW of cost-effective savings per year. At the same time, costs per MW saved have increased as Austin Energy pursues progressively harder-to-reach savings opportunities, so savings per year have generally declined. To reach the current 2020 goal of 800 MW, Austin Energy estimates that funding for energy efficiency rebates and incentives, hardware purchases and other non-personnel and contracting costs need to be increased by about 5-8% each year through 2020. This preliminary estimate will be refined with results of the energy efficiency potential study discussed below. In addition, staffing and contracting resources need to also be increased. These requirements may be reduced through improvements in energy efficiency technologies, marketing and education, adoption of more aggressive building energy codes, and higher demand for energy efficiency products and services. The Zero-Energy Capable Homes (ZECH) energy code changes planned for 2015, for example, could have the effect of accelerating market penetration of energy efficiency measures in an economic climate that

involves strong new housing activity, but would concomitantly reduce savings available to traditional incentive-based programs.

Table 3: Budgets for Energy Efficiency Services, Green Building, and Incentives (CRIF) Fund, 2008-12

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Energy Efficiency Services O&M	\$ 8,204,177	\$ 8,988,852	\$ 8,104,278	\$ 8,772,424	\$ 11,315,526
Green Building O&M	\$ 1,642,472	\$ 1,796,083	\$ 1,799,281	\$ 2,084,175	\$ 2,196,039
Conservation Rebates & Incentives Fund (CRIF)	\$ 16,400,000	\$ 17,692,992	\$ 16,421,474	\$ 18,553,346	\$ 15,441,458
<b>TOTAL</b>	<b>\$ 26,246,649</b>	<b>\$ 28,477,927</b>	<b>\$ 26,325,033</b>	<b>\$ 29,409,945</b>	<b>\$ 28,953,023</b>
 Change Year over Year		<b>\$ 2,231,278</b>	<b>\$ (2,152,894)</b>	<b>\$ 3,084,912</b>	<b>\$ (456,922)</b>

Austin Energy has found that traditional rebates and incentives aimed at existing building stocks are vital to success. These products require larger budgets and staffing support per MW saved than code-based measures. Changes to Austin Energy's rate structure will enhance incentives for participation in these traditional programs. To further ensure a robust menu of product and service offerings throughout the balance of the decade, Austin Energy is both preparing for new Code changes and redesigning two signature efficiency products, the "Home Performance with Energy Star" and the "Multi Family Efficiency Rebate" products. Austin Energy's strategy in pursuing and earning the \$10 million federal grant under the Department of Energy's "BetterBuildings" program was to obtain external funds to support these product development efforts.

Leveraging federal and state funds has been a key component of Austin Energy's efforts to maintain and enhance energy efficiency programs. In addition to the \$10 million BetterBuildings grant, Austin Energy secured additional federal funds to support low income weatherization (\$8.3 million), municipal government energy efficiency projects (\$7.5 million), Solar for Schools demonstration and education projects (\$650,000), electric vehicle infrastructure, planning and demonstration (approximately \$1 million), and Carver Museum Solar (\$363,000). Austin Energy has also taken advantage of opportunities to leverage \$10 million in state funds made available through the LoanStar program for low-interest loans for performance contracting projects.

Austin Energy also pursues a strategy of diversity in product and service offerings in order to maximize opportunities for program success in volatile economic and technical environments. This strategy enables program managers to shift resources to the most cost-effective and successful opportunities over the course of a single year and between multiple years, and between and among customer classifications.

The energy efficiency potential study currently underway will provide much-needed analytical support for fine-tuning program strategies over the coming years. At this time, a few trends and needs are discernible. First, consistent funding and policy are critical to developing and deploying products and services that often take more than one or two years to reach peak effectiveness. Second, Austin Energy's programs must be increasingly automated and streamlined through application of information technologies. Austin Energy's Distributed Energy Services group budgeted \$2.3 million for this purpose in FY2011-12. Third, Austin Energy plans to leverage the power and opportunity of smart grid technologies—information technology and automation on or near the customer's premises. Fourth, Austin Energy plans to increasingly rely upon products based on demand response, direct load control, and thermal storage in order to achieve its overall goal. These products will enable Austin Energy and/or its customers to respond to market price signals to reduce peak demand, support grid reliability, or take advantage of favorable market conditions for purchase or sale of power. Finally, Austin Energy's energy efficiency products and services will become more complex and integrated, addressing the whole building and its energy use, both as a consequence of a shift toward performance-based standards in the ZECH code design, as explained above, and as a means for harvesting the maximum savings potential from each program/customer interaction.

