

Austin Energy Utility Oversight Committee Meeting Transcript – 10/22/2015

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I turn the gavel over to you Ms. Gallo. >> Gallo: It is approximately 9:20 on October 22nd, calling the Austin energy utility oversight committee meeting to order. First item on the agenda is the approval of the minutes from September 24th, 2015. Do I hear a motion to approve the minutes? Councilmember pool motions to approve. Councilmember Houston seconds. All in favor? Any opposed? Motion is approved unanimously with troxclair, Garza and kitchen off the dais. Second item on the agenda is item number 2. Do we have speakers? I don't have a -- I don't have a speaker list. Do we have any speakers signed up for this agenda item? No speakers? This is recommendation to authorize negotiation and execution of two 24-month contracts with pro serve industrial contractors, LLC and tech engineering to provide chiller plant for Austin energy in an amount not to exceed \$5.4 million each and combined with two 24 month extension options in an amount not to exceed 5.4 million. And a contract amount not to exceed 12.2 million each and combined.

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Is there a motion for approval of this item? Councilmember pool. Is there a second? Councilmember Casar seconded. Any discussion? >> Casar: Just one thing. I think you said not more than 12.2 million combined and it's 16.2 million combined. Just so we don't short our self. >> Gallo: Don't want to do that. Any discussion on the item? All in favor? Any opposed? Okay. So we have on the dais approval with councilmember Houston abstaining, councilmembers troxclair, Garza and kitchen off the dais. Item number 3 is recommendation to authorize negotiation and execution of a 24 month contract with mass stick North America inc. For underground transmission and electrical construction for Austin energy in an amount not to exceed \$20 million with four 12 month extension options in an amount not to exceed \$10 million per extension option for a total contract amount not to exceed \$60 million. Is there a motion to approve? Councilmember pool. Second by councilmember Casar. Is there any discussion? >> Zimmerman: Well, again, this is one of those large contracts that could be up to \$60 million. So as I keep doing from the dais, I ask why are we doing the negotiation and executive session for such a large amount? You would think something of the amount of 60 million we would have a chance to review what has been negotiated, even if it's a brief executive session review, just so that we can see, okay, what has been negotiated. Now we'll have a chance to vote on the 60-million-dollar contract.

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So I'm going make a motion to amend this to strike the words "And execution" if anybody will second that, for the reasons he just said. >> Gallo: Is there a second to councilmember Zimmerman's motion,

amendment? I do not see any second. So the amendment does not move forward. Is there any other discussion on the item? >> Houston: Chair, just for my own information, who is the prior contractor? Is this the same contractor? >> Gallo: Do we have staff here to answer those questions, please? >> Good morning, Dan Smith, vice-president of electric service delivery with Austin energy. The answer to your question is mastec is the one who held the prior contract. >> Houston: Is this an increase over the -- for how many years did they hold the contract prior to -- >> I'm sorry, repeat your question? >> Houston: How many years did they hold the contract prior to this request? >> They held it for the previous contract period, which was of the same nature, a two-year initial contract and then four one-year extensions. >> Houston: For the same amount? Has it increased, decreased? >> I actually don't know exactly what the exact contract amount was or the authorization previously. >> Houston: Okay. I'm going to probably not vote until I know whether this is an increase from over the last contract period. >> I can state that I believe it's an increase. Didn't know the exact amount, but it is an increase and why that's an increase is some additional materials have been included in this contract. They've always had materials in the contract, but then there are some additional ones, so the authorization is a higher request than what we've asked previously.

