

Austin Energy Utility Oversight Committee Meeting

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>> Pool: We'll give everybody a couple more minutes to come in and then we'll get started. I only know of one councilmember who isn't able to come today, but it may be that others aren't N which case we'll go ahead. I don't think there's anything that we need to vote on anyway today if we don't have a quorum, we'll still take in the information since everybody has come. But I'm going to give folks another three, four minutes to come down from upstairs. Thanks.

[9:34:15 AM]

>> Pool: Okay. I think I'm going to go ahead and get us started. And I will call this meeting to order of the Austin energy utility oversight committee. It is Monday, October 16, 2017, and it is about 9:34 in the morning. We are at 301 west second street in Austin, Texas. We have one, two, three, four, five. We're just shy of a quorum is I think we will hold on any voting. So I'm going to hold on approval of minutes and move right into citizens communication. I don't have anybody signed up. Let me refresh this. And I do now have one person and it's Carol vitski. Good morning. Thanks for coming. And you have three minutes. >> Thank you. >> Pool: Welcome. >> Okay. Good morning, madam chair, mayor, councilmembers. My name is Carol bi T.J. Ski. I am the executive director of Texas rose. This morning I simply wanted to remind you about an email that I sent a week or so ago about a conference that's being held this year where they have added to the list of issues equity in Austin energy efficiency programs. And this is a subject that I have been interested in for a long time and it's something that I think that Austin energy can do better in providing more energy

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efficiency to people at low and moderate income levels. And I think at your last council meeting or the one before you adopted a resolution concerning solar installations that would benefit low income people. And that was a good thing to do, but we need to focus more on the energy efficiency -- the equity aspect of the Austin energy efficiency programs because energy efficiency is more cost effective, it's more directly relevant to everyone, any resident, energy efficiency is applicable, cost effective and a good idea. So in this brief time I just wanted to remind you that this is something that's important and I hope that we'll continue to along at it and take some action on it. >> Pool: Can I just, just to be more specific, the resolution that char authored, had to do more with getting solar off the rooftops and lower areas of town. Are you talking about more of the efficiencies when it's a larger area where -- and it's not rooftop? >> Actually, I'm talking about when I say Austin energy I am talking about making improvements to the buildings and upgrading equipment so that they use less energy. >> Pool: Okay. So not necessarily or specifically rooftop solar. >> And that's very good because that's my distinction is that rooftop sole certify a great idea, but -- solar is a great idea but it is expensive and not a bad thing to do, but to me a better thing to do is to concentrate on the energy

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efficiency of the buildings. >> Pool: Great Dr.. Thank you. >> -- Great, thank you. >> Thank you. >> Pool: Was there anybody else who wanted to speak in citizens communication? All right. We now have a quorum and so we'll go back to item 1, which is approve the minutes of the oversight committee meeting of June 19, 2017. And councilmember Casar moves and councilmember Garza seconds. Any changes to the notes and the minutes? All those in favor? And that is unanimous on the dais. We move now to -- >> [Inaudible]. >> Pool: Okay. With mayor pro tem abstaining as she did not attend that meeting. She was absent. Suggestion and possible action, item 3, general manager's report. Good morning. >> >> Good morning and welcome back to the Austin energy utility oversight committee meeting. From that vote you noted that our last meeting was held in June and so we've had some time since we've been before you so we have a full agenda today with a number of presentations. I have several updates that I want to talk about, give you some information on. And then I have one procurement that I want to give you some feedback, some information on, so that you're ready for that when it comes to council. My remarks this morning are meant to be brief, but if you want more information, please let me know and I'll work with the chair and we'll get a presentation on a future update. So with that let's get started. The first item that I want to talk about is the storm response that we've had in support of the storms that have hit our country in the last couple of months. And although the hurricane was no longer a hurricane by the time it reached Austin,

