

Austin Energy Utility Oversight Committee (AEUOC)

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[2:31:10 PM]

<<Chair Pool: Thanks Mayor. I'm Leslie Pool the Chair of the Austin Energy Utility Oversight Committee. We are here today at 2:31 p.m. at City Hall...I'm here two at at city hall with a quorum of our members here both in person and on the screen. I call this meeting to order. We have five people signed up for citizens communications. Let me read the names if you all could kind of prepare yourselves, we will have three minutes for each of you Kyle joules. Bash bra fatandi Danny fatani kibra white and foster. In that order. Is Mr. Joules here are you Kyle joules okay. Barbara fadante

[2:32:06 PM]

and Danny. If it's comfortable for you to speak up you can take it off.

>> I'm hard enough to hear I will take it off. Good afternoon thank you allowing us to speak. My name is Barbara fatante a member of 350 Austin. My message be kind I'm not going to be kind it is a joke. It is a coal plant I know it creates power I think it was threfr when the name got changed even to me just like Gretta Thornberg said what comes out of your mouth is a lot of blah, blah, blah... For covid the last year-and-a-half five city councilmembers and your staff said the same thing, we don't know what is going on

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with the negotiations between Austin energy and lcra because Austin energy said that they could not share this information because it was confidential. We got told that from every office we spoke to. We asked two years now for money to begin testing the people and language and the la pwrapbg and Fayetteville that never got to council because the lawyers I don't know if it

was your lawyers or Austin energy lawyers said that you don't want to do that because then the city would be libel if they knew there was contamination and did nothing about it. Do any of you know if there is any such thing as clean coal ash. I think that is sort of like clean coal. There is no such thing. Whether you lied or not is not the point here you own 1-third of this plant and you need to

[2:34:09 PM]

take some responsibility for the poisoning of the land the pecan farms the water and mean of Lagrange and Fayetteville. For some reason they follow what the lcr says without question I think this is true the testing around lcra for me that is like letting the fox watch the hen house same thing that let Boeing did the safety checks on therapy planes, we talked to the EPA relatively recently whatever is reported from Austin they just accept with no question again we're going to ask when you take some responsibility and start doing independent testing there is no clause as far as I know in the lcra contrast that bars you from cleaning up starting the clean up of the coal ash now. There is no coal that bars

[2:35:10 PM]

Austin for didding independent testing for people in Lagrange Fayetteville Columbus and mortan. I think that is the end is that the end.

>> Yes. Thank you so much. That is three minutes.

>> Thank you.

>> You bet. Danny fatante? Good afternoon. You will have three minutes, too. Welcome.

>> My name is Danny fatante. Last week, we were at November 8th at the euc meeting at that meeting Paul Sweeney the vice president for power generation at Austin energy said lcra meets all government regulations. That is a lie. You have been told that lcra meets all the safety standards the truth is EPA, under trump

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guttled every regulation in the four years they did away with one regulation after another. They took the standards for tests on led and Mercury out of the EPA government regulations. Biden is in but they have not been able to return that stuff. Lcra meets no government safety regulations because there is no regulations and Austin energy knows it meeting government standards can no longer be an excoups cues for inaction by the city council. The second regulator is the state health department. They test every county for lead in the water every year a few years back, our great governor Abbott's office got the health department to start testing for led in the 9lcra counties. One of the testers asked one of

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the supervisors why they were not allowed to test in fayette Colorado or Warton counties the supervisors told the tester they cannot test in those counties because people get upset when

people find out there is lead in their water. I spoke before this committee and told you about the block in Lagrange where everyone had someone in cancer do you know about cancer and how it eats away at your body? I know something about cancers I have had known coal ash too many in my body since 2019. The city council has to take a public stand against Ica poisoning the people of Fayetteville Columbus and Warton. The parents in those cities care just as much about their kids as we do. We cannot just act like it's

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not going on. You own 1-third of the plant and 50% of the land where the poison sits did the parent in Fayetteville Columbus and Warton care less about their kids? No. I'm asking you to do something. Start the clean up which you are not barred from doing of buried coal ash. Start testing for lead and Mercury. It's dangerous. Thank you very much.

>> Thank you. Mr. Fantante. Kiaba White? Welcome Mrs. White. You have three minutes.

>> Good afternoon thank you for the opportunity to speak and having these minutes to provide the opportunity I too am here to speak on Fayette but more directly on the issue of retirement retirement which I

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realize is a complicated topic and one you all have been giving some attention behind closed doors in recent weeks I appreciate I think everyone involved on the Austin side of the negotiations including yourselves are trying to do right thing by the community however I feel that we are at this point in time in the negotiations where things have come to a standstill it's time to make sure there is a full and robust process to figure out what the next step needs to be. Retiring Fayette getting out of coal is critical for meeting our climate goals which is important, too. I think all of you at least a majority of you on this day I appreciate the commitments you have made and now we're going to have to work together to figure out what the next step is because we don't know the details the community is left wondering about