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>> Councilmember Houston, James Scarborough, purchasing. The spend on the current contract to date is \$41,488,840. So it's an increase. >> Gallo: Council, would it be helpful -- councilmember Houston, thank you for asking that question. Would it be helpful to have additional backup information as these items are brought up to us on previous contracts? And councilmember Houston, would you like to see that in our backup from now on? Staff, if you could help us with that, I think that would be great. Thank you. Council, are there any other questions? All in favor raise your hand? Any opposed? One abstention. All on the dais in favor, councilmember Zimmerman abstaining. We have councilmembers troxclair, Garza and kitchen off the dais. Item number 4 is a briefing from staff, briefing and discussion regarding implementation and enforcement of the energy conservation audit and disclosure ordinance. >> Good morning, council. My name is Debbie Kimberly, vice-president of customer energy solutions at Austin energy. I've got some visuals for you. I'm actually very happy to be here today reporting on this because we've worked very, very hard to enhance our outreach with the energy conservation and disclosure program that was initiated by action taken in 2008, implemented in 2009 and then amended in 2011. So I hope I'm starting your day off with some good news. That's why my nickname at Austin energy is little miss sunshine. You may not think so,

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but that's what they call me. So let me give you a little bit of a background here. As I said, the energy conservation audit and disclosure was adopted in 2008. And since that was adopted and implemented, first with single-family homes in 2009, we've done a number of things. We've provided our customers with new energy usage tools. So you've all heard recently about the app that we've provided customers to enhance their understanding of their consumption. We've reached out through educational activities and in particular over the last couple of years we've really stepped up what we've done with the real estate community and others in terms of educating them on how to best integrate sustainable practices into buildings. We've also provided rebates for energy efficiency improvements. And as you know, any multi-family property that applies for a rebate must go through the energy conservation and audit disclosure. So we've been very diligent in ensuring that. And finally one of the things that I think has been most successful this past year was we facilitated an alternative compliance path for commercial properties who previously had found using the smaller properties using the energy star portfolio

manager tool very cumbersome. Looking at this map here in the inset, we've drawn a little box around, and this is available on the data portal. We've drawn a box around all of the multi-family properties who have gone through the E cad audit program and who have received rebates. This is really important to us. Why? Because over 50% of our residents rent and so we really have tried to reach out very progressively to the multi-family community. So giving you a little bit of a sense of where we've been, single-family were first to start through the

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program. The single-family features were amended in 2011. The audits are performed at the time of sale. There are exemptions that exist so it doesn't apply to any houses that are less than 10 years old or of homes that have received appliance efficiency program rebate in excess of \$500 or who have gone through the home performance with energy star program which entails a very detailed audit. Or if they've already had an E cad audit done. Just within the last few years we've completed over 20,000 audits in the residential sector alone. The seller must supply this before closing during the option period. Multi-family was next implemented in 2010. Multi-family needs to go through the audit every 10 years. Empty is any dwelling that had five dwellings or more, so this would include, for example, six plexes, if you've got that type of a housing structure as well as apartments. As I said it's required for a feedback and it has energy guides annually. This year we reached out to the multi-family community very extensively to not only promote the program, our features through the rebate program that are available as well [indiscernible] To host the energy usage guide in the offices of that property. Last was the commercial, and commercial went through a multiphase step. Initially the first step were the largest commercial properties. Those 75,000 square feet or more. That needs to be completed annually. The second tranch in 2011 was applicable to properties over 30,000 square feet and then most recently within the last year were properties that were over 10,000 square feet. And all of those properties go through the audit program as well. It's required for rebates. The ordinance is crafted, says the violations must be reported by anyone to

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the city of Austin municipal courts for review and action. So that gives you a little bit of appear overview of the history of the program. So let's go next to -- if you have questions -- did you have a question, councilmember pool? >> Pool: I did really quick. I was looking to follow long and do we have this presentation in -- I guess I'm just not finding it. >> So this gives you a broad overview of I call it the broad overview of the ecad. Last week we met with realtors, we connected training sessions over at the palmer events center. We have a presence at least twice a month with various realtor associations. We've reached out to the apartment association. They've been great partners with us. In reaching younger demographics we have a lot of students in the city. Doing the blues on the green promotion was huge, but then as well you can see on the right side of this slide all of the things that we're doing in various forms of media and it's not just print media. If you happen to read the real estate section of the Saturday and Sunday newspaper you will generally every single week in the statesman find an advertisement that focuses on ecad. So if you're looking to rent, if you're looking to buy a home, be sure to ask for the ecad audit. So all sorts of different types of media presence that we've included in our all of the above approach to ensuring that people understand ecad and the benefits of ecad. So let me talk a little bit about where we've been. I told you I'm going to share some good news with you. Now, do we have 100 experience compliance in any one of the sectors? The answer is no, but we're trending in the