### **Status of Energy Efficiency Potential Study**

Austin Energy has entered into contracts with three nationally recognized demand side management (DSM) consulting firms: KEMA, Inc., GDS Associates, Inc., and ICF International. The service contracts with these consultants will provide expertise in DSM technical analyses and evaluations of specific energy efficiency project initiatives to assist the utility in achieving the goals initiated in the Austin Energy Resource and Climate Protection Plan to 2020.

One of these DSM service contracts entails conducting an energy efficiency potential study to determine the technical, economic, and achievable program potential in Austin. Understanding the achievable market potential for energy efficiency will provide the foundation for Austin Energy to tackle the critical tasks in developing an integrated roadmap for implementation of a comprehensive, cost-effective energy efficiency program. The results of this study will be used by Austin Energy to identify where the greatest potential energy and demand savings remain and which technologies offer the most cost-effective opportunities for energy efficiency and demand savings. Based on the findings of the potential study, Austin Energy can determine if the current goal of 800 MW of demand savings by 2020 can be increased to 1,000 MW.

A "Scope of Work for Energy Efficiency Potential Study" was issued to the three DSM consulting firms. Proposals for this work were submitted in December 2011, and one firm will be selected to complete the potential study. Austin Energy estimates that the potential study will take 4 – 6 months to complete. Other energy efficiency projects currently underway as part of the DSM consulting services contracts, and in many ways related to the potential study, include the following:

- Power Factor Automation Tool
- Demand Response Solutions for Commercial and Industrial Sector
- Cost-effective Measures for Multi-family Properties

- Evaluation of American Reinvestment Recovery Act (ARRA) Low-income Weatherization Program
- Evaluation of Home Performance with Energy Star
- Demand Response for Residential Customers

### **Status of Reviewing the Limit of Funding Energy Efficiency Projects**

Austin Energy regularly reviews incentives offered for energy efficiency to make any necessary adjustments as appropriate to encourage customer participation, greater energy and demand savings, while ensuring fiscal responsibility. Austin Energy conducts an end-of-year performance assessment of its energy efficiency programs to determine the cost-effectiveness of the utility's annual investment in energy efficiency.

### **Austin Energy BetterBuildings Program**

The federal Department of Energy's "BetterBuildings" program funding to Austin Energy is intended to drive comprehensive energy efficiency retrofits for at least 4,400 homes and businesses by the end of 2013, through the development and deployment of new and improved energy efficiency products. The first major effort under the grant was to obtain a real world assessment of program capacity through a high volume market "blitz" called the "Best Offer Ever." The program served 568 additional customers in the fourth quarter of 2010, and gained benchmark data to drive the rest of the program effort.

The current objective is a fundamental transformation of Austin Energy's signature "Home Performance with Energy Star" and Multi-Family retrofit products to incorporate performance standards, greater persistence of savings, and more efficient product delivery. Austin Energy's BetterBuildings initiative will develop and strengthen the energy efficiency workforce, streamline and improve inspection processes, improve assessment and performance quantification and documentation, and develop marketing and communication platforms for greater product uptake. A major effort of the initiative is the development of new financial products to enable customers to start paying for energy efficiency improvements from the electric bill savings generated by the improvements. These products will include a revolving loan fund and measures to encourage third-party lending, such as loan-loss reserves and performance guarantees. Austin Energy envisions these products establishing a foundation for Austin Energy-managed loan and lease programs in the future.

### **Rate Restructuring is Essential to Energy Efficiency Success**

Austin Energy's proposed rate restructuring is a fundamental component of its overall strategy for achieving the 800 MW goal. As we have discussed with the Council in the past, energy efficiency successes can create financial risks and instability in utility revenues. The proposed rate restructuring will enhance financial incentives for energy efficiency while stabilizing utility revenues. Several components of the proposed rates contribute to enhanced incentives for energy efficiency:

