

Austin Energy Utility Oversight Committee Meeting

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>> Tovo: This is Kathie tovo and I serve as chair of the Austin energy committee. We're going to give another minute or two for colleagues to come on down and then we'll get started. He

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ler. >> Tovo: Good afternoon, I'm councilmember tovo and I chair the Austin energy committee and we're going to go ahead and get started with citizens communications. We don't yet have a quorum so we won't be able to take action on item 1. But I know we have a few individuals here to speak to us so I will call them up. And that's Danny Funtatia and Mr. Starkey. Welcome. You have three minutes, sir. >> Do I speak into this? Thank you for the opportunity to talk to you today. My name is Danny and I am with 350 Austin. The Fayette Cole plant produces money for the city along with electricity and coal ash. Coal ash is a toxic substance that leeches lead, mercury and arsenic into the water table when not properly handled. The Obama's administration found that the Fayette coal plant in violation of numerous E.P.A. Regulations. Trump's E.P.A. voided all the charges against Fayette coal plant and got rid of the regulations to monitor poisons in the air and the water. As part owner of the coal plant, you are also part owner of coal ash. The city of Austin has responsibly prevented the kids in La Grange, Bastrop and Flatonia from being poisoned by lead. The present plan of selling or trading the ownership share by 3 or 2022 does not stop kids from being poisoned by the coal ash everyday. The financial experts of the city see millions of dollars from the Fayette coal plant. One of the reasons for the dollars gained by Austin and LCRA is they're not handling the coal ash in a responsible way. The financial experts are also not saying what the legal liability of Austin is in being part of poisoning

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of kids. We in 350 are asking the city of Austin to join our effort to close the fayette coal plant now, not just get out of it, but close it. Clean up the coal ash now. Share the cost of the shut down with lcra. There are some things the city of Austin can do immediately. Give every city councilmember and the mayor a copy of Obama's E.P.A. Citations and all of the documentation collected by them. Give every city councilmember the fayette 2018 budget and see how much money was spent dealing with coal ash. There's train loads of coal coming in and they're constantly producing coal ash. Find out how the coal ash is being handled today. The issue cannot be swept under the rug. Accepting the lies, half truths and misleading reports from the manager of fayette is not acceptable. Austin is a part owner, must demand all of the facts about the lead leaching into the waterable T that kids drink everyday. The city council and the mayor are Progressive and ethical public officials. The truth has to be faced. No amount of dollars we can come up with can justify the lead poisoning of kids. Work with us to shut down the fayette coal plant. Thank you.

>> Tovo: Thank you. Gilbert Starkey is our next and last speaker for today. >> Madam chairman, honorable members of the council, I'm Gill Starkey, a co-founder and member of the board of directors of 350 Austin. I simply wanted to underscore the testimony that Danny just delivered. We at 350 Austin stand

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behind what he laid out. We agree with that. We want to work with you while you work with the lcra and Austin energy, as Danny said, to shut down the fayette coal plant 100%. It has been and continues to be a public health environmental and climate disaster. Let's close it down as soon as humanly possible. We cannot allow finances to dictate this decision or the pediatrician with which it is carried out. We need to close it down as soon as possible. We want to work with you in any way that we can and we ask that you use all means at your disposal to accomplish this end. Thank you very much. >> Tovo: Thank you. We appreciate you being here this evening -- this afternoon. Okay. That takes us to item 3. So colleagues, we had talked about mayor pro tem arza and I were going to identify some conversations to have, and she's unable to be here today. So I think we'll table that piece of this discussion for a time when she can be present as well. I believe Ms. Kimberly had a couple of updates for us. Would you like to do that today or would you prefer to wait or what is your preference? >> [Inaudible - no mic]. Tovo here happy to hear it today and that will help set the stage for our continued conversation on that. Welcome. >> Hopefully this will be -- is that good? So good afternoon, chair Tovo, members of council. I wanted to follow up. At last month's meeting we were requested to provide information on the numbers of properties in our multi-family rebate program that were declined participation or did not

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move forward. You should all have a copy of that memo in your binders and I'm happy to say it's a very small number of properties. Secondly, since our last meeting each of you should have received a

binder that looks like this, sorted by councilmember district, that has properties over the length our weatherization program that has been weatherized and those that have not been weatherized on the type of weatherization program they went through. Additionally councilmember Casar's office provided a list from the city demographer's office. Staff took a look at that as well. It was multi-family properties built 1990 and before. And we performed some analysis. So we've been pretty busy. But that's not all that we've been doing. So let me share a couple of things with you in follow-up. And I want to thank you for continuing to challenge us. We've done a great job. And kudos don't go to me, they go to my staff. As I said a couple of months ago, Austin Energy with your support has weatherized over 68,000 apartment units since 1991. That's a huge number. And in the energy efficiency sine you look at three levels of potential. You look at technical potential, that's what it be weatherized irrespective of cost. You look at economic potential, which is the next level down, anything that passes a cost effectiveness test. And notwithstanding the cost that it's cost effective, you may not get all the property owners to adopt and so you drop to achievable, so you have those three years. From potential list you can probably say that we have gotten to the achievable potential with our multi-family properties. But that's not . Good enough for our staff. It's not good enough for the city of Austin. So consistent with the current year's budget that we sought your approval of last year and that we are working under right now, we released a proposal, request for proposals for a