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right direction. So again, in the case of the residential home sales, what you see on the right side of this is 2013 and 2014 data. So you can see those sales where there was a 201,111,000 properties. Those that were exempt is roughly three thousand properties, five thousand properties were audited and so we were at 62% compliance for E cad for the residential. I can tell you that as recently as two years ago compliance in the single-family market was at or slightly below 50%. So some of what we're doing is working, but we're enhancing our outreach and enhancing the type of information that we're providing especially to the realtor community. This is the community that we really need to connect with in order to do this. The audits are conducted about the same time on the property and you can see on the trend line the number of audits transformed. What are the audit findings? In the case of all of the properties that go through the ecad audit, 97% of those have audit findings, so only three percent have no recommendations. And what do you think the biggest recommendations are? Well, 80% say you need more attic insulation or you have deficiencies with your attic insulation. Another area where we find shortcomings is in duct ceiling. Another area where we find problems is something as simple as window shading. So we are promoting that. That's clearly an opportunity for improvement. But the most important thing is not just about compliance, but what is something that really helps me is are they adopting our program. It's a new homeowner and we have people here who have a real estate background, a new homeowner when they buy a home just like I did a year or so ago, will often be doing some other things, changing flooring, window

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coverings and the like. And that's not the first thing they think about. So if we can get in and work with some of those properties earlier, and we did this last year in terms of targeted outreach to select customers in homes that were over 10 years old, so try to get this on their screen, then we can drive conversion into our programs because this is all about energy savings and helping our customers lower their energy bills. So what did we do to try to enhance the focus on single-family? Well, we took a somewhat less traditional approach at least from what we had done historically. We did event outreach, so I mentioned blues on the green, cool house tour and the like, but we also simplified the audit form. The realtor committee and the audit said what you have is too cumbersome. He had to reduce it by half. It was a three page form and now it's -- it was a six page form and now it's a three page form. And we launched Pandora. You see a testimonial here from one of our auditors. Pandora. I don't have a Pandora account, but you put together your own music, right? You describe to your -- you put together your own playlist on music. We had nine times the standard click-through rate from our Pandora claim -- for our Pandora campaign on single-family. That's huge. That's huge. And it's a very inexpensive way to reach a broader demographic and the folks that would likely adopt our program. So I'm really happy about this. We plan to continue this and I think it's promising. Another big sector, as I said, lots of renters in Austin. This is the quintessential good news story. We were first in the nation with our ecad ordinance and we're a model for other communities. There are roughly 14 other communities nationwide that have something similar to ecad. We hit a new high. 85% compliance in the

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multi-family sector. And why? First of all, we've been doing a lot of that outreach. We have a lot of people that live in multi-family properties. And you can see that from 2011 until present we've rebated on over 300 projects about \$10 million. The customers that live in these properties, they pay in to the customer benefit charge that funds these rebates, but they're not the owner of the property so they don't receive the rebates. Instead they get the benefits, though, because the multi-family property