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tropical storm Harvey did cause high winds and a large amount of rainfall and as a result of that we had trees that had limbs that broke off and actually trees that come over and pulled down power poles and power lines and that affected over 79,000 of our customers. We had our restoration and tree trimming crews working around the clock starting on August 26th through August 29th to remove down vegetation and restore equipment and circuits. The city of Austin's utility contact center fielded more than 6,000 phone calls and another 11,800 were handled by 21st century, an automated call service that we use during large volume events like storms. Some other statistics that I want to share with regard to Harvey, we had 50 poles that needed to be replaced. We had 609 downed wire calls. We had 964 tree limb on wire calls. And then we had 177 calls regarding wires that were arcing. Once the restoration and cleanup was completed here north Austin we also deployed five Austin energy contract crews and eight tree trimming crews to assist aep in Texas in restoring power down near the gulf. And early on Sunday, September 10th, Austin energy crews loaded up and started making their way to Jacksonville, Florida to assist Jacksonville authority or jea with restoration from damage after hurricane Irma. It is a community owned utility and they reached out to us prior to the storm hitting in anticipation they would have damage. Five Austin energy crews, 31 employees and two city of Austin fleet service mechanics made the approximate 1,000-mile trip to Florida arriving on Monday, September 11th. They returned to Austin on Wednesday, September 20th.

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I'm proud to report that there were no safety incidents in these crews for either of these responses. They worked through the storm events, did so diligently and in a safe manner. I also want to provide you with some information with regards to the recovery efforts in Puerto Rico. Austin energy executives have held many discussions with other American public power association mutual assistance agencies as well as coincident commander of the Puerto Rico authority. We want to offer our support. In addition to staff resources for the recovery, we have received a material request list and we are looking to see what materials we might have in stock that they could send to them. We've identified that we have dissimilar systems so the equipment that we use on our system may not readily fit, but we're looking for anything that we can make available for them. We will continue to have a vigilant focus on this. We work with the other public power communities and we work well together through our mutual assistance efforts. This is kind of a unique situation and as you may know, army corps of engineers is now taking the lead in the restoration efforts and all coordination needs to be done through them. So we're keeping in the loop with appa, eei and nreca. So eei is the Edison electric institute. It's an organization for the investor owned utilities nreca is a co-op association and appa is a national organization and I serve on their

board. I want so change gears a bit and talk about some recent awards and recognitions that we've received. Austin energy looks to continually benchmark our performance against the utilities in the southern part of the nation, both investor owned utilities and public owned utilities. The most recent results, Austin energy moved up eight

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spots in can you remember service satisfaction and five other utilities in commercial service satisfaction. This is a year over year improvement compared to other utilities of our size and I want to thank you for your support for this effort. The funding you approved last year for additional full-time employees to the customer service team has been critical in helping us make this improvement in our service. This is a significant improvement and is evidence that we take these efforts very seriously and that we want to improve our customer's experience with our utility. Next I'm proud to inform you that Austin energy solar program has been selected as a finalist in the cities for energy category for the C 40 cities. Bloomberg philanthropies for 2017. C 40 collects more than 90 of the world's greatest cities, including Austin, focused on climate change and driving urban action that reduces greenhouse gas emissions and climate risk while increasing the health, well-being and economic opportunities of urban citizens. There were 25 finalists and five in the energy category. This award recognizes our comprehensive solar program, including rooftop incentives, community solar program and utility scale solar purchase power agreements as well as storage integration through the shines project. Austin energy also earned two first place awards at the 30th annual source forum that was held in Denver in mid September for collaborative efforts to promote Austin energy's green choice and electric vehicle programs. Esource is a research firm and a clearinghouse focusing on how consumers use energy and how utilities can best serve them. The first place award for best event or experiential marketing category was awarded to the elect drive event that coincided with the national energy thought summit this past March. In an effort to develop a showcase for electric transportation in the heart of downtown Austin, Austin energy created electric

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drive, a transportation, innovation hub that offers a DC fast charging station for electric vehicles and solar powered kiosks with charging for electric bikes, scooters, mopeds and hand-held devices. In order to market electric drive and celebrate the fifth anniversary for plug in everywhere program, Austin energy held a sustainable mobility celebration that included remarks from mayor Adler and councilmember kitchen, a ribbon cutting and a media event. The best overall ad campaign for non-investor owned utility award went to the utility's green choice program. Austin energy produced the

humorous be a wind fan video series using Austin energy employees as the talent, filmed and produced by the city of Austin, atxn and marketed through multimedia outlets. The overall goal of the campaign was to increase green choice kilowatt hours purchased by 1.3%, which Austin energy far exceeded by searing a year over year increase of 13%. Finally, I would like to conclude by mentioning an upcoming procurement that we have. City of Austin utilities utilizes five collection agencies to collect on past due balances for inactive utility customers. These agencies collect at different levels. Three agencies collect at what we call the primary level. Those are our balances that are less than one year old. And one agency collects at the secondary level, that's balances that are between one and two years old, and one agency collects on the tertiary level and those are for balances that are over two years old. Contract for the three primary agency and the one secondary agency are expiring in January of 2018 and the current tertiary agency is under contract through 2021. RCA is on the November 9th agenda to approve the new primary and secondary agency contracts for a term of five years. The appropriation will be for 4.65 million.