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multi-family energy efficiency implementer. And that is somebody who would operate under contract with us that would give us additional bandwidth to reach out to that gap in between the economic potential and technical potential. We at Austin Energy would retain overall management authority. The proposal hit the street on April the 1st, it closes on April 23rd, so we're in that very important period in which I can't release very much information because we are still looking at bidders. We had a meeting with bidders about a week ago. We had a good turnout and their job is to expand our bandwidth. They would recruit and retain and manage performing contractors because how do we reach more properties have more contractors that are acting as our sales force out there doing the work. They would also do participation outreach with property owners. Some of those property owners don't live in the state. So it involves working with property owner firms and property manager firms. They would assist us in educating our tenants. They would provide consulting services and importantly they would provide quality support. So it's not just enough to go in and check the box and weatherized a property. You have to make sure it's done safely, that the measures have been installed correctly and that you've achieved the efficiency potential. So I'm happy to say that we're just a couple of weeks away from closing that request and you should look for an RFP coming forward to you probably over the next few months and, we hope to have a contractor in place by the first of the fiscal year, which will greatly help us. But again, that's not enough. So another thing that we did, after last month's meeting we went back, we challenged staff to design what they felt would be the best of the best, the best multi-family weatherization program that you could possibly design that would be cost effective, but result in increased

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participation by both contractors and by customers. A pilot is just that, it's a pilot. It's intended to see what works and what doesn't work. And I'm happy to say that over the last two years the low income tile recommended by a group of citizens appointed in by you came up with a number of good ideas. This was one of them. We had many successes, but we've had challenges. Don't have very many contractors participating in the program. We've had some quality assurance and quality control problems. And the most difficult challenge is looking at income verification. So that citizens task force said if 30% of the residents in that property are low income then it should be 100% rebated. And frankly, we don't collect income information, we don't want to have that information that we collect, so how do you go about reaching that hard to reach group? Councilmember Casar says, I know a lot of these properties a couple of months ago are not classified as low income, but they are home to low income customers. So we flipped the equation. We said what if we provided 100% rebate on any property that was over 10 years old, in other words, built under an older code, irrespective of the income levels of the people that lived there. Knowing that now where we have mandatory set asides for affordable housing just about any property that goes up, why don't we try to -- without being cute, go big or go home. We've said we'll retain existing measures. We'll retain high efficiency lighting measures, installing LEDs. We'll retain solar screens, we'll install solar screens is, but we'll do some things that are new. We will perform HVAC tuneups on those properties. So these are tuneups and conditioning of the outside unit. Check the condensers, the coils, cleaning the filter on the outside units and

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making sure they're safe. We will perform plenum remediation, and without GE Igo building science, in a multi-family property you don't have an attic space in your home. If you have a single-family home you have floors of units and there is a space between the ceiling and the floor above. It's not a place where you can easily STA up, but if you can create a duct around the air fan and the return you can keep cool air inside the unit without escaping and remaining in that space in between the inside of the ceiling, the top of the ceiling and the floor above. That's what plenum remediation is. It optimizes the air flow losses, improves the quality of the living space as well as results in energy efficiency and improved comfort. Before we provided a 50% incentive to go through eca compliance if a property wasn't already eca compliant, we said we will pay for eca inspection up to a cap of \$2,500, which is pretty much the cap that we see on these properties. And then lastly we said, and this hasn't been done, we will install smart thermostats at a cost of \$150 to cover the installation of smart thermostats in multi-family properties. They don't need to be connected to wi-fi in order to work. They all contain an auto away function so when the resident leaves it adjusts temperatures accordingly, resulting in savings, and the back of the envelope estimate says that this would result in a five percent energy savings. So those six measures, and I've asked our staff as recently as this afternoon, do those six measures match anything that anyone else out there in the industry is doing? And they've said no. This would be something that's not been seen elsewhere.

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And we believe while we've gotten to that technical potential, that will help us get closer to the economic potential while still meeting our cost effectiveness targets, while lowering bills for a low, low moderate income customers and not coincidentally, helping us achieve the councilman dated target. So THA ccludes what we've done. It's been a very busy past couple of weeks and I'd welcome any questions and I'm happy to present again next month if you'd like. >> Tovo: Thank you very much. I know I have some questions, but let me hear from colleagues first. Councilmember Casar. >> Casar: Thanks so much, Ms. Kimberly for your hard work on this. You mentioned and I think it would be useful to look at older properties that may not be on the Austin tenants' council list because they are income restricted, but frankly look at the places where they may not have income restrictions, but there's low income people. You mentioned that y'all were looking at ppertrors older than 10 years old. Are you referring to prertiop that are older than 10 years old that are in -- just the structure citywide generally? >> I'm talking census wide any property older than 10 years old because those more recently have been built under efficient energode standards so we would get rid of the income requent altogether. >> Casar: Meaning -- and what -- I guess the follow-up question to that: In some of our email exchanges which I tnkhi have now been shared with the whole council, we asked the demographer to look at which census tracts -- you can shake your head no, but I have an email that CC's the whole answer so you can double-check, but I think it is ccing the whole council. >> [Inaudible - no mic]. >> C: Tart's fine. So it's in your email box. The queson that the demographer had looked at was looking at census tracks where the majority of