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intentions that is not a great place to lead what can be said in public forums I think publicly there is way way to be somewhat more inclusive I than so far that is my first request. The second is for as you do make those decisions behind closed doors where you are to be thinking of the social cost to carbon the question is not just is Ica demanding a fair and reasonable price to get out of this deal? I have no doubt they are being unreasonable. That does not surprise me. However, it's possible that even their unreasonable demand is something we should consider depending on what it is and how it stacks up against the social cost to carbon. That information is available the EPA had a robust process prior to president Trump's administration to come up with a social cost to carbon as of

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2020 the kind of median value was \$42 a ton. I don't know what has been put before you, but I urge you to think about that and think about some of the issues that the speakers before have brought up in terms of harm being done to people not just in our community but in our broader Texas community. This isn't going to be easy. I think there are paths forward, we need to do that in the kind of open way possible. I look forward to hopefully meeting and working with you on this very shortly I hope that I will have your support for that process. Going forward. Thank you.

>> Thanks Mrs. White and Robert foster? Welcome Mr. Foster you will have three minutes.

>> Thank you so much. Thank you for the opportunity to speak here. I'm here on behalf of the sunrise movement here in Austin. Youth environmental movement I want to talk about how important closing down fayette

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is to our carbon reductions so here we're looking at this entire pie chart represents all of Austin's emissions let's say we actually believe in climate change and try to reduce it by 50% by 2030 even with project connect even with lecturifying transit pairing down build.

[Background noise]er, we might be able to get 9% reduction off that if we do extensive transit demand management downtown working from home have another 4%, we get a few % from closing decker 30% of Austin carbon emissions are being released by fayette if we do not close that down we will miss the goal by 60% I have seen the reach plan you do start to reduce that it's not nearly how quick enough for how important and how large of a portion of our emissions it is, this should really be the one thing we should be focusing on as a city

[2:43:21 PM]

if we believe in reducing our carbon emissions by 2030. I know Austin is a safe slackers Austin energy has been procrastinating a bit. And to tell us they can't get it done is unacceptable. To buy it out would be worth it in the amount of reductions in the future. Those of us here we're going to feel climate change the people hit worse by it are the poor members of our communities the communities of color. And those people that are energy poor and transit dependent so please I urge you to do as much as possible. To make this a priority in terms of climate change goals and yeah. Thank you for your time also on a lighter note the 30 street lights kickoff you all are invited to that if you haven't been to that before

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it's a very fun festivas for the rest of us. Thank you.

>> Thank you. Mr. Tpos. There is earn toe. We didn't have you on our list where is robin ata? You can have three minutes and be sure to come and give Mrs. Atta your name so we can add you to the official record go ahead and come on down, we will get you registered after you speak. And you will have three minutes. Thank you for being here.

>> My Na is Erin Koe a student in the city of Austin I think climate change is an urge gent matter that should be at the local level the coal plant

[inaudible] Carbon reduction goals but will also effect the environment of communities, around us including generations to come. It is my generation that will have to deal with the consequences of years of

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neglect on climate change, we like Austin energy to reconsider this decision long lasting if not ever lasting effects of the environment around us. Thank you.

>> Thank you so much. All right. Anybody else here that signed up but didn't have a chance to speak? Okay. Very good.

>> Chair may I?

>> Yes. You may mayor pro tem.

>> Thank you. The last speaker, I would like to ask our last speaker whether or not they have presented for council before.

>> No. That is my first time.

>> First timer. Welcome. Thanks for being here.

>> I think we're all probably going to be on the same page when we say thank you for being here. Your contribution to this discussion and every other discussion is entirely critical. We have to get all the first timers out to say their words.

[2:46:24 PM]

So, I appreciate your contribution to the discussion I will take that away but I mostly just wanted to say, good on you for brava for coming out and doing the thing. Because it's intimidating in it's own way thank you so much. We appreciate you.

>> Thank you so much.

>> Thanks so much. Yes mayor?

>> Mayor Adler: If I could just real quickly, the speakers that came to talk about fayette I think they know or they don't know that well over the majority of this council recognizes that the single most important thing we could be doing for climate change would be to close that plant. It's not a plant we control ourselves it's not a unilateral decision we can make. But if there was a way for us to get from here to there with the people that behave on this council, we would be doing that it is frustrating to sit where

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we are and not to be able to talk publicly about the confidential information we have gotten. But we know the extent of the conversations held on this there is not information we're not getting from Austin energy staff. We will continue to do everything within our power to be able to lessen or carbon footprint. To lessing this element the dias, we would look at. And I wish we could talk more openly.

>> Thanks mayor I will move onto the rest of the agenda item one is the approval of the minutes of September 28, 2021, I will take a motion and a second if anybody has corrections or amendments.