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Third-party collection agencies are commissions based, meaning that they are only paid on balances collected. The vendors were selected for a request for proposals and evaluation process that considered program and cost and three out of the four selected were from incumbent vendors. I would be happy to address any questions that you may have. >> Pool: Thanks so much, general manager Sargent. Anybody have any questions on the items that were offered? I wanted to make a note for the record when we voted on the minutes from our last meeting, I didn't note who was missing when I said it was unanimous on the dais. And missing at that time, but since coming is councilmember troxclair and then councilmembers Renteria, alter and kitchen, if we can make sure that the notes are correct on that. >> Houston: Excuse me, chair? Could I ask a question about your last comment? Is that the incumbent vendors for the procurement, so those are the same people we've been using for how many years? Did you get any other when you made a solicitation, were there any other people that responded? >> I'll have Elaine come up and give you that information. >> Good morning, Elaine faselka, vice-president of customer management. We had several vendors respond, but based on the pricing and program structure, these incumbent vendors were the highest points awarded. And I believe they've been our collection agencies at that level for the last five years. House of representatives and this is a five -- >> Houston: And this is a five-year? >> It's initial three years with two one year extensions. >> Houston: I'm always concerned about that because

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it gives no one an opportunity and there's no competition because we use the same people, especially you guys always use the change people. >> And collections agencies is a small pool so we do try to-- act is a new vendor to us, so they're one of the ones -- the fourth bidder was not an incumbent. >> Pool: Any other questions? All right. We'll move on to item 4. Thank you both. And this is the environment section of the Austin energy performance dashboard that relates to renewables, local solar programmer, energy efficiency and demand response. Good morning. Thanks for being here. >> Good morning. My name is Khalil shalibi and I'm the vice-president of strategy technology and market operations, and with me is -- >> Debbie Kimberly, vice-president of energy customer solutions. >> Today we're going to present the environment dashboard, which is -- and Dan Smith will also present the grid modernization. This is the last two set of metrics that we will be presenting to you out of -- that represent our six strategic goals. As you can see we have six strategic goals that we've been working towards and we have the performance dashboard that is issued monthly for you to track our progress towards these level one goals. And today right now we're going to talk about the environment, and that goal was to minimize environmental footprint throughout Austin energy's value chain. So why is that important and central to Austin energy's mission? The mission again to safely deliver clean, reliable and

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excellence in customer service. When it comes to our energy supply, one of the main ways that we deliver clean energy is through our planning for the resource collection and prime protection plan and you just recently approved an update for that. We reduced emissions from the electric supply, which is helping to reduce our carbon footprint. It is also for customer collaboration and these are the programs that Debbie here manages in her line of businesses and also through the green choice program. It complements grid modernization efforts. For example, when we install our digital and smart meters, that allows us to maybe reduce truck rolls to have faster responses for outages and generally just a much more efficient system. And our environmental stewardship goes beyond just our power supply. This goal also looks internally at the Austin energy facilities and operations. And we look to demonstrate our corporate social responsibility through this goal. So we have a plan to reduce our water use internally, our energy use and our mileage on our vehicles. Also it's an employee engagement opportunity so we can practice what we preach. If we look at the dashboard itself there are four main metrics. The first one is a metric to look at what our percentage renewables is, and this is year to date, fiscal year. We're at 38.1%. You just approved a new target of 65% renewable any 2027 so you can see we're well on our way. We have another metric which looks at the avoided emissions from our renewable energy purchases in the market. When we look at co 2, for example, we ariverside 1.83 million tons of #kr 02