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people's household income was under \$50,000. And in a quick scan of that it looked like indeed you had weatherized many of those, but it did expand your list by like 33% in my district. So I guess my question is do we want -- the question moving forward is at which point -- where would we make decisions about things like that? And then second, by getting rid of income restrictions, but looking at census tracks, it looks like you get anncremental increase of properties, 30% or 40% more properties you could do, there coue an argument for doing it that way because then you can really target the places where we're pretty sure there's more low income people. I think the idea of going big and just Doi all of them that are less than -- that are older than 10 years old also could make sen if we think wee tav resource to do that many of them. What I just would be -- if the answer to that is yes, then great. If the answer to that is what might up hning is we distribute our limited resources, potentially not in the census tracks that edne it the most, that would be worried about going too big too fast. >> And my apologies. It's not intended to be a sort of spread it like peanut butter, not to change metaphors on you. That's why there are two parts to this. There's the third-party implementer that we're looking at to help us with some of those specifics. And how do we target those that are most in need? And frankly, one of the things that we're looking on relative to these new measures is we need to be thoughtful in terms ofow we go about doing this. You know, I'm sometimes an impatient person, as Jackie might attest to, so I would like to do it sooner rather than later. We would like to start this July with a focused outreach to exactly the types

of areas that you're talking about. And in particular because so many of these properties are ecad compliant, target those that have the highest energy

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usage index. So that's the highest energy use P square foot. That's the highest eui, which is what energy index usage stands for. So develop a marketing program that does exactly what you say, councilmember Casar, train our contractors on how to correctly do plenum remediation so it's done correctly and hopefully do a soft launch in July and when we have the implementer on hopefully in October time frame, then be able to do a more fulblown rollout. But it still hasn't lost its focus on trying to reach those. And you saw in some of the data we provided you the estimated bills for those properties, so it does enable you to get a bit of a sense as to where we can focus our efforts. >> So to summarize the idea you're presenting to us today and this is the first time I'm hearing it so I want to make sure I understand. That you would stop disqualifying properties based on an inc restriction issue, but you would start better focusing and targeting your efforts now that house this broader scope onertain characteristics where you think it's most needed? >> Precisely. >> Casar: Okay. >> Tovo: So I guess my first question is if somebody could give us the date of the exchanges where WER all copied. I don't remember seeing it and I'm not finding it in my I indocks. It would be helpful to know generally where that was. I too need understand better what these proposed changes are. I think there had been a policy of providing 100% rebates for energy efficiency at all income levels a then that shifted. So going back to a program that is funding at all levels irrespectivo T some extent of income is something I just want to make sure.

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If we have the funds to do th, great, if we don't I think the focus should be loincow . >> We have the funds to do it, chair, with the program as outlined here. So that doesn't mean, however, that a property owneourn't say I want to do -- take advantage of other measures and those other measures can include things like if they want to hvac replacement, that's more expensive. It could include things like, for example, insulation replace the. So again, multi-family properties are different than a single-family property, but what we're looking at doing is creating a multi-family property program, rebate program, designed predominantly to reach the low to moderate low income customers predominantly with older properties that will be less efficient with higher eui's, still could have effective with those measures and the property owner should they wish to add on more measures, we would rebate on those measures potentially at 80%. So what we've got right now. >> Tovo: Okay. Thank you. So again, I'm also ring about Thi for the first time so I look forwa to getting some more information. I think the other-- I have two other questions. The one that relates most directly to our current conversation just gets back to that idea of I'm still not really clear. I think I had asked the city manager to provide us with some infmation about why the responses that were triggered by a council resolution stopped without council action. And that was the iormation that you were providing on a semi regular basis about the properties that

were receiving multi-family energy efficiency rebates and their current rents. Not often, but there are definitely properties that are coming outlie they let me just send it there. That just as a general practice concerns me that we had a council who V fed a particular action and that

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action was stopped absent of council action. There may be very gd reasons for stopping it. I'm tol tt there was an exchange at one of the committee meetings here THA I wasn't present for that may have been the result of stopping it, but again, this isn't -- >> And I don't think I was en aware of that or didn't reflect upon that until after last month's meetings. I apologize for that. I believe in lt year we had a report to the uoc and at that meeting wepor Rd on the semi-annual results of what we refer to as the rent rebate report. Is there a correlation of paying a rebate to a property owner at an 80% rebate and did necessity in fact adjust rents to offset their costs. And we conducted that study for five years. In the meeting in November where a member of my staff report odd that there was discussion and forgi me, I can't recall who all was involved in the discussion, I believe mayor pro tem Garza was involved at some point and stated why are W doing this if it doesn't -- if it's not proving the thesis and we were looking at going outnd issuing an rfp to retain somebody to do that for us because we just simply didn't have the bandwidth to keep doing that report. An at that point in time E directive was we don't see a need to continue doing this. And so at that point and perhdue to my ignorance on what I needed to do further, we discontinued the report. Now, if there is something that needs to be done to get to closure, that's fine. I just don't know if resolutions have a sunset date, per se. So when that direction was given,, and I will accept responsibilie wssume the direction was no, you don't need to do the report anymore. You don't need to do the rfp because for five years it indicated thathere tas no correlation between rebate payments and rents.