- **Tiered Rate Structure:** Austin Energy is proposing rate tiers in residential rates to provide a price signal that supports investments in energy efficiency and peak reduction. With tiered rates, the marginal price of electricity increases with higher volume of use—those very customers with the greatest potential for delivering significant usage reductions. At higher levels of monthly usage, customers will see increasing value from energy efficiency improvements that reduce consumption. Because high volume customers impose greater demand and costs on the system than low volume users, the proposed 5 – tier rate structure provides incentives for high usage customers to invest in energy efficiency. Under Austin Energy’s proposed 5-tier residential rate structure, any customer with monthly usage above 1,250 kWh will have higher marginal incentives for energy efficiency. Customers with monthly usage below 1,250 will continue to see financial incentives to reduce bills.
- **Summer Rate Structure:** Today, Austin Energy’s rates are structured with a six-month summer period and a six-month non-summer rate period. Austin Energy is proposing shifting to a four-month summer rate and an eight-month non-summer rate. While the total bill for a customer—based on typical usage—will not be affected by the shortened summer billing period, customers will see a higher marginal price in the summer months, consistent with the period for which peak reduction is most valuable.
- **Expanded Commercial Demand Charges:** Demand charges are an efficient pricing approach that charges customer for peak monthly usage (“demand”). Today, commercial customers with monthly demand above 20 kW are billed according to demand rates. Austin Energy is proposing to expand demand rates to all commercial customers. While total revenues from commercial customers will not change, all commercial customers will have a clear financial incentive to reduce monthly peak demand.

Austin Energy anticipates that these changes to the rate structure will stimulate additional energy efficiency throughout the community. If Austin Energy exceeds the target for planned savings, there is a risk that fixed-cost components of revenues associated with volumetric (usage-based) charges will be under-collected. For many utilities, this risk results in reduced utility incentive for energy efficiency program success. Today, about 57% of Austin Energy’s total costs are fixed, but only 22% of these costs are collected in fixed charges. Austin Energy proposes to reduce the allocation of fixed costs to volumetric charges in order to better align utility and customer incentives to save energy. For a utility like Austin Energy that is aggressive about capturing energy efficiency resource benefits, properly allocating fixed costs to fixed charges is an important element of financial stability.

As part of the proposal to unbundle rates, Austin Energy will separate out the costs of Energy Efficiency Services, the Green Buildings Group and the Conservation Rebates Incentive Fund (“CRIF”) from the utility’s overall cost of service. These costs will be included as a component of a stand-alone group of charges to be known as the Community Benefit Charges. Showing these costs separately as a line item on the customer bill satisfies a key recommendation of the Electric Utility Commission to improve the transparency of these costs.

The charge is proposed as a fixed recovery fee and will be collected on a \$ per kWh basis. Funds collected will support the direct operations and maintenance budgets for the Energy Efficiency Services and Green Building groups, as well as the CRIF budget as approved in the 2009



budget—in total, about \$28 million. An annual reconciliation process will determine any required fee changes, which will be requested through the City's annual budget process and on an as-needed basis.

Complementing the rate design initiatives, Austin Energy will emphasize education among customers and service providers, as well as wider deployment of energy management, consumption monitoring, and other "smart grid" capabilities. Austin Energy's role in the Pecan Street project initiatives is aimed squarely at gaining a useful understanding of this potential.

### **Auction Systems for Large Commercial Energy Efficiency Projects**

As described above, Austin Energy has launched a study of energy efficiency potential in the Austin area. One innovative method for enhancing cost-effective energy efficiency is an auction based system that offers more opportunity to deliver greater energy savings for large electric use customers. Auction based systems are designed for commercial and industrial projects that do not fit cleanly within the standard prescriptive menu of rebates and incentive programs. Efficiency auctions are designed to fill this gap, allowing customers to participate in a competitive bid process where they can propose to save a specific amount of energy in exchange for a specific utility incentive. Customers can propose efficiency projects for existing or new facilities.

The auction based program encourages customers to take a performance-based systems approach to energy efficiency through improvements such as more accurate process controls, better integration of process equipment, better use of plant utilities, and greater use of energy recovery opportunities. Increasing the maximum investment per kW or kWh of savings for customer related improvements can also include increasing or eliminating the cap for Austin Energy investment so long as such investment is financially sound and not unduly risky. Efficiency auctions are designed to encourage vendors and customers to go beyond prescriptive upgrades and seek savings from a broader range of technologies.

Two electric utilities that have auction based efficiency programs are Mid American Energy in Iowa and San Diego Gas & Electric. Mid American issues requests for proposals twice a year. Eligible projects must produce electric energy savings of at least 200MWh; savings must be achieved through an increase in energy efficiency (behavior change initiatives and reduced plug loads are not eligible). Energy efficiency improvements must have a useful life of 10 years. A total of 57 Mid American customers were eligible to participate in the 2004-05 efficiency bid program.