[2:48:29 PM]

And the motion made by councilmember alter and councilmember Kelly any changes or corrections? All in favor of adopting the minutes please signify. That looks like it is unanimous across the dias and virtual thank you item two approve the 2022 Austin energy utility and oversight committee meeting calendar. I think you all see that in your back up there are six dates. And I am going to open this up and read them into the record. Of course, my computer is slow. Okay. Proposed schedule February 1st, April 5th, June 7th, August 30th, October 11th, November 29th, all these meetings are proposed for 1:30 in the afternoon and

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these are all on Tuesdays. I will take a motion to approve? Councilmember Kelly moves to approve and councilmember Ellis seconds. Any discussion on that? Anybody on the... Council member tovo did you have something? Okay. All in favor of approving? And that schedule is adopted unanimously across the dias. Thank you item three general managers report upcoming recommendations for council actions recommendations events and awards welcome to our general manager Jackie sergeant thanks for being here today.

>> Thank you good afternoon chair committee members I'm Jackie sergeant general manager in addition to my report deputy manager and chief operating officer Jackson will present highlights of the 4th quart E

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praep educationings believing administrative officer mark will present highlights of the 4th quarter financial briefing teurpl vice president of finance rusty Munez will present on small customer demand charges discount level and rate impacts vice president of electric system field operations el ton Richards will provide update onto west campus lighting and finally vice president of production pat swaoepby will present update on the decker workforce planning next slide, please.. I will begin today with a short briefing on six of Austin energy's upcoming request for council action. The first item is to authorize negotiation and execution of six year contract with as tech North America for underground civil contract for total

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contract amount not to exceed \$72 million that will supplement Austin energy force to provide ready access to con tracts labor and equipment for performance of underground transmission and distribution services including row teen lecture trees services and support for restorations next item is authorization of contract amendment for continued commercial and electric meters with Texas electric cooperative this amendment will increase the contract by 18 moss and \$10 million, for revised total contract of \$40 million next item is authorization oof amendments \$14.5 million contracts with Dell marketing and computer solutions for revised

contract not to exceed \$48.5 million divided between these two contractors the proposed amendments will allow for additional hardware, software, professional services

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and maintenance support services to continue the strategic transformation infrastructure roadmap program through this program, Austin energy is transforming hardware beltway base technology to software defined data center networking and security platforms this program information technology network and disaster capabilities easier to manage to lower costs and lower risks next slide, please. The next item is a \$1.4 million contract with south wire to provide overhead conductor accessories a lo Austin energy to make necessary upgrades to electrical circuits a class of con distributing that replace the steel core strands made of carbon fiber this will reduce the amount of shortage and outage and fewer

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easement accessions the next item is cuber Arizona ink to upgrade the storm center at Austin energy this amendment will increase the contract by one year and \$925,000 for revised total contract amount of \$3.2 million. The proposed amendment will allow for upgrade and extension to Austin energy storm setter platform this will provide updated platform for outage reporting for customers mobile devices it will enhance text alert application which will improve communication to Austin energy customers during a power outage the upgrade is associationed with the February 2021 winter storms after action report this upgrade was already in the planning stage Austin energy thoroughly vetted upgrades against the concerned arise. From winter storm uri. Final items contract for

[2:54:35 PM]

weatherization services for qualifies Austin energy customers for six contract's not to exceed \$19 million. To low to moderate income customers to reduce customers energy cost creating a more comfortable and safe living environment services provided include sealing and building structure duct repair replacement installing attic installation smoke screens carbon monoxide detectors air-conditioning tune up and smart thermostats in
[inaudible] The new contract budget anticipates increased participation due to the program changes that raise the income eligibility to 80% of median family income and streamlined application process for our customers.

[2:55:37 PM]

Next slide, please. Finally I would like to mention that on October 28th Austin energy cruise strung lights for the 150 foottal zilker hold day tree decorated with 39 strings of led lights each contains 81 red yellow green and blue bulbs all are contract led and use a fraction of the energy the old lights did. A great energy savings there is no public lighting ceremony planned this year the zilker tree will be lit up nightly beginning November 27th through January 1st. I'm looking

forward to taking my granddaughters to see the zilker tree and enjoy holiday festivities with them. Next slide, please. With that I will pause and answer any questions you may have.
>> Any questions for the

[2:56:40 PM]

general manager? I don't see any. We do we have from councilmember Ellis.

>> I was going to have a question you answered it I'm sad there will not be a tree lying ceremony but next year it's really nice.

>> Yes. It is. Thank you.

>> Good afternoon. Committee chair. Vice chair, committee members again I am Sidney Jackson deputy manager and chief operations officer at Austin energy it's my opportunity to present q4 operations report for the months of July, August and September an important time period as traditionally, this peak this represents the peak summer season where the

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magnitude of electric market energy prices and electrical demand on the grid are at customary peak levels. For the operations report today I will present two slides to highlight for you. The graphics I have in front of you on page four looks at the commercial availability of electrical generators looking at the right hand column power supply performance remains high commercial availability of key generation has been exceptional for quarter four with near 100% availability again that is affirmed on the right column. Recall in previous quarterly reports spring outages were necessary to increase reliability over the critical summer season. These stellar summer season operational availability metrics at near 100% are in large part due to the spring outages, and generator preparations lastly but equally

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important these generation facilities contribute to the overall energy marketing and portfolio risk mitigation and portfolio mitigation for Austin energy providing important financial Austin energy in the ERCOT energy markets moving to the last slide by fuel type I like to call your attention to the bottom right hand corner renewable generation remains robust. With renewable generation as a percent of consumption at 42 prs for the quarter. Again, robust contributions committee chair that concludes the operations report for q4.