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In fact, what was driving rents were market conditions. >> Tovo: And I can understand the confusion. I guess I would say a couple of things to that. One is I think we should consider -- at this point we don't -- we either wteri in a sunset clause or we don't and then it continues until ere's another action. As the sponsor of tt resolution I would love to have been -- have had some kind of catrsonions about that before -- especially since it sounds as if I may not have been present at the part of the meeting where the item was being discussed. But too, I would say there were some other utility to that in that it gave us a snapshot of the different -- of what level of multi-family apartments we were providing serce to. And so in that rpectes I think it's also very luable because we got a clear sense of what the rents were like. What kinds of --here W our focus might have needed to be if -- because through the years people have also -- you know, this conveation about who we're targeting our rebates to comes up again and again and again. And I think having a coherent, comehensive way of keeping tabs on what level of -- what level of rental apartments we are targeting with our -- and being successful in recruiting for our energy efficiency program has a utility. Anyway, we can continue that conversationoo, but because this issue

has come up a couple of times this week about council actions and what it takes to undo a council action, I just want to suggest that -- suggest that as a topic for my colleagues to consider in a council meeting. >> If I could add to, and we're happy -- we do have a report that we've put together on a quarterly basis. So it's a quarterly report that gets to all of our outreach efforts, where we stand, quarter to date and year to date in terms of our various programs. That report lives on the corporate data page of the Austin energy website. And I'm happy to provide

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that to you in the form of documentation in your meeting minutes today so that you have the ability to reference that because that will provide a lot of information in terms of number of properties reached, in which district, rebates paid, occupancy and the like. >> Tovo: Great. Thank you. So there may not be a need to continue the other reporting, but again, I just wanted to raise the larger point. And then I had a couple of questions about the data that you provided us with. Of the 13 -- this is in the memo that is backup for this and the applications that were not approved. And the majority of those are within the -- because they appear on the repeat offenders list. If those properties clear their violations, I assume they can reapply and T would no longer -- it's not like a permanent disqualification, it's just until they get the property fee enough to be -- safe enough to be worked on. >> To your point, we had a property that was on the repeat offenders list and the moment they came on we reached out to them and said we'd like to have you go through our program. So we did push it through. >> Tovo: Good. Thank you. Other questions about this item? >> Casar: So now that I've had three minutes to process the information I think I would be interested in a conversation offline with folks so you could present more coherent policy from the staff perspective, whether it should live in a council resolution. My gut instinct is that it is useful for us to be more flexible and being able to identify low income apartments, but I do -- I am aware of losing a level of -- of having some way of ensure the prioritization of those and whether that is setting a goal which of percentages come from certain census tracts or whether we just start at census tracts where you're below the median income or below 80% or something at first. I'm not sure exactly the answer to that yet, but I

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like the idea of more flexibility, at the same time I don't want to lose some of that priority. And whether we do that by the staff presenting something more detailed or by resolution, I'm open to both, but just want to signal that to folks because it does seem that just with an initial experiment of looking at census tracts where the income is \$50,000 and below that that expands the portfolio of options significantly and the question is how expansive -- how much more expansive should that do we want to. >> I think we have more opportunity when we bring on a third-party implementer and I know it takes awhile to get to the point where that proposal is closed out, but I didn't elaborate on it. Part of the approach with the third-party implementer is to incentivize the very tiers for the trimmer getting participant contractors into the program and getting property owners in the program. So -- >> Casar: So what you're

suggesting is we might need to wait for them to be on board to consult with them about -- or to advise or to direct. >> But that's feedback that we can provide the inter-thirty implementer and further, when we weatherizing those properties we certainly have the ability and I hope my staff can stop me here, but when we pull together that information we can then periodically report on the properties that have been weatherized to your point councilmember Casar, we can geo map and and see where they fall. Clearly zip codes are too big. Census tracts are easier to deal with. I think what we shared with you a couple of months ago was the properties that have gone through the weatherization program are generally tracking along the I-35 corridor north to south, so it is a pretty good overlay. And as you know, we've expanded and have reached out to a significant number of manufactured housing properties, some of them reside in your district and a number of them reside councilmember Garza's

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district and in councilmember harper-madison's district. So. >> Casar: Just trying to address your comment that figuring out which things income qualify is the thing that is one of the challenges for you. >> It was a challenge. >> Casar and then making that easier make sense to me and the question is how much easier and how much broader does it get? And I think what I'll need to understand and not take any more time here is if we make those decisions before we have this implementer on board, does that give them better direction and will be more successful or is it best to wait until they're on board and then weageng with them? And I'm happy to have that conversation. >> Again, I'm really cautious because we're in the proposal phase right now. >> Casar: I got it. And then for everybody to know, I think that this limits - - O lands in our staff inboxes, April 11th. >> That was what I was informed. It went to your staff. It was copied to your lead staff. It was to you, councilmember Garza, but a copy to -- councilmember Casar, but a copy to everyone's lead staffer. >> Tovo: Thank you. We'll track it down. Anything else this issue? We have a quorum now. I'll entertain an issue to approve the minutes from last month? Councilmember pool moves approval. Aye: Seconds. All those in favor? That passes unanimously with councilmember Flannigan, the mayor, councilmember harper-madison and councilmember Renteria off the dais. General manager, we're ready for your report. Welcome. >> Good afternoon, committee chair, vice-chair and committee members. I'm Jackie Sargent, the general manager at Austin energy. In addition to my report today we will have an update from my deputy general manager and chief operating officer Charles Dickerson with regard to workforce planning related to the nuclear decommissioning. And we'll have an update on our Austin shines project from our project manager Lisa Martin. So thanks, folks, for being here.