San Diego Gas & Electric established their auction/bid program in 2004 and targets electric projects that will result in electricity savings of at least 500,000 kWh and natural gas savings of 25,000 therms annually. All commercial customers are required to benchmark their facility in order to participate in the program. Participants can aggregate projects/facilities. New construction projects, cogeneration, and fuel-switching projects are not eligible. Other auction-based energy efficiency big programs reviewed include:

- Missouri State Energy Office
- WPPI Energy – Wisconsin

- Xcel Energy – Minnesota

Once the research into how other utilities are conducting auction systems is complete, the next steps are to develop a framework from which Austin Energy auction based system could be established; to seek internal and external stakeholder input; and to develop a process for implementation including testing out the auction system.

### Energy Conservation and Disclosure (ECAD) Ordinance

Energy Conservation Code 6-7 created by the ECAD Ordinance and in effect since June 2009, was enacted to increase energy efficiency in all building segments: single-family; multifamily; and commercial. The first two years focused on the single-family segment. Sellers of “older” (10+ years old) homes who have not improved the energy efficiency of the home in the last ten years were required to conduct an energy audit and disclose results to the potential buyer. The audit includes recommendations from the energy auditor for making cost effective retrofits (supported by rebates through Austin Energy’s Energy Efficiency Services) to the owner or future owner of the property. The ordinance required all “older” inefficient multi-family properties to conduct an energy audit and all “older” commercial properties to rate the energy usage in the building. Findings were to be submitted to Austin Energy by June 1, 2011. However, implementation of the law required an amendment before the June 1, 2011 deadline in order to clarify and improve compliance obligations. With these changes, the ECAD Ordinance has a better potential to positively impact the market for energy efficiency through simple disclosure.

The research conducted for the Energy Efficiency Upgrade Taskforce suggests that there is a significant potential for Austin to reduce peak demand through retrofitting existing buildings in the Austin area. The following table addresses the efficacy of the law or potential savings using EEU Taskforce Projections.

Table 4: Energy Efficiency Retrofits Attributable to ECAD Ordinance

Dates	Home Sales	*Exempt from Ordinance	**Not Exempt from Ordinance	Houses performing retrofits within 1 year prior to sale or within 1 year after sale	% of Total Home Sales
Jun 1st, 2009 to Sep 30th, 2009	4,383	1,729	2,654	247	5.60%
Oct 1st, 2009 to Sep 30th, 2010	9,584	3,492	6,092	566	5.90%
Oct 1st, 2010 to Sep 30th, 2011	6,634	1,887	4,747	373	5.60%
Total	20,601	7,108	13,493	1186	5.80%

Homes shown as “exempt” in the table above are due to building age and energy efficiency upgrades. It is difficult, if not impossible, to accurately account for title transfers due to other legal exemptions such as divorces, gifts, pre-foreclosures, probate, or foreclosure. Real-estate market indicators project that 5% of the sales are due to foreclosure. The table above only identifies what is quantifiable in our data. Prior projections of 12% upgrades included estimates

of participation of non-exempt home sales. In the same timeframe, Austin Energy received 8,871 energy audits. While some have sold, others have not, and may be taken off the market or not even been offered for sale.

## **Conclusion**

Austin Energy has positioned itself well to complete construction of its second "Negawatt" conservation power plant representing 800 MW of avoided electricity demand by 2020. Success in meeting this goal means hundreds of millions of dollars in avoided power plant and fuel costs, significant environmental benefits in reduced emissions and other impacts, and more energy services and jobs in the local economy. Austin Energy will achieve its 2020 goal using many of the same strategies that have driven the nationally-recognized success already achieved: a wide and evolving portfolio of products and services; rigorous analysis and evaluation, and accountability to achieve clear performance objectives; systems thinking and approaches; an underlying localization strategy that maximizes local benefits and opportunities; and leverage of supplemental funds, both private and public.

Success, however, is not guaranteed. The firm foundation of a comprehensive assessment of technical, economic, and realizable potential for energy efficiency savings is necessary. Austin Energy must master the challenges and opportunities of a rapidly evolving technological and market landscape characterized by a smart grid, smart buildings, and smart personal transportation. Success will require increased and consistent resource support for personnel, incentive funds, technology deployment, contractors, marketing, training, and education. It will be vital that Austin Energy maintain and strengthen the flexible, integrated approach it has used successfully to date--connecting energy efficiency goals to fundamental business and financial goals, leveraging the power of well-designed rates for electric service, accounting for and leveraging the impacts and opportunities presented by codes and ordinances, and partnering with local and regional business communities.

Simply put, Austin Energy is committed and positioned to meet the goal of reducing projected electric energy demand by 800 MW by 2020. Success in this goal is core to Austin Energy's mission of providing clean, affordable, and reliable electric service and excellent customer service.



