



Electric Utility Commission

January 25, 2016

Minutes

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas. Meeting was called to order by Vice Chair Hadden at 6:04 pm. Commissioners Biedrzycki, Fath, Ferchill, Heidebrecht, Norris, Roa, Stout and Wray were also in attendance. Commissioners Mahmood and Osborne were absent.

CITIZEN COMMUNICATIONS: *Chris Reeder (Samsung/NXP attorney, cited letter they sent to Council regarding rate review's 1) insufficient timeframe and 2) procedural rules, which shouldn't be set by AE); Mark Kapner (former AE employee, AE using wrong approach in rate recommendations for commercial customers, should incentivize storage systems); Richard Halpin (LICTF – approve resolution tonight; Consumer Advocate – City Auditor should hire; Rate Case Procedural Rules – Council should decide); Beki Halpin (EUC should scrub Cost of Service as it might include staff bonuses, decommissioning costs of power plants, etc.); Lanetta Cooper (TX Legal Services, ditto Reeder's comments, plus regarding rate review, 1) rules should be plain/direct, 2) need protective orders for confidentiality concerns, 3) beware ex parte concerns).*

1. **APPROVAL OF MINUTES** - Approve minutes of the December 14, 2015 regular meeting.

Motion to approve minutes (Fath); seconded (Norris); passed on a vote of 9-0.

NEW BUSINESS -- CONSENT

() = Target Council Meeting Date for Recommendations for Council Action (RCAs)

Motion to recommend approval of Items 8 & 10 (Ferchill); seconded (Norris); passed on a vote of 9-0. Following discussion, motion to recommend approval of Items 2-7 & 9 (Norris); seconded (Heidebrecht); passed on a vote of 9-0.

2. (1/28) Approve issuance of a rebate to NRE Edge LLC, for performing energy efficiency improvements at The Edge Apartments located at 1515 Wickersham Lane, in an amount not to exceed \$83,870 (District 3).
3. (1/28) Approve issuance of a rebate to NRE Zone LLC, for performing energy efficiency improvements at The Zone Apartments located at 4700 East Riverside Drive, in an amount not to exceed \$72,945 (District 3).
4. (1/28) Approve issuance of a rebate to Riverside Resources for the installation of energy efficiency measures at its office building located at 10901 Stonelake Blvd., in an amount not to exceed \$60,566. (District 9)
5. (1/28) Authorize negotiation and execution of contracts with qualifying vendors for enrollment of and continued access to thermostats participating in Austin Energy's Power Partner Thermostat Program, in a combined total amount not to exceed \$1,000,000 over the two-year contract terms.

6. (2/4) Approve ratification of a contract with ABB, Inc. for the purchase and installation of human machine interface displays and power supply units to replace defective units at Austin Energy's Fiesta Substation in an amount not to exceed \$86,765.
7. (1/28) Authorize negotiation and execution of an amendment to the contract with GE GRID SOLUTIONS, LLC to provide continued maintenance and support of GE Smallworld Electric Office software to add five one-year extension options in an amount not to exceed \$380,000 per extension option, for a revised total contract amount not to exceed \$4,904,061.
8. (1/28) Authorize recurring exempted sole source procurements (postage, electronic subscriptions and professional dues and memberships) under Texas Local Government Code 252 for expenditures necessary to conduct routine City of Austin business with multiple agencies and vendors in separate amounts not to exceed totals listed below and a total amount not to exceed \$3,333,000.
9. (2/4) Authorize award and execution of a 36-month contract with TECHLINE INC. to provide decorative luminaires, street lights and poles in an amount not to exceed \$731,502, with three 12-month extension options in an amount not to exceed \$243,834 per extension option, for a total contract amount not to exceed \$1,463,004.
10. (2/25) Approve ratification of a contract with OSMOSE UTILITY SERVICES, INC. for the emergency repair of two electrical transmission towers in an amount of \$70,000.

BRIEFINGS

11. Briefing regarding cost of service/rate review procedures and rate design recommendations.

Mark Dreyfus, Vice President, Regulatory Affairs and Corporate Communications

Vice Chair Hadden took up Item 14, then postponed Items 13 and 15-17, and then took up Item 12. For purposes of minutes, items remain in their original order.

OLD BUSINESS

12. Discussion and possible action regarding recommendations included in the Low Income Consumer Advisory Task Force Report and Minority Report, with emphasis on recommendations not supported by Austin Energy, and/or recommendations about which there was not consensus among Task Force members, per Resolution No. 20151210-029.

Motion to approve a resolution submitted by Commissioner Biedrzycki (Biedrzycki); seconded (Roar); passed on a vote of 8-0-1, with Fath abstaining, and Mahmood and Osborne absent. Recommendation 20160125-012 regarding the Low Income Consumer Task Force (LICTF) reads:

The EUC recommends to Council that Austin Energy give top priority to the implementation of the following recommendations:

- **Adopt the Sustainability Office's triple bottom line evaluation that looks at the impacts on people/equity, prosperity/economy, and planet/environment**
- **Conduct a weatherization cost reduction study to investigate operating practices that could potentially increase the cost effectiveness of the weatherization program**
- **Create a residential low income weatherization rebate pilot project in conjunction with affordable housing projects**
- **Develop better demographic survey data of income and family size in all programs including multi-family properties**

- **Implement fractional billing to allow for fractional division of the value of solar credits from a distributed solar system on a multifamily residential property to be divided and applied to multiple residential customer accounts.**

13. Discussion and possible action regarding the Austin Energy Resource, Generation and Climate Protection Plan, including the 600 MW solar RFP.

ITEMS FROM COMMISSIONERS

14. Discussion and possible action regarding cost of service/rate review procedures and rate design recommendations. (Osborne, Hadden)

Commissioner Roa distributed proposed resolutions regarding rate review schedule and procedures. Motion to consider the resolutions (Roa), seconded (Fath); following discussion, the motion was withdrawn. Motion (Heidebrecht) to consider a revised version of the resolution proposed by Chris Reeder in a January 20, 2016 letter to City Council; seconded (Biedrzycki); passed on a vote of 9-0. Recommendation 20160125-014 reads:

Be it Resolved by the EUC that the City Council with advice from the Impartial Hearing Examiner should determine the Procedural Rules that will apply in this proceeding, and set a procedural schedule consistent with the Consumer Advocate's full participation and with the budget review process.

EUC created a Cost of Service/Rate Review Working Group consisting of Commissioners Heidebrecht (Chair), Fath, Ferchill, Stout, and Wray.

15. Discussion regarding Austin Energy Third and Fourth-Quarter Reports. (Osborne, Hadden)

16. Discussion and possible action regarding Navigant Consulting's report. (Osborne, Hadden)

17. Discussion and possible action regarding Austin Energy Performance Review. (Osborne, Hadden)

OTHER BUSINESS

18. Discussion regarding potential future agenda items.

- **Making CAP donations with on-line billing (Biedrzycki)**

ADJOURNMENT: Vice Chair adjourned the meeting at 9:31 pm.