

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

5/12/11
Austin Energy
Special Revenue

SUBJECT: Approve an ordinance authorizing acceptance of \$55,000 in grant funds from the American Public Power Association (APPA), and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate such grant funds, and authorize execution of a "Demonstration of Energy-Efficient Development Grant Agreement" with APPA for the development of a software tool and user's manual to address power factor through energy efficiency, in an amount not to exceed \$55,000. The grant period is from June 10, 2011 to September 30, 2011.

CURRENT YEAR IMPACT:

	2010-11 Approved	This Action	2010-11 Amended
Special Revenue Fund			
APPA - American Public Power Association			
06/10/2011 - 09/30/2011	0	55,000	55,000
Total	0	55,000	55,000
FTEs	0.00	0.00	0.00

FIVE-YEAR IMPACT:

N/A

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Revenue	55,000	0	0	0	0
Total Expenditures	55,000	0	0	0	0
Net Impact	0	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: The American Public Power Association (APPA) awarded Austin Energy grant funds to develop a spreadsheet based software tool and user's manual to address power factor through energy efficiency. The power factor of an electric power system is defined as the ratio of the real power to the apparent power, and is a number between 0 and 1. A power factor of one or unity is ideal for any electric utility company because in cases where a power factor is less than one, they have to supply more current to the user for a given amount of power use. In so doing, the utility incurs more infrastructure costs as well as line losses. As a result, Austin Energy has incorporated into its rates a penalty if its power factor is lower than a predefined threshold.