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My report today includes a review of several items that will be coming forward for council action on your April 25th agenda. And then I also want to touch base on a couple of awards that Austin energy has earned. The first item is a three-year, four and a half-million-dollar contract with Converge One to provide via phone products and services. This contract will provide continuous support for the telephone

platform and operating systems used by both our utility contact center and 311. It will provide enhancements including system managing, service management allowing greater functionality for our customers when they use the telephone. The next item is a one and a half-million-dollar amendment to existing contracts with W megawatt machine service and set point integration solutions to provide specialized valve repair, replacement and testing. These contracts provide for standard and emergency valve repairs at Austin energy's rpo plants, the Decker facilities and the Sand Hill facilities, but only on an as-needed basis. The additional authority requested is critical to cover critical spring and fall plant outages and includes some contingency funding for unplanned repairs and those are especially needed during the summer peak system. Lastly we are asking for an approval of a 3.1-million-dollar extension to an existing contract with LAN disand gear alytics for software upgrades and support the meter data management system, also known as. The mdms is a software system that is utilized by Austin eyne to manage customer meter data and store realtime meter reads for nearly 500,000 meters that we serve. Improvements in this contract include remote service switching, automated identification of potential data anomalies and integrating meter data Ross additional utility atforms, including the customer billing system.

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All three of these items were recommended unanimously by the electricyti commission when they held their meeting on April eighth. You moving to awards, the first award iant W to share with you is the 2019 energy star ptnf the year sustained excellence award. This is for continued leadership and superior contributions for our energy efficiency program delivery. Austin energy was also recognized with the 2019 award of continued excellence from the American public power association's demonstration of eney efficiency developments or also known as their Dee program.st in energy has been a deed program member now for over 35 years garnering 14 deed grants and sponsoring 41 scholarship students studying energy related subjects. That's interns have helped bring electric vehicle charging to schools, to our local sool districts. They've launched a program for electric pedicabs, managed solar forecasting project. Performed economic modeling for U.S. Department of ergyened grant and done expensive marketing and outreach for the utility's customers. And to wrap up, earlier this month Austin energy's ev's for schools program was also recognized with a couple of awards. The first is the 2019 smart 50 award from smart cities connect which recognizeshe 50 most innovative and influential projects globally. Ev's for schools also re ived an honorable mention in the energy and transportation categories of fast company's 2019 W changing ideas. This is one of fast company's major annual awards honoring businesses, companies, concepts and projects that offer innovative solutions. And I want to thank uncicoember kitchen who was there at the ribbon cutting for that program at Akins high school last fall. That's all I have. I'm happy to answer any estiquis that you may have.

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>> Tovo: Thank you so much. Congratulations on the great awards. Council member Renteria. >> Renteria: Jackie, I'm just curious, how many of those -- are you saying that you can do automatic meter switching? You don't have to have someone to cut it off or something like that? >> That's correct. >> Renteria: And how many -- can you do all the meters that way now? >> We can't do that, but we need to do this upgrade and once we do that and have the deployment of the meter generation that we do all the automatic metering structure, we will deploy that. So we're working towards that, but we need that in order to implement that and get the motion started. >> Renteria: And your goal is to replace all the meters with smart meters? >> That's correct. >> Renteria: And how long is that process going to take? >> I think it's on a five-year track. >> Renteria: Okay, thank you. Is. >> Tovo: Any other questions? >> If nothing else, I'm happy to have Charles Dickerson come up and good give you his update on the Decker decommissioning. >> Good afternoon, madam chair, members of council. My name is Charles Dickerson, deputy chief manager of Austin Energy. I'm going to -- consistent with your request, madam chair, at the last council meeting to give an update on Decker, I'm going to provide an update every month on where we are with the people. The first update, this is a background for those who are probably a little bit newer to the process. So the plant in question is what we call the Decker Creek powerplant. They are two steam units that according to our generation resource plan we are on the path to closing in 2020 and 2021 after the end of summer peaks respectively. We're working to do that.

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along some goals we like to call guideposts. The first one is obviously safe and reliable operation through the retirement period. Number two is supporting employees who are going to be impacted. Through this process by helping them with their skills and giving them information, helping them retool themselves. And third, to make sure that we have constant and consistent communication. The mantra that I've given my team working on this is we're going to tell the people at Decker what we're going to do, we're going to do it and then we're going to tell them we did what we said we were going to do and their charge is to hold us accountable if at any point we don't do that. This transition plan which rolled out at the end of January of this year, so the key questions basically is while we're returning the units? Age and market conditions. The units are just not as efficient, the technology is 40-year-old technology. And there's a lot of newer technology in the fleet that's a lot more efficient so therefore it's not economic to have the plants in addition to the fact that they have climate issues with respect to it. When will people be impacted? We made conscious decision that even though we're going to close one unit in 2020 and another unit in 2021, we're going to hold all the people until both units are closed. My question is why would you do that? The reason for doing that is to allow the maximum amount of time necessary for people to train. We've been efficient over the years in trying to maintain the needed staff at the powerplants so if we have just the needed staff it would be difficult for people to work eight, 10, 12 hour shifts and go to training. When we close their unit we will hold those people on. They will work while other people train and they can switch on and off and that's what we're going to do. And how will people be impacted? The rules require that we give a 60 day notice prior to a reduction.