>> Thanks Mr. Jackson. Any questions on our 4th quarter operations briefing? I don't see any. Thanks so much. We will move to item number five which is the 4th quarter financial briefing. I see Mr. Don Braski coming

[2:59:45 PM]

down. Welcome.

>> Good afternoon don Braski cfo for Austin energy I will give you the summary of the 4th quarter financial brief. Page five. So, at the end of our 4th quarter 2021 we are joint compliant

with financial policies contingency sits below. Carbon min numb of 457 million operating revenues is 9% under budget that is due to expected lower power supply base revenue our revenues always match our

[inaudible] Expenses the energy's net gain during the February storm both are operating revenues and expenses are both under budget. On a budget they're basis, our operating revenue is 1.28 billion for fy21 or 9%

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under budget while operating expenses are 937 million or 10% under budget result is operating income of 350 million. As I stated most of this is due to the revenues that were result from the February storm but we also saw a decrease in our base revenues as a result from lower that forecasted assumption that is mostly due to a very mild summer. From our operating income of 350 million we made city support transfers and internal transfers such as debt service and carbon portion of our cip spend which nets to a budget they're deficit of 129 million versus forecast of 11 million different seas on gap basis a loss for months ending September 21st. At the end of September our carbon balance is 330 which is decrease of 72 million from a year ago this is due to the

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need to increase carbon transfer to cip since we did not convey the town lake center building in fiscal year 21 as we had planned, we are meeting double a credit metric reaffirmed by standard and pores in jewel of 21 market competitiveness for the calendar year of 2020, we were 2.5% below the state average electric rates which is 1/10th of a percent improvement from calendar year 19. So, with that, I will answer any questions you might have.

>> Great. Thanks for the report.

>> Councilmember alter: Councilmember alter I wanted to clarify the numbers. So, our revenue is 300 million more than our expenses then what were the other expenses that put us into a deficit.

>> We had operating revenue that is all of the re knew utility 1.287 billion then we have operating expenses which

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is the cost to operate the utility is 937 million. Then we make transfers to the city, we make transfers to fund our cip portion after all that, we had a deficit of 129 million.

>> Councilmember alter: Okay. Thank you.

>> Any other questions? Thank you so much Mr. Don braski.

>> Thank you.

>> Let's see. Small commercial demand charges item number six. And I remember this was item we briefly touched on or our last meeting, we wanted some additional information at today's meeting. Welcome.

>> Chair I'm sorry you couldn't see me waving. It's the most difficult part of the virtual component I did a question about the market comparative market rate.

>> Great. Hang on a second let me get. Don braski back down to the podium.

>> Thank you.

[3:03:50 PM]

>> You bet. Thanks for piping up. Here we go. All right. Go ahead mayor pro tem.

>> Mrs. Braski if you can layout for me, I think I am probably like many of my constituents I just don't entirely understand what you mean when you talk about like comparatively our market rate. Would you mind giving a little bit more insight into what exactly that implies?

>> Sure. Robin can you pull that up? The graph. So, yes. Back in 200011 during the resource generation plan Austin energy was tasked trying to comply with two distinct metrics one is was the affordability metric which is to try to keep our rates below 2% increase compounded rate each year which we meet. And the other metric was we refer to as competitiveness

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metric which to keep our rates at the lower 50% of Texas utilities, we use data from the energy administration from the federal government to measure that. Towards the end. So, each year around October we get the data from the previous year, previous calendar year and we collect all data for utilities in Texas and do filtering to get down to other utilities. Like ourselves and we compare our average system rate that is our total retail revenue divided by our total retail load that gives us an average system rate that shows we are below the state average. Here's the chart here. So, except for years 15, 16 and 17, we have been below that state average for the last 20 years.

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Did that answer your question?

>> It does. I think it just finds us right back in that situation that I often find ourselves in in that some of that information is like from a technical perspective. It's just so like deeply entrenched in the whankyness of it all I want to make sure our constituents, understand what is presented to them. Some of this is just so technical that it would take considerably more time for us to dig into. When you said it, it sounded like there is some very clearly, um...existing like mutual understanding I was trying to help you help me first of all but also subsequently our constituents understand what it is you are bringing forward I think you

[3:06:53 PM]

gave as much as you could without going too deep and also without having us all having to go spend 12 years learning how to do this. I think you did the best you can. Thank you I appreciate your time.

>> The bottom line up front. We decreased average consumption to 851 kilowatt hours per month which is decrease of 15 from our previous year and that results is the second lowest average bill in Texas.

>> And that is really great news.

>> That's what people pay bills not rates.

>> Thank you so much.

>> Any other questions? I will say I think in the past have invited Austin energy executives in the town halls to sometimes during budget and sometimes a special focus group to have in-deposition conversation with folks it is possible to get our staff out into the community to have some

[3:07:54 PM]

more interesting and deeper dive conversations to help with the education in the community and the general understanding. These are very technical matters truly the bottom line is the electricity is important to our way and quality of life grateful for the team leading Austin utility.

