



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved on October 15, 2012
SEPTEMBER 17, 2012

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

1. **CALL TO ORDER** – Chair Phillip Schmandt called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Shudde Fath and Steve Smaha. Dr. Michael Webber was absent. (There is one vacancy on the Commission.)
Staff in attendance: Cheryl Mele, David Wood, Dan Smith, Fred Yebra, Pat Alba, Jeff Vice, Alan Claypool, Scott Jarman, Pat Sweeney, Cathy Foster, Elaine Kelly-Diaz, Sonny Poole, Stephen Leinweber, Patricia Alofsin, Shayna Lee, Sylvain Lacasse, Dave DeGroot, and Toye Goodson Collins of Austin Energy; and Rosemary Ledesma of the Purchasing Department.
2. **APPROVAL OF MINUTES – Motion to approve minutes of the August 20, 2012 meeting by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 5-0.**
3. **CITIZEN COMMUNICATIONS**
Una Markel Rojas, Karen McGraw and Mario L. Flores spoke regarding Ms. Rojas’ concerns about Austin Energy’s electric infrastructure and easements near her home. Sonny Poole, Austin Energy Public Involvement and Real Estate Manager, will work with the parties in an effort to resolve Ms. Rojas’ concerns.
Cyrus Reed, Lone Star Chapter of the Sierra Club, spoke on Item 19 relating to the Fayette Power Project, and suggested replacing the power produced by Fayette with a hybrid of resources including gas, renewables and energy efficiency.

NEW BUSINESS – CONSENT

Items 5, 7, 8, 9, 13, 14, 15 and 16 were pulled from the Consent Agenda for discussion.

4. Authorize award and execution of a 12-month requirements supply contract with MATHESON TRI-GAS INC. for the purchase of bulk liquid nitrogen to be used at Austin Energy’s Decker Creek Power Station, in an estimated not to exceed \$26,900, with four 12-month extension options in an estimated amount not to exceed \$26,900 per extension option, for a total estimated contract amount not to exceed \$134,500. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**
5. Authorize award and execution of a 24-month requirements supply contract with HYDROTEX DYNAMICS INC., and ALFRED CONHAGEN INC. OF TEXAS for the purchase of new or the repair and overhaul of existing utility-sized pumps for Austin Energy, in an estimated amount not to exceed \$2,750,000 each and combined, with two 24-month extension options in an estimated amount not to exceed \$1,500,000 each and combined for the first option and \$1,750,000 each and combined for the final option, for a total estimated contract amount not to exceed \$6,000,000 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**

6. Authorize award and execution of a 36-month requirements service contract with GREENVILLE TRANSFORMER CO. INC. for the refurbishment of distribution transformers for Austin Energy, in an estimated amount not to exceed \$177,699, with three 12-month extension options in an estimated amount not to exceed \$59,233 per extension option, for a total estimated contract amount not to exceed \$355,398. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**
7. Authorize award and execution of five 24-month requirements supply contracts for the purchase of underground electrical supplies for Austin Energy with TECHLINE INC. in an estimated amount not to exceed \$1,035,556, with two 24-month extension options in an estimated amount not to exceed \$1,035,556 per extension option for a total estimated contract amount not to exceed \$3,106,668; KBS ELECTRICAL DISTRIBUTORS INC. in an estimated amount not to exceed \$285,632, with two 24-month extension options in an estimated amount not to exceed \$285,632 per extension option, for a total estimated contract amount not to exceed \$856,896; PRIESTER-MELL NICHOLSON INC. in an estimated amount not to exceed \$90,202, with two 24-month extension options in an estimated amount not to exceed \$90,202 per extension option for a total estimated contract amount not to exceed \$270,606; POWER SUPPLY in an estimated amount not to exceed \$47,020, with two 24-month extension options in an estimated amount not to exceed \$47,020 per extension option, for a total estimated contract amount not to exceed \$141,060; and STUART C. IRBY in an estimated amount not to exceed \$46,922, with two 24-month extension options in an estimated amount not to exceed \$46,922 per extension option, for a total estimated contract amount not to exceed \$140,766. The annual amount for all underground electrical supplies required under these agreements will be for a total estimated amount not to exceed \$752,666 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
8. Authorize execution of a construction contract with Lambda Construction, LTD, for construction of Austin Energy's Dunlap 345 kV Substation, in the amount of \$4,777,300 plus a \$238,865 contingency, for a total contract not to exceed \$5,016,165. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
9. Approve issuance of a rebate to AT&T Services, Inc. for the installation of energy efficient equipment in an amount not to exceed \$57,287. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
10. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Foundation Communities Austin One Housing Corporation for the generation of solar energy at its facility located at 2501 S. IH 35 in Austin, Texas, for an estimated \$21,060 per year with the total amount not to exceed \$210,600 over a 10-year period. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**
11. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Journeyman Austin Holdings Inc. for the generation of solar energy at its facility located at 7701 North Lamar Blvd., in Austin, Texas, for an estimated \$8,850 per year with the total amount not to exceed \$88,500 over a 10-year period. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**

