ORDINANCE "A"

Late Backup

Item No. 53
5/21/2015
Initiated by Law Department

ORDINANCE NO. _____

AN ORDINANCE ADOPTING A RATE SCHEDULE FOR HIGH LOAD FACTOR LARGE TRANSMISSION SERVICE AND AMENDING THE LARGE PRIMARY SPECIAL SERVICE CONTRACT RIDER II OF ORDINANCE 20140908-003 TO EXTEND THE EXPIRATION DATE OF LARGE PRIMARY SERVICE CONTRACTS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The Council adopts the rate schedule for High Load Factor Large Transmission electric service attached as "Attachment A."

PART 2. A customer whose metered demand was at least 20,000 kW in two of the last six billing months, and whose annual average monthly load factor is at least 85 percent, may opt to extend the term of a service contract under the LPSSC Rider II, and the LPSSC Industrial Rider for qualifying loads of at least 25,000 kW, to the end of the customer's billing month that includes November 30, 2015.

PART 3. The LPSSC Rider II remains closed to new customers.

PART 4. Upon expiration of an LPSSC Rider II contract, service to the customer shall automatically revert to the applicable non-contract rate schedule.

PART 5. This ordinance takes effect on _____, 2015.

PASSED AND APPROVED

§
§
_____, 2015 § _____
Steve Adler
Mayor

APPROVED: _____ **ATTEST:** _____
Anne L. Morgan
Interim City Attorney

Jannette S. Goodall
City Clerk

ATTACHMENT "A"

HIGH LOAD FACTOR LARGE TRANSMISSION

Application

Available for transmission voltage service through a single delivery point with an average monthly billed demand of at least 20,000 kilowatts and an annual average monthly load factor of at least 85 percent.

Character of Service

Electric service of one standard character, three-phase at transmission voltage level (69,000 volts or above), will be delivered to one delivery point at the qualifying service location. Service will be provided subject to and in accordance with City Code Chapter 15-9 (*Utility Service Regulations*), the City of Austin Utilities Criteria Manual, and any other rules or regulations of the City of Austin pertaining to electric service, as all may be amended from time to time.

Contract Term

For a term ending at the end of the billing month that includes October 31, 2024, the customer shall enter into an exclusive sole supplier agreement to purchase its entire bundled electric service requirements for the facilities and equipment at the account service location, with an exception for on-site back-up generation and up to 500 kW of on-site renewable generation capacity. The City Manager or his designee may establish and agree to terms and conditions for a service contract.

Monthly Charges

	Summer June – September	**Non-Summer** October – May
Basic Charges		
Customer ($/month)	2,500.00	2,500.00
Demand Charge ($/kW)		
All billed kW	10.06	9.10
Energy Charge ($/kWh)		
All kWh	0.00476	0.00276
Community Benefit Charges ($/kWh)		
Customer Assistance Program	0.00065	0.00065
Regulatory Charge ($/kW)		
All billed kW	4.12	4.12

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Basic, energy, demand and community benefit charges will be fixed for the initial contract period ending October 31, 2018. The Austin City Council may amend these charges to be fixed for the period November 1, 2018 through October 31, 2021, and again for the period November 1, 2021, through October 31, 2024.

The regulatory charge will remain fixed for the initial contract period ending October 31, 2018. For each subsequent three-year period, the regulatory charge will be reset and fixed in accordance with the regulatory charge schedule, plus an adjustment for any over- or under-recovery of regulatory charges from the previous three-year period. The regulatory charge may be adjusted during any three-year period if an over-recovery of more than 110% or an under-recovery of less than 90% of costs occurs.

Block Power Supply Pricing

In lieu of the Power Supply Adjustment, the customer's service contract may provide a fixed power supply charge for a monthly block quantity of energy for a defined term, based on the cost of wholesale power market prices. Block pricing is contingent on the availability of authorized funding and the customer's satisfaction of credit requirements. All billed energy not subject to block pricing is subject to the variable Power Supply Adjustment (or Green Choice Energy rider), as may be amended from time to time, or any other successor power or fuel adjustment schedules.

The kWh block price shall be the actual wholesale kWh cost to Austin Energy of the block quantity supplied, plus a renewable portfolio charge based upon the forecast kWh price of renewable energy credits in the ERCOT market during the term of the block pricing.

In lieu of the renewable portfolio charge, the customer may opt to designate an equal renewable portfolio dollar value as a monthly block quantity of GreenChoice Energy by paying the per-kWh price difference between the wholesale power price paid by Austin Energy and the applicable GreenChoice Power Charge for the specified quantity.

Minimum Bill

The minimum monthly bill is the highest billed demand established during the most recent 12 month billing period multiplied by the Summer Demand Charge, in addition to any associated fuel, power supply, or block pricing charges.

Billed Demand

Demand charges shall be based upon the metered demand reached during the 15-minute interval of greatest use during the billing month as recorded by metering equipment installed by Austin Energy.

Customer shall maintain a power factor of not less than 90 percent lagging. If the customer's power factor during the interval of greatest use is less than 90 percent, the customer's demand charges shall be based on metered peak demand adjusted by multiplying the metered demand by 0.90 and dividing by the actual peak power factor.

Maximum Community Benefit Charges

During the term of a service contract, Customer Assistance Program charges shall not exceed $200,000 during any fiscal year of October 1 through September 30 (prorated for any partial fiscal year). Charges for Service Area Lighting and Energy Efficiency Services do not apply under this schedule.

Available Riders

GreenChoice Energy

Special Terms and Conditions

1. This schedule is effective through the end of the customer's billing month that includes October 31, 2024.

2. Average annual monthly load factor is the sum of the customer's load factor percentages for the previous twelve billing months divided by twelve.

3. Austin Energy may provide service under this schedule as a bundled entity or, if retail deregulation is implemented in its service area, as separate, unbundled entities.

4. The customer is ineligible for participation in energy efficiency, retail demand response, and renewable energy incentive programs.

5. Verified reductions in energy consumption made in response to a request for Emergency Response Service or another demand response program operated by ERCOT shall be credited in calculating load factor.

6. Billed amounts due and owing shall incur a penalty of one percent per month until paid.