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through our energy renewable purchases. It's hard to imagine, but it's the equivalent of taking about 24,000 vehicles off the road. Austin has about a million vehicles. And then we have two other metrics that Debbie will get into more metrics, that's the solar metric and the sole efficiently metric. I'll get into a little bit of detail on the energy renewable supply. We expect to be very close to 50% by the end of next year because we have a couple of remble project, solar project and wind project that will be coming online. Today if we look at our purchase agreements, that's the first one that you approved big utility scale solar that had the pricing that was much lower than what we had as seen in the past. And then bootleg and Upton, along with midway, which is not online just yet, those were part of the 600-megawatt solar approval that you made about two years ago now. Currently we have 150-megawatt solar. Request for proposal under review, and we expect that project to be object line towards the end of 2019. You recently approved a new wind power contract. This is a coastal wind and that also will be online towards 2019. The emissions from Austin energy's generations, so those are the generation plants that we own, the coal plant, fayette power project, sand hill combined cycle plant and the decker plant, we have seen a reduction of about 15% from those stack emissions

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looking back towards 2005. I would also add that we have a live metric on our website, on our external website, where you can see how much renewable generation we are doing. It updates every 15 minutes in the market. I'll stop here because I'm going to turn it over to Debbie, but if you have any specific questions on what I've presented I can answer them now. >> Pool: Doesn't look like any. Oh, the mayor. >> Mayor Adler: So with respect to the generation it looks like the renewable generation over the six-month period of time is the first time that our renewable generation exceeded the coal and gas generation in the city. >> It's an hour by hour, but yes, we have had quite a few hours where that's true. >> Mayor Adler: Okay. I was looking at something that looked like the total for period of time, generation in that period of time. Cumulatively over that six-month period of time. Had us with the greater renewable generation and the 2380 in quality and 12 and natural gas at 5.7, which would have put us past -- had more renewable generation than coal and gas. I just want to compliment you on that. If that's true, that's a pretty significant benchmark for us. >> Possibly, yeah. I can't verify the numbers right now, mayor, but I will. [Laughter]. >> Mayor Adler: And the reason you can't is you've gone altogether, the renewable and non-renewable, so you haven't taken the nuclear plant out? But I think that's what the number is. [Laughter] >> Pool: Any other questions? All right. And that is good news. That is good news.

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>> So hopefully I got more good news for you. So Khalil just talked about the utilities for renewable investments. What I'm going to focus on is the bottom half of that dashboard which appears in the middle of the dashboard report. And in the industry we refer to these as distributed energy resources so it includes solar, it includes energy efficiency, it includes demand and response and it will also include our community solar program. So if you take a look at where we are right now in terms of progress towards our local solar goals, we're well on their way to getting to 70 megawatts of customer sided solar by the year 2020. In fact, we just closed the [indiscernible] Preliminarily on the last fiscal year and it looks as though we've hit 50 megawatts exception on the solar. We've fallen short of solar on the megawatt goal. We exceeded our goal for residential customer installations, well over almost five and a half megawatts of residential. But our commercial solar has we think that's in part due to fact that there's been a lot of talk about the commercial value of solar and customers were holding off to wait to see if that would be implemented. And that would be implemented in January so we expect that installations will pick up. It's also important to remember that last year we had one commercial customer that installed solar at over 20 locations. So we had a record commercial year last year. We also are on our way to getting to seven and a half megawatts of other local solar in addition to the weberville plant to get to 40 megawatts by the year 2020. We expect to meet most fiscal through our community solar program, which we'll talk about in just a moment. As of now we have over 6700 rooftop solar customers. That's about one and a half percent of Austin energy's customers. Our incentive program is ranking down and frankly we added another quarter megawatt of incentivized at

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the 50-cent per watt level incentives to get through the end of the calendar year. After that point in time we plan to implement a 40-cent a watt incentive and that was based on input from our stakeholders, our contractors, our community partners as well as customers. Community solar will be launched in December. This was formerly referred to as the Kingsbury site. We reached out to the neighborhood and it's now going to be called la Loma. We sold out installations to the Parmer installation. Even owe though we haven't marketed program, we have 170 customers on the waitlist for the la Loma installation. We're excited about that. A week or so ago you targeted a resolution for local solar to expand access to underserved markets, including low income renters, multi-family affordable housing and non-profits. So we are developing options for you to look at later on this year. Certainly by February as per that resolution. We look at including shared solar and solar host programs in that. Looking now to energy efficiency and demand response, as you would expect this tends to be a single type program and so when we get into the hotter months of the year that's when we see the greatest activity. In fact, it's not unusual to have 40 percent of our budget spent in the last two to three months of the last fiscal year. This shows the results as of the end of July. I'm happy to report again based on preliminary unaudited numbers we will exceed our target for the year coming in at close to 65

megawatts for the fiscal year that just ended. What pushed us over the top when we added the Honeywell thermostats to the demand response program so we exceeded that goal. We also have point of sale rebates at over 18 different retailers around town that