>> Thank you chair that is something I will follow your lead in and deep dive have folks talk about the more technical matters I think that's a great idea thank you for that suggestion.

>> You bet. Let's see. Item number six the small commercial demand charges if you could introduce yourself.

>> Certainly my name is Russell Manus the interim vice president of finance.

>> Welcome.

>> Thank you. There is a request to change Austin energy small commercial account which we refer to sec 1

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to 10kw, to 0 to 20 kw Austin addressed a similar request back in 2017 at that time, we prepared two types of analysis to ask you have today increasing that small s1 class to 0 to 20. Then a second analysis that would create a separate distinct class of 10 to 20kw customers this presentation will have both of those analysis. Next slide please. Might make sense if we start by defining what a customer class is why they're important in the simplest terms the customer class is defined as a group of customers that have similar usage patterns, and impose similar costs on ewe tilety there are building blocks on rate cases with the bucket of rates we have for. The takeaway is that class there's a rhyme and reason we have those.

[3:09:55 PM]

Next slide, please. Prior to 2012, Austin energy had 24 customer classes and 89 different rate structures. Not really unusual for utilities that have gone a long stretch of time between rate reviews and prior to 2012 Austin energy went 20 years without a rate case the classes were based mostly on who used the energy not how the customers impacted the system. Next slide, please. So in 2012 we had a rate case and we reduced the number of classes, we properly based them on how customers use electricity just like the demonstration I gave at the 2012

class. The S class was reduced from 0 to 20kw to 0 to 10-k W I like to draw your attention to the yellow circle what that shows

[3:10:56 PM]

is the sec2 receives both energy and demand charge while the sec class is assessed on energy only charge. Now, this is in addition to customer charges. Next slide, please. So what say demand charge? It's the cost of always being ready and we need to ensure power is always available when customers demand it the more efficient the customer is, the higher their load factor is demand charges reward customers who use the system more efficiently demand charges also give price signals to encourage energy efficiency. Next slide, please. So the issue I'm trying to frame here is after the 2012 rate review the sec one class threshold reduced 0 to 20kw to 0 to 10kw the prime driver is the demand rate charges, and the sec one

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does not. The 0 to 10 kw threshold was reviewed and reaffirmed in the 2016 rate case currently there are customers that reside in that threshold do those customers use more energy than sec two customers therefore, demand charge or more like sec one customers and energy only charge the last bullet point is a link to the 2017 analysis. Next slide, please. This has got a lot of dots and colors an Independence study by outside study the blue dots are bills if you will. The Orange dots represent a trend line if you will, of all of those blue dots you can see there is a yellow circle in the 10 to 20kw class that represents 6,000 customers we're talking about.

[3:12:59 PM]

In this study shows that those 10 to 20kw customers use the system in a similar way as all the customers to the right of the vertical red line the vertical red line represents the cut off between current s1 and s2 class if you ask the question, do these 6,000 customers use energy more like a sec two customer or more like a sec one? The answer is, more like an s2 or sec two class customer. Next slide, please. This just gives you a visual of all of the secondary classes the blue piece of the pie chart is 0 to 1 class the 10kw they makeup 2/3 of all of the commercial customers then you see the aqua or green color those are the sec two customers where 6,000 cluster are 10 to 20 line so they represent about 1/3 of those classes then you

[3:13:59 PM]

have a sliver less than a third that are s3. Next slide, please. So, as I said at the beginning, we looked at two scenarios the first is to expand the sec one class back to 20kw which is the original asked brought to you recent hearings the second is to create a sec one class for 10 to 20kw without a demand charge again 6,000 customers next slide, please.. So, when we expanded the class to 0 to 20kw we did the bill analysis, 91% of all of those customers receive a bill increase only 9% receive a bill decrease you are talking about those original 35,000

customers in s1 along with additional 6,000 in 10 to 20kw it's about 40,000 customers of which 90% would get a bill increase.

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In scenario two, we carved out a separate class, right? And applied energy only charges we found out 75% of the customers receive a bill increase a pretty good 170 a dollars a month and 25% of the customer receive a bill decrease about \$7 a month. Next slide, please. And this is analysis of that carving out that separate class 10 to 20kw you see everybody above that solid red horizontal line would be harmed they get a bill increase you can see the customers harmed the worst are the most efficient customers those with higher load factor. Next slide, please. So, our observations. Whether it's scenario one or scenario two at least 75%over the customers would receive higher bills. This is not a customer driven initiative, we have not received any compliance from customers about being in a sec

[3:16:00 PM]

one or being in sec two or being subjected to demand charges. The 10 to 20kw customers have been assessed demand charges for nearly ten years already the current s1 sec one class is consistent with industry standards and technical evaluation and finally all of those customers are eligible for Austin energy expansive energy programs. Next slide. And so based on the analysis Austin energy staff recommends the current class structure remain as demined and the threshold for sec one be reviewed for the next review. That concludes this presentation.

