



RESOURCE MANAGEMENT COMMISSION MINUTES – FEBRUARY 17, 2015

The Resource Management Commission convened in a regular meeting on February 17, 2015 at Town Lake Center, 721 Barton Springs Road, in Austin, Texas. The meeting was called to order by Chair Leo Dielmann at 6:35 p.m.

Commissioners in Attendance: Chair Leo Dielmann, Vice Chair Sean Kelly and Commissioners Richard Amato, Carol Biedrzycki, Hari Krishna and Luke Metzger. Grace Hsieh was not present at the call to order, but arrived after approval of the minutes.

Staff in Attendance: Debbie Kimberly, Liz Jambor, Danielle Murray, Denise Kuehn, Jaime Gomez and Toye Goodson-Collins of Austin Energy; Zach Baumer and Lewis Leff of the Office of Sustainability; and Mark Jordan of the Austin Water Utility.

APPROVAL OF MINUTES

1. Approve minutes of the January 20, 2015 regular meeting – **Motion to approve by Mr. Metzger, seconded by Ms. Biedrzycki, passed on a vote of 6-0.**

CITIZEN COMMUNICATIONS – Ruby Roa and Ofelia Zapata spoke in favor of Item 12.

NEW BUSINESS – CONSENT ITEMS

Item 2 was withdrawn by staff. Items 7-10 were pulled from the consent agenda by Ms. Biedrzycki for discussion. Motion to recommend approval of Items 3-6 on consent by Mr. Dielmann, seconded Mr. Kelly, passed on vote of 7-0. Following discussion and Q&A with Austin Energy staff, a motion to recommend approval of Items 7-9, made by Mr. Dielmann, seconded Mr. Metzger, passed on vote of 7-0. Following discussion and Q&A with Austin Energy staff, a motion to recommend approval of Item 10, made by Ms. Biedrzycki, seconded Ms. Hsieh, passed on vote of 7-0.

2. Authorize negotiation and execution of an agreement with College Houses, to provide a performance-based incentive for the generation of solar energy at its facility located at 1905 Nueces St., Austin, Texas 78705, for an estimated \$10,037 per year, for a total amount not to exceed \$100,370 over a 10-year period.
3. Authorize negotiation and execution of an agreement with Hops and Grain, LLC, to provide a performance-based incentive for the generation of solar energy at its facility located at 507 Calles St., Austin, Texas 78702 for an estimated \$9,208 per year, for a total amount not to exceed \$92,080 over a 10-year period.
4. Authorize negotiation and execution of an agreement with The Settlement Home for Children, to provide performance-based incentives for the generation of solar energy at its facility located at 1600 Payton Gin Rd., Austin, Texas 78758, for an estimated \$11,038 per year, for a total amount not to exceed \$110,380 over a 10-year period.
5. Approve issuance of a rebate to Austin Community College for the installation of energy efficiency measures at its newly constructed Highland Campus located at 6101 Airport Blvd., Austin, Texas 78752, in an amount not to exceed \$86,926.65.

6. Approve issuance of a rebate to Freescale Semiconductor Inc. for the installation of energy efficiency improvements at its Oak Hill Campus located at 6501 William Cannon Drive West, Austin, Texas 78735, in an amount not to exceed \$58,286.39.
7. Approve issuance of a rebate to Barrington Austin Apartments LLC, for performing energy efficiency improvements at the Barrington at Park Place Apartments Phase II located at 3220 Duval Rd., Austin, Texas 78759, in an amount not to exceed \$212,399.
8. Approve issuance of a rebate to F&F Copper Creek Associates LP for performing energy efficiency improvements at The Hendrix Apartment Homes located at 9811 Copper Creek Dr., Austin, Texas 78729, in an amount not to exceed \$265,149.
9. Approve issuance of a rebate to Mesa Verde Apartments LLC., for performing energy efficiency improvements at The Mesa Verde Apartments located at 3201 Duval Rd., Austin, Texas 78759, in an amount not to exceed \$143,200.
10. Authorize award, negotiation, and execution of three 24-month contracts with KEMA, INC., GDS ASSOCIATES, INC. and LEIDOS INC., or one of the other qualified offerors to RFP No. OPJ0112, for demand side management consulting services in an amount not to exceed \$1,000,000 each and combined with two 12-month extension options in an amount not to exceed \$500,000 each and combined, for a total amount not to exceed \$2,000,000.

NEW BUSINESS – NON-CONSENT

11. Discussion and possible action on the 2015 Austin Community Climate Plan – Mr. Zach Baumer, Manager, Office of Sustainability, briefed Commissioners on the draft 2015 Plan. No action was taken.