12. Authorize award and execution of Amendment No. 1 to the contract with TRANE U.S., INC., for the purchase and installation of a centrifugal chiller at the John Henry Faulk Library, to increase the contract in an amount not to exceed \$61,449, for a revised total estimated contract amount not to exceed \$264,678. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**
13. Authorize negotiation and execution of an agreement between the City of Austin/Austin Energy and Autogrid for the implementation of a Demand Response Optimization and Management Server (DROMS) platform provided by AutoGrid under its U.S. Department of Energy ARPA-E 2011 GENI Program award for use in the deployment of Austin Energy's demand response program. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
14. Authorize award and execution of various supply and service contracts during the Fiscal Year 2012-2013 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program, for the purchase of computer software and software maintenance and support in an estimated amount not to exceed \$16,772,719. (Note: This contract is shared among several City departments; AE's share is \$9,110,190.) **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
15. Authorize award and execution of various supply and service contracts during the Fiscal Year 2012-2013 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) cooperative purchasing program, for the purchase of computer, telephone, and network hardware and related maintenance services in an estimated amount not to exceed \$25,517,295. (Note: This contract is shared among several City departments; AE's share is \$9,470,191.) **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
16. Authorize award and execution of various service contracts during the Fiscal Year 2012-2013 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program, for the purchase of technology services in an estimated amount not to exceed \$16,442,006. (Note: This contract is shared among several City departments; AE's share is \$10,084,840.) **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 5-0.**
17. Approve execution of a 36-month requirements service agreement with AAA FIRE & SAFETY EQUIPMENT CO., INC., for the maintenance, inspection, repair and replacement of fire extinguishers in an amount not to exceed \$375,750 with three 12-month extension options in an amount not to exceed \$125,250 per extension option, for a total agreement amount not to exceed \$751,500. (Note: This contract is shared among several City departments; AE's estimated share is \$6,263/year.) **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**
18. Authorize award and execution of a 24-month requirements service agreement with KAPPA MAP GROUP, LLC, for the purchase of wall and street guide directories for various City departments in an amount not exceed \$140,000, with two 12-month extension options in an amount not to exceed \$70,000 per extension option, for a total agreement amount not to

exceed \$280,000. (Note: This contract is shared among several City departments; AE's estimated share is \$10,500/year.) **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 5-0.**

NON-CONSENT

NEW BUSINESS

19. Discussion and Possible Action regarding Resolution 20111006-059 regarding strategies for near-term resource, generation, and climate protection goals relating to the Fayette Power Project and other resources – Cheryl Mele, Chief Operating Officer, and Pat Sweeney, Director of Energy & Market Operations, presented a generation plan update including options for the Fayette Power Project, and answered questions from Commissioners. Chair Schmandt invited speakers on the topic. Tom “Smitty” Smith of Public Citizen and Karen Hadden of the SEED Coalition both discouraged the sale of the power plant because it would not reduce carbon emissions. They also recommended soliciting a hybrid of resources including renewables to replace power produced by Fayette. **Commissioner Bernfeld made the following motion: “That future consideration include RFPs and a diversified portfolio to achieve the goals in replacing Fayette.” Commissioner Smaha seconded the motion, explaining that future iterations of the process should include consideration of hybrid and renewable solutions when RFPs are issued. The motion passed on a vote of 5-0.**

OLD BUSINESS

20. Discussion and Possible Action regarding Resolution 20120607-038 directing the study and evaluation of governance models for publicly-owned utilities – Chair Schmandt reported that the Working Group formed to study this issue plans to issue draft recommendations prior to next month's EUC meeting. The Working Group is composed of Chair Schmandt, Vice Chair Linda Shaw and Commissioner Smaha.

BRIEFING AND REPORTS

21. Austin Local Solar Advisory Committee Update – Commissioner Bernfeld reported that the Committee is working on issuing recommendations that involve “good, better, and best” scenarios on how to bring in more solar. He said they will likely wrap up their work by mid-October.
22. Monthly Financial Report by Cathy Foster, Interim Director of Finance.

FUTURE AGENDA ITEMS

23. Request items including information related to the Upcoming Procurements Report – No new items were requested.
24. **ADJOURN** – Chair Schmandt adjourned the meeting at 7:25 p.m. without objection.