>> Great thank you so much.

>> Yes ma'am.

>> Is there some action Mrs. Sergeant needed from us today? This is more informational? Okay. Any questions?

[3:17:01 PM]

Up on the screen mayor pro tem or councilmember any questions? Council member tovo.

>> I will just say thank you for this analysis I will circle back to our really expert community member who has raised this issue and see if she has follow up. I appreciate you providing those two analyses and again look forwarded to on going dialogue if there is one. This is very useful information.

>> Thank you ma'am.

>> Yeah it was pretty illuminating any other comments or questions? Thank you very much. Number seven is rate impacts.

>> [Inaudible].

>> You are going to kick another one out of the park for us.

>> The lecture tricks utility district has made a recommendation to modify the customer assistance program or coop by decreasing from 10 to 15%. This presentation will provide a brief overview of the cap

[3:18:06 PM]

demonstrate the actually build us cap customers receive, and show the impact in discount feature from 10 to 15%. Next slide, please.. So, as you all are probably well aware we built a really robust customer assistance program it is just that. It's a program. It is not simply a bill discount as you are aware you have bill discounts payments assistance management it's weatherization service and got a dedicated funding source I'm not talking just about bill discounts I'm talking about a robust program. Next slide, please. And residential customers who receive or reside with a household member that receives any of these benefits or qualifies at the last bullet point as income at or below 200% of the federal poverty level qualifies for cap. Next slide, please.. So, a lot of times when we talk about the cap program it's

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framed around the discount rate if you will. But the cap program also way built the customer charge and the cap charge which creates additional significance savings. Next slide, please. So, this is an example of cap discounts on actual bills. These are August consumption for three cap customers raeoing a ten % discount the discount cap customers receive range any where from 30% to 17 percent this is at usage levels at 514 kwh, 849kwh, and 1500 kwh. In these bills waving the customer and the cap charge those two pieces account for nearly half to three quarters of all of the savings so while

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the bill discount feature is important, the other two features contribute significantly. Next slide, please. If the discount feature is increased from 10% to 15%, it will create an about a \$4 a month in additional savings on a bill using 849kwh, we picked 849 kwh if you all remember it's close to the number mark don Broski around 850 or 860 we're trying to find you a typical bill if you will. Next slide, please. So, how does changing the cap rate from 10 to 15% effect customers? If we keep it at 10% as it is right now, we will have to raise the cap rate by 13% in 2023. So, if we do nothing, we're going to have to raise the cap rate. If you increase that discount

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to 15% for one year then drop it back to 10%, instead of having a 13% increase in the cap rate there would have to be a 19% increase in the cap rate then to you created that discount feature of 15% on a permanent basis, then the cap rate would have to be increased 38% or additional \$0.51 a month. Next slide, please. So, how does your cap program compare to everybody else? Well the 2019 cap program earned a national recognition for winning expanding excellence award for innovation and people in processes. We did a quick search preliminary search of surrounding utilities everything we could find indicates their offerings are not as pro bust or programmatic

[3:22:11 PM]

as the cap program is. Next slide, please.. So, in summary, current cap program started in 2012 in historically included 10% discount on kwh based charges in March 2020 in response to covid the discount portion of cap was temporarily increased to 15% to mitigate the covid impact the discount portion of cap returned to 10% effective November 1st. Cap customers received additional savings beyond the discount level exempting down from the customer charge and the cap charge fpls and finally if we increase the discount to 15%, it creates \$4 a month savings on a typical customer and depending on how long it's in place will cost any where from a quarter to \$0.50 a month. And those are about the facts

[3:23:14 PM]

of what would happen if the recommendation is pursued. I will be happy to take any questions.

>> All right. What questions do we have? Another good presentation thank you. Anybody on the screen? I sees councilmember Renteria councilmember Kelly and mayor pro tem harper-madison anybody have any questions? All right. Councilmember alter?

>> Councilmember alter: So the utility commission recommended this change and you are just presenting us the facts you are not making a recommendation one way.

>> Yes ma'am.

>> Councilmember alter: Or another. Okay. For the total bill what percentage increase would that be for the non-cap residential bill.

>> I'm ma'am.

>> Sorry. If you added the \$0.24 to the \$0.51 per month on a typical non-cap residential bill what kind of percentage increase would that be.

>> If you were to pursue increase to 15% discount on

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feature if I understood the question correctly. If you do nothing if you keep it at 10%, that rate is going to have to go up because it was intentionally set to under recover prior to covid then we refund it and used the over recovery during the covid process.

>> Sir could you go back to your microphone.

>> I'm sorry.

>> That is okay.

>> I apologize for that. So, the rate that it's set at now is set to under recover. If you keep it at 10%, the rate will have to increase anyways in 2023. I think that makes--creates a \$0.17 a month increase for your non-cap customer. \$0.17 a month.

>> Is the \$0.24 a month at the bottom of the last page in addition to the \$0.17, we will have to--

>> No ma'am. Raising it to 15% would raise that \$0.17 \$0.24 so it costs

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additional \$0.07 a month.