owner gets the benefit of the rebate which enhances the comfort and reduces the energy cost for the customer living in those multi-family properties. What have we done in terms of the multi-family market? We've launched new marketing campaigns that are both web and print based as well as radio. Lots of folks that live in the greater Austin community spend a lot of time on the roads. And there you've got a captive audience. So I've heard a lot of focus when I'm on the roads on our programs and it's worked very well. We've also stepped up what we've done in terms of contractor training and we've conducted some site visits. We've gone out -- last spring we went roadway to a number of multi-family properties to find out are they displaying the energy guides on their properties. And here's what we've found. For those who weren't displaying the energy guides, some of it was because they didn't have an office on-site so there was no place to display the energy guide. The only way you could rent was if you set up an appointment. Some of them had changed ownership. They weren't aware of the ordinance. And some of them frankly had not changed ownership, but weren't aware of the ordinance. So we're enhancing our outreach there. The other thing we're doing is especially for tenants, we've made through the city of Austin's open data portal all of the building results where we get these properties who have complied with the ordinance their information available. So it's as simple as clicking on the data portal and can you

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download, you can sort the data to find out what the energy usage index is for those multi-family properties that have complied. And we frankly tell those multi-family property owners this enhances the ability of you to rent a property to a prospective tenant. So last I'm going to talk about the commercial sector. What is the compliance rate of the commercial sector? This is a testament to providing your customers with alternative means by which to comply with a city requirement. When I came here a few years ago and attended the training sessions for customers, especially those that were the 10,000 square foot properties, they would come on-site, meet with us to find out how do I put data into the energy star portfolio manager tool because I have to tell Austin energy how much energy I consumed over the last year. That seems a little perplexing to me. Why would a customer be telling us how much energy they used over the last year? We know that because we bill those customers. So we said we know what your energy consumption is and so we're going to automate this process. We're going to provide you with a key and you will be able to receive this information as well as a summary of your energy usage. You can validate that this information is correct and that your square footage is correct. And it is correct, we will put it through and you are compliant with E cad. We had roughly 1700 commercial customers this year that used that alternative compliance approach, but here's the best part, 15% of the customers ask for information about our rebates and programs so that they can go through our programs and reduce our bills. I call that a success story. This is a little bit on the compliance feature that we launched this last year.

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It's all about giving customers choices. I've said this repeatedly to my staff is I want to make it easy and pleasant to do business with Austin energy. That's my mantra, we need to give customers choices. We need to partner with other members of the community and the chambers have been hugely helpful in terms of joining us on this. We need to get out in the community and do more. And this I think is the key to succeeding with an ordinance that some initially viewed as a stick. What we're trying to do is create carrots as well and people view this positively. So what are our next steps. We'll continue doing what's worked. Obviously the Pandora marketing campaign worked well for us so we'll continue to do that. We'll reach out and involve real estate school. We'll target financing as a ways to advance the

application of the eCAD audit. New energy guides will be released in the first quarter of 2016. One of the things that the low income consumer advisory task force sucked in the carrot category is can you launch a recognition program for those properties that are highly energy efficient? Great idea. So we plan to do that. We're really focusing heavily on the multi-family affordable housing properties. This is where we think this is the greatest opportunity for improvement. And finally in the commercial sector, February 2016 marks the beginning of the reporting period for commercial properties. We're going to continue to work to enhance our commercial programs, continuing the education process, which I think is key to the success of this program. And promote the benefits of energy star certification. So that concludes my presentation, and it's just a briefing. It doesn't require action on your part. I would be happy to answer any questions. Again, as I said, it's trending in the right direction and I'm really pleased with that, taking an all of the above education and

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outreach approach is something that we need to do and we'll continue to do. >> Gallo: Thank you very much. As a realtor and a member of the Austin real estate association, I appreciate the work you've done on this and the collaboration with both of those two entities. I think it is really important as we move progress forward with the city that we also bring the stakeholders into the conversation. Thank you so much for doing that. Are there any other questions? Mayor? >> Mayor Adler: First I want to also commend you and Austin energy for the outreach penetration. It's really impressive. I do have a question. We do it for single-family homes, we do it for multi-family, which are homes five units and larger. Should we be picking up duplexes or tri plexes or quads? >> So in the case of, say, a four-plex or a duplex or a triplex, they're covered under the single-family part of the ordinance, which means if those properties are sold before the time of sale they need to go through the eCAD at that point in time. All elements of the housing market are covered, just in different ways. >> Mayor Adler: Gotcha. Thank you. >> Gallo: Any other questions, council? And we now have councilmember kitchen and also councilmember Garza have come back. And I know traffic has been terrible this morning. Thank you for being here. >> Houston: Chair, may I ask a question? You talked about the reaching out to radio stations. Can you tell me who those are? Because some of us listen to different stations -- >> I'm sort of stuck on one radio station. Kut has been a tremendous partner of ours. We reach out as well to a country western

