



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 12/19/2011
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.