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We've doubled that. We're going to it give 120 day notice at a minimum. We may want to give them more depending on . When we make our extension final for ERCOT to do the close independent of how quickly they come back, but we've commit to give at least 120 days notice. This slide here this slide here will bind of what I call my report card. You see this in my quarterly report that I asked you to hold me accountable to. So the green indicates anything that's on track. The green with the C in it means it's on track and complete. And then we have a training plan, career coaching and implementation and training that is scheduled to begin in the fourth quarter this year, the first quarter of next year and the first quarter of next year respectively. And that concludes the report. I'm ready to take questions. >> Tovo: Thank you. Councilmember Kitchen. >> Kitchen: Thank you. Help me understand, or these kind of jobs, how difficult is it going to be for them to find other jobs. Will any of them be offered positions within -- within Austin energy. And in addition to training, is there anything THA we can do from a job placement standpoint? >> So two parts. And I should have included this in the deck. We are working very closely with Austin energy, Austin energy's human resource department. We're working very closely with the city's human resource department and we've had a number of conversations and members of the union have been at the power plant to we've been working with them well. With respect to their ability to find other jobs is be I started my career working at a power plant even though I'm an engineer. The skills you pick up at a power plant transfer to a lot of jobs. I'm not as cognizant in all the rules around what is competitive and what is not,

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so in some instances they may have to compete. What the first step we're doing is allowing for working with the members of the power plant to reassess their skill sets. What I have found in the past is that the hardest thing is that people who work in these investments tend to give themselves short on how good their skills are. So we're going through a questionnaire with them, helping them understand if you can work on piping systems and pumps at a power plant you can work at facilities anywhere, you can probably work at our district cooling plant. You could probably work for another organization. So the short answer is the skills are very transferable. >> Kitchen: So -- okay. So what exactly are we doing to help place them? Or are we doing anything to help place them? >> I can't speak specifically to placement so I'm not as familiar with the city's rules. Those rules govern what we can do with respect to placement. It's my understanding that we will train them and they will have to compete for jobs. >> Mcs, I'm sorry, you will have to educate me. >> The municipal civil service rules that are part of the city's process for employment and placement. >> Kitchen: So there's limitations then on if someone is working for one part of the city, placing them in another part of the city. Is that what it is? >> I don't think that we can unilaterally place them in another part of the city. We can compete. >> Kitchen: No, I guess what I mean is they wouldn't have a choice, but what I mean is if their choice is between taking another job -- can we offer them jobs, I guess is what I'm asking? >> It is my understanding that they would have to compete for jobs, but someone else would be in a better position to answer that than I. But it's my understanding in working with HR that we would they would have to compete for the jobs. >> That is correct. Anyone who changes jobs has to compete head up for that job when it's posted. We can no longer transfer

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powerpoint engineer 1 from ae to a water treatment plant. They have to compete heads up for the position. >> Kitchen: So that means that they are competing with people that are not city employees, right? >> That is correct. >> Kitchen: Is that our own rule or is that something that is part of the law somewhere? >> That was adopted in T many civil service GU lines, there's a booklet on it. I'm not that familiar with all the details, but we cannot place pple any longer. >> Kitchen: I'm not talking about this in ter of doing something the employee would not want. I'm simply asking if there's preference for them. I mean, we're talng about a reduction in force as opposed to just moving someone from one place to another. So I'm just trying to understand the parameters. [Multiple voices] >> Let's get a answer from human resources whether that's in the rules that are able to be changed. They were very carefully negotiated. >> Kitchen: I understand that. >> Tovo: I think just getting a firm answer on that would probably be most useful. Did you have other questions? >> No. >> Tovo: Councilmember pool. >> Pool: If we could get a sense of the pay grade of the folks who areosing their jobs at decker. My understanding is they're pretty well paid in the engineer positions and so forth,ut I'd like to get some specific information on that. Whenever we have -- it isn't necessarily you, but whoever it is going to bring us the ditional information from human resources on how we're able orot able to place or assist our employees. See what signed of salary schedule we're looking at. >> Just for clarity given therevi ps conversation with my colleague, Debbie erlymbis the committee asking that I bring that information back, which I'm happy to work with hrd, as opposed to have someone else come here or are you asking for someone from city's hr to come? >> Pool: I tnk whatever would be aroprppte, but knowing that would be helpful when we look at the

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information that councilmember kitchen is also asking for. >> Okay. >> Ellis: Along the same lines, I don't know if this is appropriate to have this as public information, but if anyone is expected to retire or looking to retire, if T have kind of reached that point in their service, I think that could be helpful in this report if that information is available. I'm not sure that it is or that it' appropriate. >> So it's interesting you ask that question. I did ask that question yesterday in preparation for this meeting. We do. I mean we the city, our connectivity of our varioushr data may not be as robust as one might expect, so the data is a little dated. As of I think 3:00 yesterday, two people would be eligible. I asked the question for full retirement. Right now and I think when we get to 2021 three people will be eligible for full retirement. >> Ellis: Okay. Great, thank you. >> But that information is dated. It's probably more people than that. >> Tovo: Councilmember alter. >> Alter: I was just wondering if you worked with acsme on the process of transition for these employees? >> I'm sorry. I may not he said it. They have been present at -- what I should frame is that we've had multiple communications, I and pat Sweeney, my vice-president, kind of pject manager of this, we've been at the plt and met with the employees on multiplications and each one of those occasions someone from acsme has been there in conjunction with Austin energy's human

resources department. >> Alter: Okay, thank Y >> Tovo: Did you have something elseo Tay? >> I'll work with hr to have them come give you an overview of the rif process under mcs rules. And then you Canak to the pay grades of your