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station whose name escapes me, another station, and we've been present as well I believe in the hispanic market. >> Houston: Okay. I'd like to suggest both the community stations, Koop and kizi. >> I think that Koop is one of the stations. >> And kazi is one of the other stations. >> Gallo: Any other questions? Staff, thank you so much for the briefing. Mayor, do you want to continue to wait to move back into the council meeting or should we continue? >> Mayor Adler: Either way. Do you want to see if we can handle it quickly? >> Gallo: It's your preference. >> Mayor Adler: You've recessed the Austin energy meeting.

[9:56 AM]

>>Gallo: Austin energy oversight committee is back in session again. We have agenda item number 5, a briefing from staff and discussion regarding a proposed electric rate schedule for primary voltage customers with an average load of at least 20 megawatts. This the suggestion has been that we do our staff briefing and then as soon as the staff briefing is complete we will announce to go into a closed

session to continue the discussion. >> Very good. Again, Debbie Kimberly, customer energy solutions, energy. I'm substituting today for mark dumb broad dubrsoski. , Who experienced a death in the family. So let me provide a

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little context and background. Austin energy searches about 50,000 commercial customers and the majority of those customers fall within the secondary class of customers. So you can see most of the customers we serve are served at secondary voltage levels so what does that mean in utility parlance? It means there are a lot of distribution substations, poles, wires, bills that are involved in serving these customers. We have about 140 primary customers. And you can see that only a couple of those customers are very, very large customers. These are customers that have on-site substations and they have in the case of the largest of the large customers those p3 customers in particular, they operate at a very high load factor. In other words, they run constantly 24/7, 365 days a year at the same level of demand as opposed to another customer that would see seasonality and frankly during the day variations in their load. And then we have transmission customers, including a large transmission customer that is covered under the tariff that was approved fairly recently that operates at a similarly high load factor. One item here before you today is to talk to some of the questions that were raised in your September council committee on Austin energy meeting. So looking at one of the questions was, well, how does p3 compare to p4? And you can see under the 34 proposed tariff that was included in the budget and is the subject of your suggestion today, those items that are shown in dark blue at the bottom of the slide represent new charges that would be assessed under this alternative tariff or waived where appropriate. All of the other charges

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that you see in light blue above, those charges are based on cost of service and not unlike the other tariffs charged to other customers, they are based on in the case of the new P 4 tariff, based on 2009 actual costs of service. >> So you can see what are the real differences? One of the things customers want is predictability. Those customers want predictability in their bills. And so what we did in response to that was to say we will make your bills more predictable by removing seasonality. Again, when those customers are operating in a high constant load factor there is no need for a seasonal difference in charges. The other thing we did was level out the customer charge for them, increasing our fixed charges to align, again, with cost of service so in the case of p3 that monthly charge is \$2,500 a month and 4, \$12,000 a month. You can see some of the differences that are entailed. In the case of the customer benefits charge, so this is the charge that collects the costs associated with our energy efficiency, demand response and solar programs. It collects the cost associated associated area lighting and street lighting and costs associated with our cap program. This charge would not apply for the energy efficiency and the street lighting portion under the p4, but those customers would pay a cbc for the customer or the cap portion of the charge. You can see that shown in the very first line in the dark blue box. They would also pay a regular la tore charge of \$5.18 per kw calculated based on cost of service. We also talked about p4 and what is entailed.