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we exceeded our goal by 88% there. So we've seen really good progress. And lastly in our load on co-op program we have a number of schools, in particular aid, that have adopted the load co-op program so we came in almost 80% over our target in load co-op. So very, very good support. We have a lot of support of low income customers through our energy efficiency and green building and solar programs. Noir part of our environmental goal is to walk the talk. It's not just about setting the goals as part of our budget and planning, balls to reduce our environmental footprint throughout Austin energy's operations. So just within the last year we've installed led retro fits at St. Elmo and Kramer. We've participated in remote energy audits and retro commissioning. Undertaking waste diversion practices and what you're looking at here is one of our solar inspectors who is standing in not only recycling containers, but using a much smaller waste container that affixes to the recycling container as well as information that's posted on the third floor at 811 about composting. Also focusing on water use reduction on the town lake center, the security control center, St. Elmo and Kramer. And then lastly I think many of you are well aware of what we're doing in terms of optimizing and electrifying our fleet, increasing our use of hybrid vehicles and encouraging smart commutes and alternative work schedules. And then the last little bit of good news, Khalil mentioned that you can go online on our portal and see what our production is on the date we prepared this slide. Not surprisingly and conveniently perhaps we were at a perfect 50/50, Mr. Mayor, in terms of our reliance on renewables. You would think I set that up, I'm sure. So again, can you go in and update every 15 minutes and see where we are and then also drill down into the

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resources that compromise the renewable mix. So Khalil and I would be anticipate to answer any questions you might have about the dashboard. >> Pool: Yes, councilmember Garza. >> Garza: You mentioned a commercial customer that installed over [indiscernible]? Who was that? >> That was H.E.B. Last year, they installed almost two dozen rooftop solers. Incentivized because [indiscernible]. It was a record year. >> Garza: That's great. Can you explain the subscriber community solar subscriber program? >> Sure. I'm happy to do so. I'll go back a little bit to that slide. Sue I can talk about it. In the case of solar a lot of customers can't take advantage of solar because they rent, so roughly 50% of our residential customers rent where the roofs are shaded or they can't afford the upfront costs associated

with solar: So we've launched the first installation, which is part of the shines project. It's about 2.3 megawatts that's located in east Austin. I'm happy to report that if you drive out to the location you can see the racking going up right now. Without marketing other than a single mention in our power plus newsletter last December, we sold out the Parmer installation to 23 subscribers and we had a waitlist of almost 170. That installation will support roughly three hundred subscribers at what you would expect would be the average level. It is a premium offering because it is more expensive so it's about a penny and a half more expensive than the psa. So if you subscribe to community solar you pay a rate that is 100% community solar based on that product versus the psa. >> So you subscribe -- so you're paying for energy through whatever comes through those panels as opposed to --

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>> The psa, which is a blend of both renewable and non-renewable resources. >> Garza: So you're opting to pay more to support solar. >> Right. It's sort of an alternative to green choice, which is the independent offering, so shows a slight premium for wind. That's priced at three-quarters of a penny above the psa. >> I'm assuming that extra expense covers the infrastructure cost or the cost of installing where it's installed? >> It does. So it covers the infrastructure cost and it's also fixed for 15 years. So the customers when they purchase into that product know that they will pay that rate for 15 years without it changing. >> So why haven't we marketed that more? >> Because we wanted to make sure it was up and operating before we marketed it as opposed to letting people down. So we've taken a very low key approach. So to me it's actually pretty remarkable that without a lot of active marketing we've done that. I will also note that we've done some neighborhood outreach as well within the community because the people that live in that community are interested in subscribing to the offering. And I think we'll be looking at how we can tweak that offering for the hard to serve markets, in other words, those that perhaps could not afford the premium. >> Garza: But if there was some kind of survey that could be done to -- doing some marketing, wouldn't that help Austin energy plan for -- >> We have done that. >> Garza: So you have done that. >> We've done the market research so we know the type of customers that are most interested in that so we look at the demographics of that customer base, what they subscribe too, a fair amount of psychographic information to get a sense as to who would normally subscribe. >> Garza: And that didn't give the indication of the demand that you would expect from what we have already? >> Normally you wouldn't expect -- this was initially intended to be online much sooner. It was frankly the first of

