



## M E M O R A N D U M

**TO:** Mayor and Council Members

**THROUGH:** Jesús Garza, Interim City Manager

**FROM:** Bob Kahn, General Manager, Austin Energy <sup>DS</sup> [Signature] / K  
 José Roig, Director, Development Services Department <sup>DS</sup> [Signature] JR  
 Lauren Middleton-Pratt, Director, Planning Department <sup>DS</sup> [Signature] LM  
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 Kimberly Olivares, Deputy Chief Financial Officer, Financial Services Department <sup>DS</sup> [Signature] KO

**DATE:** October 25, 2023

**SUBJECT:** **Resolution 20230323-084** – Feasibility Study for Undergrounding of Electric Utility Distribution Lines

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The purpose of this memo is to report on the status of Austin Energy's progress regarding [Resolution No. 20230323-084](#). This resolution pertains to conducting a feasibility study for moving overhead electric utility distribution lines underground for high priority uses and areas without new construction opportunities. It further seeks to advance the development of underground electric utility infrastructure in conjunction with new construction by public and private entities. In addition, the resolution seeks improvement in City department coordination and processes related to underground electric utility infrastructure, including through Land Development Code amendments.

Below are the areas under our collective review and our progress to-date:

- **Conduct a feasibility study and subsequently develop a long-term capital improvement plan for converting overhead electric utility distribution lines to underground electric utility distribution lines for high priority uses and areas with new construction opportunities.**
  - City Council approved funding for Austin Energy to conduct an undergrounding feasibility study in the City of Austin FY24 budget.
  - Austin Energy has recently completed the Request for Offer package to solicit professional consulting services for the study, considering and including the criteria set forth in the Resolution. A limited solicitation was issued September 25, 2023, and we anticipate taking forward a Request for Council approval very early in 2024. We then anticipate a draft report provided to Austin Energy by late Summer of 2024.
- **Advance the development of underground electric utility infrastructure in conjunction with new construction by public and private entities.**

- While the undergrounding feasibility study results will inform the City's efforts to advance the development of underground electric utility infrastructure for new construction, City departments are collaborating to make progress in parallel with study efforts.
- Regarding new construction underway by or in partnership with the City (public entities), please refer to the October 13, 2023, memo reporting the status of City of Austin progress regarding [Resolution No. 20230323-058](#). Capital Delivery Services and the City's Strategic Facilities Governance Team will also include consideration of underground electric utility infrastructure in any City-sponsored facility construction.
- Regarding new construction by private entities and the Development Review process, the Development Services Department and partner departments are working with McKinsey & Company to examine and improve the Site Plan Review process. Though not specific to underground utilities, this work is at the enterprise level and will improve utility review and coordination.
- Assessments related to fees and whether changes or offsets would incentivize additional undergrounding of electric utilities impact multiple City departments and will take additional time to consider. Further fee assessment may be warranted based on the results of the feasibility study and potential proposed city code options. The Transportation and Public Works department, in coordination with the Law Department, has determined that under State law, the Street Impact Fee cannot be used for undergrounding electrical utilities.
- **Initiate amendments to the Land Development Code, codified at City Code Title 25, with the goal of prioritizing the development of underground electric utility infrastructure in conjunction with new construction by public and private entities.**
  - Upon completion of the feasibility study, the Development Services Department, the Planning Department and Austin Energy will work together to recommend amendments to the Land Development Code related to underground utility infrastructure consistent with this Resolution.

This Resolution contains items under the purview of many City departments; several of which will be guided by the results of the undergrounding feasibility study. Austin Energy will continue to coordinate efforts and promote consideration for underground electric utility infrastructure in new and existing construction efforts.

Please contact Elaine Veselka, Austin Energy's Interim Vice President, Electric System Engineering and Technical Services, at (512) 322-6667 or [elaine.veselka@austinenergy.com](mailto:elaine.veselka@austinenergy.com) if you have any questions.

cc: Electric Utility Commission