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Let me be clear, p4 entails that customer entering into a long-term, 9-year long-term full services contract with Austin energy with periodic resettings allowed every three years. With the exception of the psa which would be reset every year. It's important to note that in the case of the regulatory charge

that there is a dead band allowance set up such that if that customer's actual costs are outside the dead band plus or minus 10% there would be an adjustment within those inter periods. This gives you an idea of what the customer would be looking at. Again, it's an advantage for the customer because there's predictability in their prices, it's an advantage for Austin energy because there is predictability in terms of our revenue stream. I want to remind council again that there is a \$200,000 per account per year cap that would apply to these customers. And by way of reference, we looked at what other commercial customers, what's the highest amount that another commercial customer pays into cap. And that amount is roughly \$150,000 a year. So it's important to note that these customers are not paying into the cap program now but they would be paying into the cap portion of the cbc under the 4 tariff. You asked last month about what does the breakdown look like in terms of the energy efficiency services charge for residential, commercial and industrial customers in terms of what they pay in via their revenues and the benefits that they receive in terms of rebates, but then there's also an administrative cost that gets recovered in the cbc associated with those programs. So in the case of residential customers, for 2014 they paid in roughly \$17 million.

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The cbc benefits that they got from energy efficiency totaled roughly \$19 million, so they actually are operating to the good. I also want to note that in the case of the residential customers, that includes customers that are living in multi-family properties. They are paying into the cbc. Moving over to commercial, you can see those customers paid in about the same amount, but they didn't receive roughly \$17 million in benefits, they actually were about 3 million, \$4 million short in benefits, but remember too that in the case of those customers you've got residential properties that are receiving rebates. Finally industrial customers. You can see that it's about \$500,000 in terms of revenue that gets paid in versus the rebates and incentives so they received roughly \$500,000 more in benefits than they paid in, but keep in mind this excludes the cap contributions that all of these customers, both commercial and industrial, pay in. And so again, every year we have about \$10 million in cap charge that's are paid in by residential and commercial and industrial customers with a few exceptions. So this I believe was one of the questions that a couple of you inquired of. This allocates based on generally accepted accounting principles and just for the record in case of commercial customers this includes going back to that first slide that I showed you. All of the secondary and p1 lighting customers, the preponderance of customers are shown in that category. What are the -- certainly, I'm sorry. >> Tovo: Is now a good time to ask questions or do you want them at the end of the presentation. >> Gallo: That would be fine. Ask questions. >> Tovo: Thank you. I think I had asked some questions that relate to this chart, but I want to pause here for just a minute on 5.

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As I -- well, we're considering -- we're considering this rate for two of the industrial customers, not all of the industrial customers. >> There are two customers that meet the criteria of the tariff, correct. >> Tovo: And within that category, within the industrial category on this chart, does that include more than those two customers? >> Yes, it does. >> Tovo: So I think that I will need to see more detailed data because some of those customers within the industrial rate are paying different -- have been approved under different rates and we're considering a special rate for two of the categories within the industrial and I think it's -- I think it's relevant because at least one of them has received quite a few rebates and incentives and is now going to be moving toward a tariff where they are not paying energy -- into that fund at all. >> Right. So let me address a couple of elements associated with that. We don't -- so these customers are on a long-term contract that went into effect years ago. There was some allowance

included in that for energy efficiency programs. We frankly don't have the forensics, for lack of a better word, to be able to sort of peel out what that portion was. Okay? So we did -- that was before we had a customer benefit charge. It was before we had the types of tariffs that we put in place in 2012. So those customers did pay in some amount and I can certainly share with you for those two customers in executive session what they've received in terms of benefits. I'm more than happy to do that. >> Tovo: Great. I appreciate that. Thanks. I just think if we are interested in knowing the past history for the customers who are going to be approved under the new rate, we can't [inaudible] With the other industrial customers who are included in that column because it's apples and Oranges. They are not going to have the same rate structure moving forward if we approve the special rate. >> That's right. But those customers, again, they are very -- again, there