OLD BUSINESS

12. Discussion and possible action regarding the Low Income Consumer Advisory Task Force consideration of appliance replacements as part of Austin Energy's free weatherization program – Ms. Biedrzycki, Task Force Chair, introduced Task Force members Lanetta Cooper and Tim Arndt who provided data and made presentations supporting appliance replacements. Mr. Dielmann questioned whether Ms. Cooper presented the findings of the Task Force or those of her own. Ms. Biedrzycki and Ms. Cooper stated that some of Ms. Cooper's materials had been presented to the Task Force. Mr. Arndt stated that the presentations were his and Ms. Cooper's opinions and that, while the information had not been fully vetted by the Task Force, he felt it was necessary for him, as Vice Chair, to provide information to the Commission because they had requested an agenda item on the topic. Ms. Biedrzycki informed Commissioners that the Task Force had discussed the issue and it looked as though they would support appliance replacements in the program, but with stricter criteria and customer qualifications than with the ARRA (federal stimulus funding) program. She said HVAC systems were replaced during the ARRA program because there was so much federal funding to be spent. She added that the City may have been more liberal about their decisions in replacing appliances than they would have been without that money and suggested the program should probably be administered differently now that the weatherization program is funded through rates. She was surprised at the level of

controversy and divisiveness regarding this issue and added that she was reluctant to have this discussion in February because it was premature but, ultimately agreed to provide an update. She said the Task Force intends to submit short term recommendation by April 1, in time for the budget cycle.

Mr. Dielmann said the Commission ought to evaluate things for the impact they have on the management of resources and not the impact they have on one group of customers. He was concerned because the presentations were not related to energy efficiency and meeting the city's energy efficiency goals. Mr. Amato stated that it made economic sense for the City to cover weatherization costs for customers who could not afford it, but for appliances with a long payback period, perhaps the customer should pay a portion of the cost. He said, "The point we seem to be making is how to best spend our dollars in the most impactful way. I support assisting those who cannot afford it, but perhaps the customer should pay a portion of the appliances." When he asked Ms. Cooper about the sample of 29 homes included in her data, she deferred to Austin Energy staff. Debbie Kimberly, Vice President, Customer Energy Solutions, explained the data cited by Ms. Cooper was excerpted from a Public Information Request (PIR) provided to Paul Robbins and was a one-year review of energy consumption in 29 homes pre and post ARRA-funded weatherization work. She encouraged Commissioners to visit the Task Force website that included a review of a much larger sample of homes that participated in the ARRA program. Mr. Metzger asked Ms. Kimberly to respond to a statement by Mr. Arndt that the weatherization budget would not be spent this year. She asked the Commission to keep three things in mind: 1) CAP funding for weatherization is about \$1 million a year; 2) free weatherization funding, which is supplemental to CAP, is about \$1.8 million a year; and 3) in the first year of weatherization program, after ARRA, there was a delay in the launch of the program due to the rate settlement process and a protest by a contractor. Ms. Kimberly said the delay resulted in approximately \$900,000 to be rolled over to the current fiscal year budget and that staff was diligently working to spend down the roll-over money and their current budget which, in aggregate, exceeded 10% of their \$23 million dollar annual rebate budget. She said her staff had secured 10,000 names of possible participants and was in the process of qualifying 3,000 of those, with 300 jobs moving through the process.

Mr. Dielmann invited two persons, who had signed up to speak on this agenda item, to address the Commission. The first speaker, Paul Robbins, said that after receiving the data on 29 homes through a PIR, he received data on over 800 homes in the ARRA program and abandoned the smaller study. He said he provided the larger study, which clearly showed that appliance replacements had a 55-60 year pay back period, to the Task Force. He said a study cited by Ms. Biedrzycki showing slightly better payback figures, was done with computer modeling not with real-world, before-and-after consumption, which was used in the AE report of over 800 homes. In closing he said there were more cost effective ways to help low income people and added that on-bill financing for all programs would solve a lot of issues.

Ms. Biedrzycki apologized for the situation and said she was concerned about the conversation. She said the Task Force was concerned about the cost effectiveness of the program and asked that the Commission wait for them to submit final recommendations before making a decision.

The second speaker was Charlie Ford, a Home Performance with Energy Star contractor. He said the best study was done 10 years ago and included data on homes 2.5 years before and after weatherization, including appliance replacements, were completed. He said the results showed an average energy savings of 28%. He said he had been a contractor since 1982 and found out early on that savings could not be achieved without AC replacement. Mr. Ford added that there had been exaggeration from people on both sides of this issue and that compromise was the answer. Ms. Biedrzycki asked Mr. Ford if there were situations where the AC should be replaced. Mr. Ford said that in homes where the furnace was “red-tagged” and in homes with 4-5 window units, a central AC should be installed or replaced.

Commissioners agreed they needed more information before taking action.

STAFF REPORTS AND BRIEFINGS

13. Monthly reports from Austin Energy and the Austin Water Utility – by Liz Jambor, Manager, Data Analytics and Business Intelligence, Austin Energy; and Mark Jordan, Coordinator, Water Conservation Program, Austin Water Utility.
14. Water Conservation Update from the Austin Water Utility – by Mr. Jordan.

FUTURE AGENDA ITEMS

15. Discussion of future agenda topics and updates from Commissioners on activities of interest – Mr. Dielmann said that in addition to the update from Texas Gas Service, a briefing on Austin Energy’s marketing efforts for Customer Energy Solutions programs would be added in March. Ms. Biedrzycki said the Task Force would be providing a quarterly report in April. She requested a briefing on the Multi-family rebate program. Toye Goodson Collins, staff liaison, informed members that a meeting room was unavailable on March 10, the date of their next meeting, which was moved from the usual date of the third meeting of the month to avoid meeting during spring break. Commissioners agreed to hold the next meeting on March 24 if the room was available.

ADJOURN – Mr. Dielmann adjourned the meeting without objection at 9:34 p.m.