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employees. >> Tovo: Okay. Thank you. Thank you for this update. This is very helpful. As you know, there's interest in the community about this so I appreciate. This information presented in this way is very useful. >> Thank you. >> Tovo: You know, actually, I'm sorry, I do have one more question. I assume that the training is bei provided to the employees free of charged a also within their work hours? >> The training is definitely free of charge. We've done two training. One has beenasically a cultural change in management training and I reported on the first time it's helpful for a person whether they're going through any life change, employment change, change in their personal life. When we get to the skills-based training, that's not going to be incumbent upon an employee to pay for it. We'll be paying for that through our normal processes. The reason we're going to be holding staff over when we close the first plant is ain so the employees can work and get that training during normal hours necessarily. They don't have to work a 10 hour shift and then go to school while tire foally employees are working at the plant they will be able to go and get the training. >> Tovo: Great. I heard you say holding those employees in that way to allow for that flexibility. I wanted to clarify. So they can attend that skills based training during the regular work hours at no cost to the employees. >> Yes. >> Tovo: And I assume the skills-based training is providing training that would be likely that would -- that would -- let me ask it as a question. Are you looking at the jobs available in other places within the city of Austin as you design that skills-based trngni to see whether -- to put those employees the best positn possible to beat for those jobs in other -- compete for those jobs in other departments? >> The short answer is yes, but may dan E on it because I think it's important. The sequence is to meet with each employee we're doing. 33 have taken the assessment out of 77. We have over 200 slots, so multiple times they can choose to Tak the assessment. Once the employees go through the assessment someone is trained to go through theessment, we

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will get them to understand what their skills are, we will work with them based on what they've done and then we will go through the field of possible employment opportunities within the city and say thesere a how your skills-- where your skills are better aligned. They may decide I don't want to do any of that. I want to paint. And wayeave painters within theity. Then to the extent that we have skills that the city needs that they don't and they need training on we'll work with them to get the training. Ob ously we will pay for that. Andhen T they will have to compete for the jobs. >> Tovo: Great. There is a mupch then. You are looking at what the possible jobs are as you working with the employees to kind of make sure that they're trained to be as competitive as possible for those jobs. >> Yes. >> Tovo: Thank you. Okay. That is it on that issue. Thanks again, and our last agenda item for today other than new

items, new item suggestions the shines presentation. >> Good afternoon, chair tovo and councilmembers. My name is Lisa martin. I'm a program manager of advanced technology at Austin energy. And I serve as the project manager for Austin shines. And I've been asked to come give you an update today because we're nearing the end of the Austin shines project and we just waed to give you an update on the la St status of where things are. I want to STA by rooting us in Austin energy's vision of driving customer value and energy services with innovative technology and environmental leadership. I think the Austin shines project really embodies each one of these phrases, the focus is on customer value and even when we talk about utility value, we're ultimately looking at how that Val translates down to the customer. We're talking about energy services. It's simply not trons to your door, it's about meeting our customers where they are. And using innovative technology like battery storage and smart inverters,

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all with the intent of increasing the ability for us to have more renewable penetration on our grid. So that's the environmental leadership statement. So we use this infographic to describe all the different aspects of Austin shines. Just as a reminder, it studies the battery storage and study pv along the utility value chain. We have som utility scale pairings, we have some behind the meter commercial and also behind the meter residential chairs. All that hardware is good and the heart of the system is really the software controlst's I distributed energy management platform and it's called dero, wch hiisistributed energy optimizer. Basically determines when to control the various assets when which has control over to create value. As a reminder this project is a 45 month project that began in February of 2016 and you can see that we are in the third and final phase. The demonstration phase. So we' about halfway through byhe Orange tick mark on the timeline. And about 50% of this project or nearly half of this project was fded through external funding. Had \$.3 million from the U.S. Department ofrg E and one million dol ins state funding from the Texas commission on environmental quality. To pull off a project of this size requires a lot of partnehips. And this is a listing of whohas be involved. You will see a lot of vendors here, also ercot and academia through the universe of tyxas, but we're perhaps most proud of the partnership at the state, federal and city level. Let's start with some photos. The project began with the la low ma community solar farm, which is a solar aware that surrounds the kings bury substation. You can see one portion of that array in the front right there and then you can seen the distance two others as well. And as soon as we started to embark on the community

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solar area, we decided that we needed to also take an opportunity to study pairing it with battery storage. So we began work on the kegsbury energy storage system. This is a one and a half, three and a half megawatt storage system. It means it can run for one and a half megawatts for two hours. Whether it's charging or discharging. And one of the defining features of this system is the 46-foot long B container that you see right in front of you. When you starting to inseid of that battery container it looks

a little bit like a data center. It has 32 different racks. Each one of those racks holds 17 lithium ion battery modules for a total of 144 battery modules inside that system. Just one substation. Just one substation away. In the Mueller neighborhood we have a very different solar outlook. We have nearly 250 roof top solar installations that bring 1.1 mega Watts on this particular one feeder. You can see the various sizes of the histogram, but the picture tells it all the look at T density on that solar all on one feeder. This is an opportunity to discuss solar pairings we started on the Mueller energy stored system. This is a time lapsed video showing the installation of that system and you notice quite readily that we don't have a 46-foot long battery container here. We've got a more modular system. Each one of those commit cubes is called aid Y cube a product named a company that has its U.S. Headquarters locally here in Austin. It's modular in nature and we want to study that framework and outside of the substation framework because we think that might be part of our future. So, this is what it looks like today. You can see the Mueller neighborhood in the future area for development there and the city of Austin skyline in the back. You can see the system there is