## Electric Utility Commission Revised 2012 Meeting Schedule

The Electric Utility Commission meets monthly on the third Monday of the month, unless otherwise determined by the Commission. If the regular meeting day falls on a holiday, the meeting will be held on the following Monday. Meetings are held at 6:00 p.m. in the Shudde Fath Conference Room at Town Lake Center, 721 Barton Springs Road.

MEETING DATES	CANCELLED DATES
January 23, 2012	1/16/2012*
February 27, 2012	2/20/2012**
March 19, 2012	
April 16, 2012	
May 21, 2012	
June 18, 2012	
July 16, 2012	
August 20, 2012	
September 17, 2012	
October 15, 2012	
November 19, 2012***	
December 17, 2012	

\* Martin Luther King, Jr. Day Holiday

\*\* Presidents Day Holiday

\*\*\* On 11/14/2011, Commissioners voted to hold the November 2012 meeting one week early on 11/12/2012, which is a City holiday in observance of Veteran's Day

**UPCOMING PROCUREMENTS BY AUSTIN ENERGY - Purchasing Department Report • Electric Utility Commission • December 19, 2011**

	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION
1	Heavy Equipment Lease	\$450,000/yr	Electric Service Delivery/Finance	January	Master Agreement for the lease of heavy equipment such as aerial devices, digger derricks, service bodies and cranes
2	Substation Construction Services	\$1M/yr	Electric Service Delivery	January	Master Agreement for services including installation and performance of routine/emergency electric substation and distribution services on an as needed basis.
3	Field testers/Analyzers	\$200,000	Electric Service Delivery	January	Purchase of 4 field testers/analyzers for electric meters.
4	Distribution Utility Line Clearance	\$16,000,000/yr	Electric Service Delivery	January	Contract for energized distribution line clearance for routine and emergency work.
5	Transmission Utility Line Clearance	\$2,000,000/yr	Electric Service Delivery	January	Contract for energized transmission line clearance for routine and emergency work.
6	Consulting for Electric Vehicle Infrastructure plan	\$305,000	Distributed Energy Services	January	Consultants to provide services for the Electric Vehicle Infrastructure plan (utilizing DOE grant funds).
7	Isolation Power Transformers	\$600,000	Electric Service Delivery	February	Purchase of two isolation power transformers to service the Dell Children's Medical Center.
8	Transformer reburbishment	\$345,000/yr	Electric Service Delivery/Finance	February	Refurbishment services primarily for network and 3-phase transformers, and for single phase poles and pads for inventory stock at Kramer and St Elmo warehouses.
9	3-phase Power Transformers	\$9M/yr	Electric Service Delivery	February	Five year supply contract for 3-phase power transformers.
10	Pre-cast concrete manholes	\$250,000/yr	Electric Service Delivery	February	Five year supply contract for pre-cast concrete manholes.
11	Switchgear	\$5M/yr	Electric Service Delivery	March	Five year supply contract for switchgear.
12	Potential transformers	\$200,000	Electric Service Delivery	March	One time purchase of Potential Transformers for existing substations and the Dunlap substation.
13	Janitorial Services	\$460,000/yr	CTECC/ AE Facilities	March	Annual service agreement for janitorial services for CTECC and various other AE facility locations.
14	Disposal Hazardous and Industrial Waste	\$300,000/yr	Environmental Care & Protection	March	Annual service agreement for disposal of hazardous and industrial waste.
15	Software, implementation and commissioning services	\$2.5M	ESD/ITT	March	Purchase of software, implementation, and commissioning services for an Advanced Distribution Management system with SCADA (ADMS-SCADA).

**ELECTRIC UTILITY COMMISSION**  
**Tentative Schedule of Upcoming Briefings, Reports and Topics**  
**In addition to Financial (Jan-Oct), Procurements, and DPA/Disconnection (May-Sept) Reports**

**JANUARY 23, 2012**

- Presentation regarding solar energy and nonprofits, as requested by EUC

**FEBRUARY 27, 2012**

- Provide input on contents of Austin Energy's Annual Performance Report 2011

**APRIL 16, 2012**

- Briefing on Water Planning

**MAY 21, 2012**

- Austin Energy 5-year Forecast and FY 2013 Budget work session

**JUNE 18, 2012**

- Austin Energy FY 2013 Budget work session
- Austin Energy issues preliminary Performance Report not less than 10 days before June meeting for public review and comment

**JULY 16, 2012**

- Austin Energy issues Performance Report for review and approval

**AUGUST 20, 2012**

- Austin Energy FY 2013 Budget Recommendation to Council

**OCTOBER 15, 2012**

- Election of Officers