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was a transmission tariff premised on the notion that those customers, that high load factor customer was very unique. There's one. Like that. >> Tovo: Right. >> The p4 tariff is premised on that same fact, there are only two customers, and I can provide you with some more information that's sensitive. There are only two customers that fall into that very high load factor, very large capacity customers. >> Tovo: Yeah, I look forward to that more specific question so that I can understand better why -- why we're being asked to distinguish those two from the other. >> And again, they don't receive the benefits under the tariff. >> Tovo: Well, but they have in the past I think is my concern. >> If I could just make one other point on that chart, if you -- if we were to prepare this chart at the end of this year, the industrial column will look somewhat different because in 2014 virtually all the primary customers were on the long-term contract. We had 17 different customers on the long-term contract so none of them were paying the energy efficiency services portion of the community benefit charge. Now that most of those customers have rolled off the long-term contract, they are currently paying the energy efficiency services charge so there's much more revenue that will be in that bucket to fund energy efficiency services for industrial customers generally. >> Tovo: Right, but I guess that gets me back to the question that I'm just going to need a really -- I'm going to need to have come up with an answer I guess on my own on that, but I need to understand why since all of those others are rolling over and contributing to energy efficiency why we are treating these two differently. But again I think that is a conversation we probably need to have in executive session, but you are sort of making my point that, you know, those others are contributing to

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energy efficiency. >> Could I add to what Mr. Mr. Dreyfuss stated and that is at the time the -- this tariff was established and charged on a volumetric basis. We have in our energy efficiency programs a \$300,000 per year cap on the benefits that those customers, those commercial customers can receive. These two customers just as a function of their sheer size would contribute significantly more into that tariff than they would ever be able to utilize. And so part of the rationale here was premised on equity. There was no way that those customers would ever be able to utilize anywhere close to what they were contributing in. So -- but we would be happy to discuss it in more detail in executive session. Was there a question from -- >> Gallo: I think councilmember Houston has a question. >> Houston: Thank you for that information. I wanted to thank Mr. Dreyfuss for using real words. I didn't want to stop you as you use so many acronyms. >> I apologize. >> Gallo: Any other questions? >> So what are the benefits associated with what we refer to as the high load primary voltage tariff or p4. Number 1, these customers are very important to us and they are very important to the city of Austin. This helps because of the nature p4 and the associated 9-year contract. It establishes a long-term relationship between

Austin energy and our industrial customers. It provides what these customers have wanted, a stable, predictable bill by establishing a minimum charge should customers go out of service unexpectedly and a customer charge set based on the 2009 cost of service study at closer to their cost of service. But recognizing there is some level of flux in the market in

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which we operate, it provides for periodic rate resets and true-ups and these customers have not paid into the cap program which has existed certainly most recently since 2012. This is -- this is additional funding that will flow into the cap program from these customers. It gives these customers the option for market based solutions by allowing us to buy through for them and it provides assurance, most particularly that they will remain customers of Austin energy and utilize the system that was put in place to serve these customers. So that's important to us. So again, very briefly, that's an overview and attempt to answer those couples that can be shared publicly relative to the two customers. I would be happy to answer any questions as would Mr. Dreyfuss. >> Gallo: Are there any other questions? The city council will now go into closed session to take up one item. Pursuant to section 552.133 of the government code, the city council will discuss the following item: Item number 5, briefing and discussion regarding a proposed electric rate schedule for primary voltage customers with an average load of at least 20 megawatts. Is there any objection to going into executive session on the item announced? Hearing none, the council will now go into executive session.

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>>> We are now out of closed session, in closed session we took up and discussed power power utility matters related number number 5, at this point middle Austin energy, sight sight committee meeting is adjourned.