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its kind within the city of Austin and so it's been a complicated process to cite it and permit it. So we didn't really want to unleash all sorts of pent up demand and then have the deadline for energizing it keep getting pushed out. We were afraid that would be a bad customer experience for our customers. So we're confident at this point given where we are, there's been a resubmit AI to the planning commission for rain gardens to provide drainage. It's a challenging site. So we're in good shape now for December. >> Garza: Okay, thanks. >> Pool: Councilmember alter. >> Alter: Thank you. Appreciate this report. I have a question on the -- I think it would be the commercial incentives, but it might be just the broader rebate program. We had a case back in the spring where we identified a property that was on the repeat offenders list. It was then removed and we didn't give a rebate. I just wanted to check in and see what all you have done to make sure that doesn't happen again. >> So that was an isolated occurrence and I'm thankful to your staff for picking that up. We have a process in the multi-family program to go online and ensure that none of our multi-family properties that are leaving a rebate are on the -- that are receiving a rebate are on the repeat offenders list. In the case of that property, that property had been sold and at the time they came forward they had already conducted all the rehabilitation of that property, but the property apparently remains on the repeat offenders list for two years after the date of the citation. So all of the improvements have been performed. They were looking to do additional improvements. They will roll off the repeat offenders list as I understand it later this month or in early November, at which point in time they would be eligible for a rebate and that would assist those residents of that

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property that are paying into that tariff to finance improvements. >> Alter: Okay, thanks. >> Thank you. >> Pool: Mayor pro tem? >> Tovo: Can your mind me are we still getting quarterly reports? It seems awhile since we've seen the quarterly reports that talk about the rents at the properties that receive rebates. >> They're semi-annual reports and the next report will be coming out in December and at next month's oocue meeting we have requested to come in and present to you on the cumulative findings of that research that's done. It's done every six months usually in June and December. >> Tovo: So we did go in in June. I must have missed that one. >> Tovo: Thank you. There should have been one in June and we'll get one in December. And you said when we received the report at next month's meetings -- next month's meeting? >> You will get a report from my staff and myself at the November meeting and the next semi-annual report will come out in December. So it's intended to provide some information in advance of the receipt of the next report. >> Tovo: And the November report will go through, since the resolution is passed -- >> Right, from 2013 forward, correct. >> I look forward to that. Thank you. >> Pool: Yes, councilmember Houston. >> Houston: On slide 5, are we actually getting some use out of biomass? >> The biomass plant is not currently running. The market prices haven't supported it running. >> Houston: Okay. I saw that 1.1% and I was getting excited. >> We have other biomass like landfill gas that do actually run. So that could be a reflection of that. And every so often they will burn their fuel just

to manage the fuel. But as far as just running it economically to generate power, it hasn't really run this year. >> Houston: Okay, thanks.

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>> Pool: Anything else? Yes, councilmember alter. >> Alter: On the page 9 you mentioned that you were working on recycling the utility poles and we talked a little bit about some of the problems with utility poles and our Austin resource recovery working group. And one thing I was just wondering if there were any replacement materials that can be used that don't have the deleterious consequences for the environment as the ones that we have been using? Maybe you've already switched. >> Dean Smith, the vice-president of electric service delivery. The short answer to you're question is we have continued to look at other materials. At this point we haven't come up with something that has been more suitable for the need other than the current creosoted poles? >> Alter: And how do you recycle a creosoted pole? >> I know we have a hired service to do that and I don't actually know the details of how no do that. I can get more information from our environmental on that. >> Alter: That would be great if we could find a way to move away from that material. The other question I don't know for whom this is for. We are putting together our strategic mobility plan, you obviously have a lot of -- a large fleet. I was just wondering how you are collaborating with atd on that plan in particular. >> So our electric vehicle and emerging tech works very closely with the Austin transportation department and supports councilmember kitchen's committee on that. During the next year we will be adding eight to 10 DC fast charge stations. We continue to see growth. We probably have about five thousand customers that drive electric vehicles so we are definitely in sync

