



RESOURCE MANAGEMENT COMMISSION SPECIAL-CALLED MEETING MINUTES TUESDAY, FEBRUARY 26, 2019

The Resource Management Commission convened a special-called meeting on Tuesday, February 26, 2019 at Town Lake Center, 721 Barton Springs Road, in Austin, Texas.

Commissioners in Attendance: Leo Dielmann, Chair (District 7); Cyrus Reed, Vice Chair (District 9); James Babyak (District 6), Rebecca Brenneman (District 10), Scott Kohan (District 3), Derrick Lesnau (District 1), and Tom “Smitty” Smith (District 5). Kaiba White (District 2) was absent. The commission has three vacancies: Mayor, District 4, and District 8.

Staff in Attendance: Sandy Brandt of the Purchasing Office; Mark Jordan of Austin Water; Larry Graham and Hayley Cunningham of Texas Gas Service; and Debbie Kimberly, Erika Bierschbach, Denise Kuehn, Liz Jambor, Scott Jarman, Manuel Garza, and Toye Goodson of Austin Energy.

CALL TO ORDER – Chair Dielmann called the meeting to order at 6:31 p.m.

CITIZEN COMMUNICATION: GENERAL

- Paul Robbins spoke regarding Item #5 and displayed a graph included in a presentation from the Office of Sustainability in August depicting space conditioning costs for various models of electric and gas heaters. He pointed out that a \$300 cost difference between a bottom-of-the-line AC and gas unit, and a top-of-the-line AC and heat pump unit, was suspect because a heat pump is more expensive than a gas unit. He also pointed out that the graph showed that a higher SEER unit costs less than a lower SEER unit, which is not true. He said, “If you use incorrect data to form policy, you are destined for failure.”
- Tim Arndt distributed a copy of the City’s yearly report to SECO and said that it shows “demand response had over taken residential and commercial in their kW savings,” and pointed out that “estimated energy electric kWh savings is very minimal in demand response.” He then distributed a graph he created showing the City’s kWh savings over a period of years using data in the SECO reports. He said Austin Energy should “put more emphasis on energy efficiency that reduces kWh and kW savings rather than just kW demand response that only saves kW’s a few weeks out of the year.”

Consent

APPROVAL OF MINUTES

1. Approve minutes of the January 15, 2019 special-called meeting. **The motion approving the minutes of the January 15, 2019 meeting was approved on Chair Dielmann’s motion, Commissioner Smith’s second, on a 7-0 vote, with Commissioner White absent and three vacancies.**

NEW BUSINESS

2. Authorize negotiation and execution of a 15-year power purchase agreement with Pattern Energy Group, Inc. for up to 170 megawatts of energy capacity delivered from a utility-scale wind generation facility, in an estimated amount of \$11,000,000 to \$12,000,000 per year, with a total estimated amount of \$165,000,000 to \$180,000,000.
Erika Bierschbach, Energy Market Operations Director, announced revised terms for the proposed power purchase agreement, including an increase from 15 years to 20 years, and an increase in the total estimated amount of up to \$240,000,000.
The motion to recommend approval of the proposed revised purchase power agreement with Pattern Energy Group was approved on Chair Dielmann’s motion, Commissioner Lesnau’s second, on a 7-0 vote, with Commissioner White absent and three vacancies.

3. Authorize negotiation and execution of a multi-term contract with DNV GL Energy Insights USA Inc., formerly known as KEMA, Inc., or one of the other qualified offerors to Request For Proposals 1100 SMB0112, to provide an evaluation and benchmarking study on savings resulting from demand side management and Green Building programs, for up to five years for a total contract amount not to exceed \$600,000.

Liz Jambor, Data Analytics and Business Intelligence Manager, Austin Energy; and Sandy Brandt, Procurement Manager, Purchasing Office, and answered questions.

The motion to recommend approval of the proposed contract with DNV GL Energy Insights was approved on Chair Dielmann's motion, Vice Chair Reed's second, on a 6-0-1 vote, with Commissioner Babyak abstaining, Commissioner White absent and three vacancies. Members voting affirmatively added that the proposed contract supports recommended Energy Efficiency and Demand Response studies included in the Austin Energy Resource, Generation and Climate Protection Plan. Recommendation No. 20190226-3.

4. Authorize negotiation and execution of a multi-term contract with CLEAResult Consulting Inc., to provide commercial and industrial demand response services, for up to five years for a total contract amount not to exceed \$1,750,000.

Debbie Kimberly, Customer Energy Solutions Vice President, and Denise Kuehn, Energy Efficiency Services Manager, answered questions.

The motion to recommend approval of the proposed contract with CLEAResult Consulting was approved on Vice Chair Reed's motion, Commissioner Babyak's second, on a 7-0 vote, with Commissioner White absent and three vacancies.

Non-Consent

OLD BUSINESS

5. Discussion and possible action on a recommendation to initiate the process to amend the 2015 Energy Code Sections R403.5.5 Water Heating With Adjacent Gas Service and R403.9 Space Heating.
(Sponsors: Commissioners White and Smith)

This item was postponed to the next meeting.

STAFF REPORTS AND BRIEFINGS

6. Quarterly update from Texas Gas Service by Hayley Cunningham, Energy Efficiency Program Manager, and Larry Graham, Regulatory Affairs Manager.
7. Quarterly update from Austin Water including discussion regarding the content and format of monthly reports by Mark Jordan, Environmental Conservation Program Manager. Commissioners provided input on the reformatting of the monthly report.

OTHER BUSINESS

8. Discuss possible revisions to the meeting schedule.
No action was taken.

FUTURE AGENDA ITEMS

9. Discuss potential topics for future agendas. Commissioner Smith suggested reaching out to homeowners associations about energy and water conservation strategies and solar generation.

ADJOURN – Chair Dielmann adjourned the meeting at 8:45 p.m.