

ORDINANCE NO. 20161208-057

AN ORDINANCE AMENDING ORDINANCE NO. 20160914-003 TO ADD A RATE SCHEDULE FOR CONTRACT ELECTRIC SERVICE TO CERTAIN STATE OF TEXAS ACCOUNTS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The City Council amends Ordinance 20160914-003 to add the rate schedule attached as Exhibit A for electric service to certain facilities owned and operated by the State of Texas.

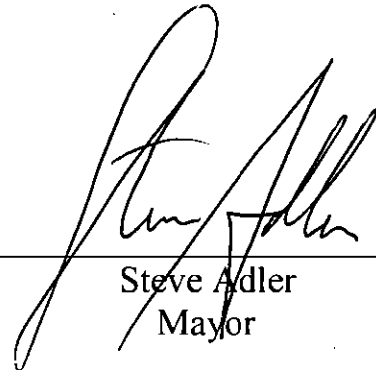
PART 2. The City Manager is authorized to negotiate and execute contracts for electric service with the State of Texas consistent with the rate schedule attached as Exhibit A.

PART 3. This ordinance takes effect on December 19, 2016.

PASSED AND APPROVED

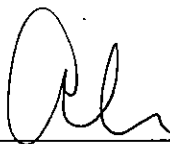
_____, December 8, 2016

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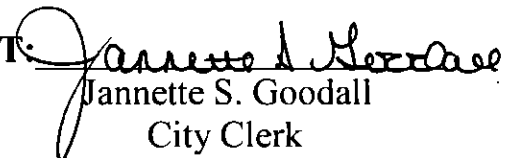
Steve Adler
Mayor

APPROVED:



Anne L. Morgan
City Attorney

ATTEST:



Jannette S. Goodall
City Clerk

EXHIBIT A

State of Texas Contract Service

Beginning June 1, 2017, this rate applies to service to a facility owned and operated by the State of Texas or the Board of Regents of the University of Texas System that receives service at secondary or primary voltage with a demand equal to or greater than 500 kilowatts.

Applicability:

To receive service under this schedule the State must enter into an exclusive sole supplier service contract to purchase its entire bundled electric service requirements within Austin Energy's service area, with an exception for on-site back-up generation and up to one megawatt of on-site renewable generation capacity. The contract term shall run from June 1, 2017, through the billing month that includes August 31, 2026. The City Manager may establish and agree to terms and conditions for a service contract consistent with this schedule.

A State account may be included under the service contract (1) if it qualifies for service under the Large Service Contract schedule on May 31, 2017, or (2) at the start of the first billing month after it has reached a monthly peak demand of at least 500 kW twice during the preceding 12 billing months.

Standard Rates

For the initial contract period from June 1, 2017, through August 31, 2021, basic, energy, demand, and applicable community benefits charges will be fixed under the rate schedules set forth in Ordinance No. 20160829-004. The City Council may subsequently amend these charges to be fixed again for the period September 1, 2021, through October 31, 2023, and again for the period September 1, 2023, through August 31, 2026. The service area lighting and customer assistance program components of the community benefits charge do not apply to service under this schedule.

If the City Council adopts new base electric rates during the initial contract period ending August 31, 2021 based on a comprehensive cost-of-service study, the State may opt to have its contract rates adjusted to any new rate for which an account would qualify during the initial contract term.

Regulatory charge will remain fixed for the initial contract period ending August 31, 2021. For the periods of September 1, 2021, through October 31, 2023, and September 1, 2023, through August 31, 2026, the regulatory charge will be reset and fixed in accordance with the regulatory charge schedule, plus an adjustment for any over- or under-recovery of regulatory charges from the previous contract period. The regulatory charge may be adjusted during any two-year period if an over-recovery of more than 110 percent or an under-recovery of less than 90 percent of costs occurs.

Block Power Supply Pricing:

In lieu of the Power Supply Adjustment, the State's service contract may provide a fixed power supply charge for a monthly block quantity of energy for a defined term, based on wholesale power market prices. Block pricing is contingent on the availability of authorized funding and the State's satisfaction of credit requirements. All billed energy not subject to block pricing is subject to the variable Power Supply Adjustment (or Green Choice Energy rider), as may be amended from time to time, or any other successor power or fuel adjustment schedules.

The kWh block price shall be the actual wholesale kWh cost to Austin Energy of the block quantity supplied, plus a renewable portfolio charge based upon the forecast kWh price of renewable energy credits in the ERCOT market during the term of the block pricing.

In lieu of the renewable portfolio charge, the State may opt to designate an equal renewable portfolio dollar value as a monthly block quantity of GreenChoice Energy by paying the per-kWh price difference between the wholesale power price paid by Austin Energy and the applicable GreenChoice Charge for the specified quantity.

Other Terms and Conditions:

This schedule is effective through the end of the State's billing month that includes August 31, 2026. Austin Energy may provide service under this schedule as a bundled entity or, if retail deregulation is implemented in its service area, as separate, unbundled entities.

Capacity and maintenance fees for dual feed service shall not apply to a facility receiving service under this rate schedule.

Rebates received by the State for energy efficiency measures may be applied at the State's option as a reduction to the monthly electric bill for the facility that implemented the measures. The State's service contract may provide for additional engineering and staff support from Austin Energy for the identification of energy efficiency projects at State facilities.

If the State is required by state or federal law to act in a manner inconsistent with the terms of this schedule or its service contract, then the State may upon prior written notice to Austin Energy cancel, or modify in whole or in part, this Contract as necessary to comply with state or federal law.

For purposes of this schedule the State does not include a conservation and reclamation district created pursuant to Article XVI, Section 59 of the Texas Constitution.

The State may opt to terminate its service contract if the City adopts a rate schedule that offers more favorable rates, terms, or conditions than provided by this schedule and that describes a customer class for which the State's primary voltage service accounts qualify. The State may exercise this option by providing written notice of its intent to Austin Energy and by executing the written agreement, if any, required to receive service under the new tariff.