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with them on electrifying the fleet that we can electrify. >> Alter: Thank you. >> Pool: Anything else? >> Houston: I'm sorry, this is a personal question. I just changed the security lights outside of my house. Where do I suppose of those light bulbs? Where do I put them? Not in recycle. Do you all have a specific way to dispose of lights. >> Are they cfl's, councilmember kitchen? >> Houston: >> Houston: Well, I'll be Ora Houston. >> I'm sorry. >> Houston: That's okay. I was still back on the -- I'm sorry. I don't know what that acronym is. >> They're the type of bulb that preceded the led's. So they're -- >> I've got both. I have some of those and -- those ones that I just replaced on the old ones. >> Let me get back to your office, but generally home Depot has historically offered an ability for you to recycle those bulbs at their locations. But can I get back to you or a member of your staff? >> I wish you would because people do call and say we have light bulbs and do we put them into the trashcan and it goes into the landfill? I didn't know what to tell them. And then it happened to me and I thought if I don't know where to put

them, a lot of people -- >> I'm embarrassed to admit that, other than calling you councilmember. >> Houston: That's okay. People have called me worse. [Laughter]. >> Pool: We can all benefit from the answer if you can send it to all of us. Okay. Anybody else have anything on this item? Thank you very much. The mayor pro tem has to leave a lot early and I was wondering if we could bring up item 6. That was the one that she had requested be put on the agenda. Does that work if we do the

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medically vulnerable customer registry next? >> Tovo: I appreciate that. >> Good morning. I'm Jerry Galvan, vice-president of customer care services. And as requested by mayor pro tem tovo, I'm here to provide an update on the medically vulnerable registry. As you may know Austin energy runs the medically vulnerable customer program on behalf of all the city utilities. This program is designed to protect the most vulnerable members of our community who are struggling with complicated health issues. You may recall that in may of this year staff sent you a memo giving you advance notice that there were 22 medically vulnerable customers that were moving along in the collections process. Today I'm glad to report that all of those 22 customers were able to establish payment arrangements so they're no longer at risk of disconnection. This year as in years past, we have been successful at keeping the utilities on for our mvr customers. And the reason is because of the extensive case management and one on one support that we provide to this customer base. As soon as one of our medically vulnerable customers 17 rolled into the program, my team goes out and does a house call. We actually visit with the customer at their home, sit down at their kitchen table and explain the benefits and the responsibilities of the program. Now, when appropriate, we also provide a list of all of the local resources of 54 or more not for profit agencies, social service agencies that provide all kinds of services to the low income in the community to include emergency financial assistance with utility payments. We also provide them with a direct phone line to the mvr

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team which is housed within the customer assistance programs at Austin energy. So they know that we're here to collaborate with them, to work with them. That of course the responsibility of the customer is to stay current and pay their bills, but if and when that becomes a challenge, we're here for them and we can help them as needed with the resources that the community has, the local community has through the plus one program where we work with again over 54 social service agencies. And if and when the customer does fall behind, though, our process reengages with that customer. We start with a friendly reminder call that they're falling behind, past due on their bills. If we cannot connect with them, then we follow up with letters that we send out to the customer's premise. And if that -- even if that

fails if we haven't heard from the customer at that point, then we consider them progressing along in the collections progress and at that point we also reengage with house calls. We do up to three home visits before we even entertain disconnecting that property. The intent of these visits is not really your standard typical collections visit. Because we understand the critical issues that our customers are dealing with in this segment. We actually again have those meetings at their house, sit down with them and go over options. We educate them even with things as simple as a budget plan to help them, you know, see if there's -- how much of their budget is available to pay utilities. And again, we go over all those resources that are available to them in the community with those not for profit agencies and even houses of worship that are there to lend a hand when our customers need help. So that's really the reason

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why all of that extensive case management one on one collaboration with the customer is the reason why over the past 11 years we have been successful at keeping those most vulnerable customers. We have been keeping their utilities on. >> Mayor Adler: Yes, mayor pro tem? >> Tovo: Thanks very much for that presentation and for the work that you did with the customers to make sure that the ones last spring didn't get disconnected. I wanted to talk just a little bit about -- I want to make sure I'm clear. It's my understanding that at least some of those who are on the mvr list -- excuse me. Are on life support machines and that it's necessary for you to have ems come for some of -- for those times where the utilities are about to be disconnected. Have you had -- have you had that happen? >> No. I mean, we have to plan for the worst, right? So there is a backup plan that in that original visit when we go do that house call, we develop a backup plan. So if there's ever a need, if we disconnect services, they know exactly what they need to do to ensure they're safe, right? Safety is our number one priority here. But in the last seven years we have not had to do that. There's only a couple of times -- my team struggled to give me an instance where that happened. And when that happened was several years back where we had a customer that was removed by health and human services from the house. Obviously I won't get too much into the details because of the privacy concerns. >> Tovo: I think I may remember that one actually. It sounds familiar to something that I remember coming through our office. >> And it was that specific case where we work collaboratively with this