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complete, but there's lots of construction rig around that site. So, we're still in the process of finishing the perimeter of that area, and this is an artist -- excuse me architectural rendering of what it is going to look like. It's a perimeter wall and customer viewing area designed in conjunction with the new construction council in the Mueller neighborhood to make sure we comply with the guideline there's. It will have educational signage and tie into the trail system of the Mueller neighborhood so any passers by can understand what is this technology, why is it important and why is it particularly located here. We switch gears to behind the meter installations. This is one of the commercial battery stored systems that's installed and the inset shows another site with the panels taken off so you can see the batteries and inverters. Each one of these systems 72 kilowatts lithium ion battery systems and runs 32 hours and smaller 18 kilowatts for 2 hours. Across those three sites our primary focus of study is how much value we can create for our commercial customers that's the priority through demand charge reduction. The draft you see is low profile for one of those sites for a particular day. You can see in the morning there's a sharp peak when they turn on all their air conditioning and then you can see the afternoon to evening hump. And the demand charge of course is based off the highest draw, the highest kilowatt demand during a 15-minute interval during that month, and by offsetting the load, using battery storage instead of grid power, then we can change the rate -- excuse me, the kilowatt number by which they are applying those demand charges. Instead of using the solid black line we're now using the dotted line because they basically provided for their own power in those cases. So, in our first three months of the demonstration study we used these battery stored systems solely to assess how much demand charge reduction we

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could have been across the sites. The average savings is 1.6 percent. You can see at one site we got 13 percent. And not least at the residential location we have 25 different participants some of solar pairings. What we are highlighting is grid installation. That's sited at T lab of one of our partners pecan streak. The white box behind is power electronics that allow us to take the power from the battery in the electric vehicle and put it on the grid. Obviously that certainly could have its use, but the primary purpose of electric vehicle of course of course is mobility. What we've done is reserved a certain amount of that vehicle's capability for customer transportation and then the remainder of the capability, when it's plugged in is available for grid use and for that study. So, I've talked about a lot of different aspects of Austin shines and you might ask what can we learn about Austin shines. The answer is a lot. We're learning about different types of control, about different types of value. Studying sizing techniques, different capabilities of these technology, what's the best way to communicate with them. What is the right communication path. We're studying what data is necessary for proper control and for opening open standards so we don't get stuck with proprietary standards and we're also looking at various ownership models the location where you put that control and I want to pause and highlight for a moment we're learning a lot about codes permitting. Before we started this, there wasn't much in the way of determining what are the rules for getting a permit for a commercial battery storage system. So, we worked with the development services department and Austin fire department to figure out what are their guidelines and how do we get -- how do we move forward in that

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space. And as I mentioned at the beginning we're halfway through the demonstration phase. There's still a lot more to learn and a lot more kinks to work out. Thus far some key takeaways we stretch appreciated the hands on approach we've been afforded. We've got tremendous insight being able to install these systems on our own service territory. They're a system of systems made up of hardware and software. We've learned about design and implementation and cost from that perspective. On the other side of the coin the value measurement we've been able to tell by far the highest value proposition is reduction in the transmission cost of service by using these systems to offset Austin energy's peak at the time when ERCOT has a summer peak. We also recognize there's reliability value from controlling these resources but we recognize that will be much more prominent as penetration increases. And Austin shines project includes simulations and modeling which help us see -- study what-if scenarios and prepare for future scenarios. And wrapping things up, when we get to the end of this fiscal year and we end the project, we'll owe six deliverables to the U.S. Department of energy. The first is an economic modeling methodology and framework which we use for the cost and benefit analysis. The second is software platform known as DERO. We have three reports one having to do with asset design, one having to do with control and ownership use cases and one having to do with the optimal mix of these types of assets and the sixth and final deliverable is the assets themselves. And this project has brought a lot of recognition to the city of Austin and to Austin energy. We've received a couple of utility of the year awards and been recognized by the Austin chamber of commerce with an award in the

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innovation category. So, that video was presented when Jackie received our 2018 public power utility 10 year award. We thought we'd give you a little snippet there. I'll take any questions you have. >> One quick one I have, can U go back to the photos for just a second. The last slide orecond to the last. The one with the awards on it. One more. One more. That one. Was that the public power award? >> Yes, it was. >> That's an amazing photo. It really captures the -- >> It was very exciting. >> As you should be. That's an enormous honor. Questions about the shines program? >> Well, thank you so much thanks for that overview. Thank you. >> All right. >> I want to make one comment. >> If I could, just one comment about this. It's hard to express how leading edge this project has been, as well as several people from Austin Energy as well, the energy thought zone which is taking place across the street even as we speak today and it's a three-day summit by thought leaders in the utility industry and related fields. And I've got to tell you about a quarter of everything that's going on over there is about this, and everybody's trying to figure out this information, and I'll just say that we're way, way ahead of figuring it out, and this project is a big part of why we are. So, it's been -- I mean, it's -- not only is it being recognized, it's given an A on the future. >> Thank you. Thanks so much for providing context. That's really valuable.

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Thanks for your work. >> Thank you. Okay. Any topics to suggest at this point for next month? >> Okay. We stand adjourned at 2 -- council member? Ust J wanted to point out the addendums the dates for the rest of our meetings for this year, so be sure you have them on your calendar. I think in a couple instances, some of the dates were missing, so I appreciate our staff with Austin Energy bringing us back these dates. We've got May 15, June 19, August 14, September 25, October 23, November 20. Thanks. >> And actually -- thanks for raising that. I put this on here to see whether there was -- and we would have to make an official change in some other venue, but whether there was an interest in making several of these meetings, I believe May, June and November, if I'm remembering correctly, just a little bit later in the day. So I think we'll pose that question if it seems like a reasonable solution on the message board for conversation. It would be at 2:00. >> 2:00. >> And that causes -- it bumps up some other committees some of us serve on. The other alternative is start the meetings with the other committee members including me. And get a quorum when we get a quorum. Thanks. We are adjourned at 2:40.

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