>> Councilmember alter: To keep your cap program solvent to provide the 10% we have to go up to the \$0.17 and if we want today give them the 15% discount it's the \$0.24 would that be the lower end--

>> Yes ma'am for one year. That's all variable remaining constant. There is lots of things that will come into play at the end of the year that could influence that based on the best projections and all things equal, having a one time

[multiple speakers] I'm sorry ma'am.

>> Councilmember alter: The \$0.51 is if it's continue.

>> Yes ma'am.

>> Councilmember alter: Thank you.

>> Did you have a presentation of the information were you able to present that to the euc yet.

>> We presented similar information at the time because it was a couple of months back, we used the most current

[3:26:21 PM]

information. I believe it was more of an oral presentation without a powerpoint but yes ma'am. In essence the same information was presented.

>> Was there recommendation we move up to the 15% before or after--did they have a recommendation after receiving your information.

>> I'm sorry.

>> Did the euc have a resolution of recommendation in response to you having made this presentation to them.

>> Yes ma'am. I believe there was a request to look at that information, we presented it then they made their recommendation.

>> Okay. All right. Then we should have that coming in from the committee clerk probably as a resolution in our inboxes somewhere I'm sure. And I'll be sure to go back and look for that.

Yeah. And I see some movement. Mr. Vice?

>> Yes ma'am you received that

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recommendation privately upon their vote so it should be in your boxes or the electric ewe tilety website or I can send it to you again.

>> Why don't you send it to all of us again we then have some good array of information to move on this item.

>> That is fine.

>> And further discussions.

>> Thank you. We will get that to you.

>> Okay. Anything else?

>> Anything else? Yes ma'am?

>> Yes. Councilmember.

>> Do we have to if we want to--do we have to take action on any one of the three or is it--what happens if we don't take an action what is the default.

>> My understanding is it's a policy decision. You can or you may or may not take.
>> Councilmember alter: I guess what I'm asking if we wanted to keep the 10% discount is there an action that has to be taken because of that rate change that would have happen or it would happen in the fiscal year budget.
>> The current tariffs have 10% written in the budget process

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if you want it leave it at 10% that is the way it is right now.
>> Councilmember alter: That is increase of 13% increase in the cap rate.
>> In 2023. We held the cap rates flat in 2022.
>> There would be abaction that comes in the budget to keep it there. That is the default right now according to our policy.
>> Yes ma'am.
>> Councilmember alter: Okay. Thank you.
>> All right. Thank you so much.
>> Okay. Thank you.
>> Item eight is an update on west campus lighting. Then after that will be the update on decker creek power station workforce planning.
>> Good afternoon chair, vice chair, councilmembers, mayor, city manager I'm el ton Richards, the vice president of the electric services operations and happy to give

[3:29:24 PM]

you an update on what we're doing on the west campus since the study is done the physical part of it I'm happy to say our teamed have changes out 250 of the cobra headlights to led's which are obviously, the whiter and brighter lightings themselves the team went through and updated any issue for the roam system which is street like maintenance system, we can see the issues with the street light and took cake of any corrective maintenance items known out in the west campus area. In parallel to that. The group design contractors to come in the recommendation is to install 288 new street lights in the west campus area that is done in parallel. Currently four of those are about to be released to civil construction which consist of 68 street lights I appreciate the council's push and support on getting this pulled up with that direction I got a meeting

[3:30:26 PM]

with the design team on Thursday to layout the remaining 32 projects and see how quickly we can get those pulled up if we need more design contractors on them. So, we can get them over to civil team, we can get those put in and installed the end of the year which is the direction from the council what we're intending to do. That is the status of the physical laborer what we are doing in parallel and in the future I will take any questions you have.
>> Council member tovo?

>> Councilmember tovo: Thanks very much. I did ask this be an update on the council agenda and mayor you likely received questions about this as well I received questions just about nearly every week about the status of this project and sought to understand where we are in regard to the installation of the new for clarity I have my budget question from last summer alongside an email

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update from earlier this fall alongside this presentation none of the numbers line up. Can you help me understand was it 209 fixtures updated was it more than 250 or was it almost 300.

>> It's close to 250 vice chair.

>> Councilmember tovo: Again I'm in the business of communicating this just about every week I really need as a matter of credibility I need to make sure I really have the most accurate information.

>> Yes ma'am. Every fixture in the west campus area with the cobra head is the led there is none remaining for the led for the cobra head.

>> Councilmember tovo: That is number is just about 250.

>> Yes ma'am.

>> Councilmember tovo: Your presentation says 209.

>> That is proximate ma'am closer to 250.

>> Councilmember tovo: Then the west campus lighting study

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which the mayor sponsored initiating I cosponsored happened years ago was a very high priority to get those lights installed throughout there are lots of concerns about the areas not well lit, we share a desire to make sure west campus is as safe as possible for students living there in the 18 to 21 year old range. Can you please help me understand how many again this is another place where those numbers really fluctuate. The email I received earlier this fall talked about 288 that were needed. Your presentation talks about 220--[multiple speakers].

>> I'm sorry to interrupt vice chair 288 is the totality of the number the 268 coming out in the design we got. That leaves 220 remain in design. So, I apologize.

[3:33:32 PM]

>> Councilmember tovo: The total street light in west campus the new light that is coming total 288.

>> Yes ma'am.

>> Councilmember tovo: Great. Let's start with the 68. Council asked you to expedite that in the budget question to do that some time in calendar year 2022. We asked you to expedite the permit process anything else can be expedited to start getting those out. That is the crux of the question I'm trying to get an answer to all fall it sounds as if you are saying some pieces are being expedited with the 68 first batch can you help me understand exactly how much longer it's going to take 68 up in lighting.

>> I can't tell you that vice chair until I actually see what the 68 looks like and the 220 remaining that is why I was talking with the meeting I got with the engineering for design

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time in the cue and design once it couples design the striating lights are. That's what I'm working on as soon as I get the timeline I will be happy to provide it vice chair.

>> Councilmember tovo: That would be help. So the 68 currently under design. Are each clumped in one area and each area is a project.

>> Right. They are taking like a quad section or street section and doing like a project so each one has a different amount of lighting depending on breaking it down I got a meeting of Thursday so I can better visualize it I can't explain it to you I don't know what that looks like by the way I got it broke down.

>> Councilmember tovo: There are 36 projects.

[3:35:34 PM]

>> Yes total.

>> Councilmember tovo: Four of them are currently being designed that will result in 68 new street lights can you give us an order of magnitude how the 68 might take?

>> No. The design is not released it's ready to get released could be a week or two. Until my civil takes a look at what that actually is the work itself isn't that hard the comes down to do we have to core drill, go to the sidewalk to pour what is the easements and permits we have. That is one of the things I appreciate from the council is the push on it and giving us a little bit of horsepower when we get to permit if we have issues, we can say let's get this pushed through. I don't know the magnitude of it yet vice chair I haven't seen it.

>> Councilmember tovo: Okay. Thank you had begun to answer part of my question has any of that been expedited and do you have the support that you need already in place to expedite

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the permitting process.

>> I will find out on Thursday. To me I would like to see everything issued right now.

>> In terms of permits.

>> That's what I would like obviously, that is not going to happen eufbgs I need to get from the team do we need more design contractors I don't know what we need to do to get this pushed out in a timy manner so civil has enough on the backside for timely construction.

>> Councilmember tovo: Thank you very much for that update you answered the questions I had. Manager this is another area I would ask you to please make sure we get an update a concrete update I ask the question multiple times I hear about the led lights changed out I'm grateful that work is happening as soon as possible. The question I asked repeatedly when the street lights--

>> When I get my timeline I will present to you the timeline that is what the metric will be held to executing it.

>> Councilmember tovo: Just a

[3:37:36 PM]

phoepl now would be fine, too. We meet once a month if you have that information after the meeting.

[Multiple speakers] I appreciate it very much. I regard this as high priority our community regards it as a high priority I appreciate your work and manager you supports needs to happen to get those permits expedited we can be responsive to the community. The community demand and I think it's a valid one.

>> Believe me my time is just as committed on time to not only take care of the students but the citizens of Austin energy.

>> Councilmember tovo: I appreciate that very much.

>> Thank you ma'am.

>> Mayor Adler.

>> Mayor Adler: Thank you. For the work that's being done it has surfaced again as an issue, we have done a lot of work and need to let them know we got that done.

[3:38:37 PM]

There is information over the next 2 or 3 weeks that will enable that timeline to be done. And manager if you could check on the development and approval on the permitting side anything we need to push those along I think that getting that done will help us on lots of levels thank you.

>> Thank you chair.

>> Thank you so much. Anything else? All right our last update item is on the decker creek power plant station workforce planning good afternoon.

>> Good afternoon everyone. Pat swepby for power production for decker team production since we last met in September, we have had a little bit of movement not very much given the fact we were wrapping up summer operations into September extending to October with the warmer weather we had. And straight away to our fall outage season, we did meet with

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our staff earlier this month as we have done several years. Keeping up communications, we talked about the announcement, we made relative to decker two retiring at the end of pharpbl, we continued our job shadowing offerings career development and training opportunities those have been there all along not much particularly during the summer they will be picking up steam again as we move out of the outage season. And we will be finalizing our staffing plans relative to the retirement of decker two at the end of mar in the coming year, we have seen a continuous positive trend with movement of staff through retirement or taking new positions I believe that the displacement if any we might have at the end of the process will be pretty minimal. Very encouraged what we have seen so far and what we seen

[3:40:39 PM]

see on the radar screens any questions.

>> Any questions, for Mr. Sweeny? Anybody on the TV have a question all right. Thank you very much. Mrs. Sweeey last item for future meetings if anybody has future items now please let me know. Otherwise he be putting the agenda together for 2022 for February 1st will be our first meeting next year. And having said that, mayor I am pleased to adjourn the Austin energy utility committee. At 3:41. P.M.

[3:41:10 PM]