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other organization and once we validated that the patient had been removed from that site, of course we gave the folks that were living at that property and benefiting from the utilities all that time before, gave them opportunity to pay the bill, and they didn't. And again, only after that customer, the

medically vulnerable customer was no longer at the premise, did we disconnect. >> Tovo: And my staff member did have an opportunity to sit down and get a lot of the questions answered about this program that we had after receiving -- after receiving that spring memo, but what I wanted to be clear of is in situations where you're working with a customer who is at the end of their payment plan or running into trouble getting those payments made, if they're moved -- if they decide to move in with someone else, are you counting that as a disconnection? >> If they decide to move in with someone else? Are we counting that -- for whatever reason if a customer leaves a site, that may not be the correct premise that is in this registry, but the new site would become the premise that is a medically vulnerable premise. >> Tovo: So there are no situations that you're aware of in the 11 years other than the one that you cited and maybe some others like that -- >> There's maybe a couple. >> Tovo: -- Where a customer was disconnected and ems had to be present to make sure that that customer, who could no longer keep their life support machines on, was transported to a safe place. >> That's correct. >> Tovo: I think that was really the only question I had. So thank you. No, I do have one other question that I want to clarify. I don't recall getting memos about this in the past and I wondered if there was something unusual about what was going on in May, if it was a particular accounting? It's my understanding from the conversations that my staff member had with a representative on your staff that you are always -- that these -- this is an ongoing process. It's not like a couple of times a year true-up or

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something along those lines. So I wonder what was different about May if you could give us some sense. >> Yes. Kerry Overton, deputy assistant manager at Austin Energy. Jerry has only been here one year. And we sent these letters in previous years and they were all just designed around improved communications from our office to the councilmembers' office. And I think this was the third one that we had sent. And it was all primarily geared around improving the communications. That these were the ones that were at risk. We wanted to make the communications, but since that communications, 100% of those households are on payment plans and so none of them are at risk at this moment. >> Tovo: So was it that you were communicating with us at that time because there were five I think at that time individuals who were nearing the point where their utilities were being disconnected? Is that the trigger for the -- >> That was the trigger. And the trigger also is because it had gone over maybe nine months or more. And we were no longer having responsiveness from that household. But also, mayor pro tem, I think also in terms of communications, where we were about three years ago, I don't think it increased only because of this incident. I think it just increased because we generally were having more communications with councilmembers on all of our projects, and this is one of those that were in our area. >> Tovo: Okay, thank you. >> Pool: Any other questions? Yes, councilmember Houston. >> Houston: Thank you. I don't have any other questions, but I want to thank you for letting us know because we're the first point of contact when they get those notifications and this way you kind of keep us apprised of where everybody is. So I just wanted to say how much I appreciate the notices

beforehand. >> Thank you. >> Pool: All right. Thank you, gentlemen. Appreciate it. Let's go back to item 5. >> Tovo: Chair, thank you for allowing that could come

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up early. I appreciate it. >> Pool: You're welcome. Happy to. So this is the Austin energy strategic plan and monthly performance dashboard grid modernization. Mr. Smith? >> Yes, back again. Dan Smith, vice-president of electric service delivery. I have the privilege of leading a transmission distribution arm of our utility. And I'm proud of the 500 plus men and women that do an outstanding job, more than just keeping the lights on, but also really moving the technology and modernizing our grid. I'd state upfront before -- prior to our strategic plan and this becoming one of our key strategic goals, modernizing the grid, we've been in that process for years. And so this is just kind of building on some of that and it's certainly giving increased focus and just has both Khalil and Debbie communicated this dovetails really well into our strategic goals, especially the environment. I just want to start off -- as we stated, this is the four major strategics that we're using to execute grid modernization. First, we start off with an advanced metering infrastructure. And I'm going to give examples, by the way, throughout the presentation on each one of these strategies, but I'll list them upfront. First is advanced metering infrastructure. The second is grid automation. The third is distributing energy resource integration. And the fourth being asset management. And I think a real key part to bring up is we're -- the definition of this goal is to provide an innovative two-way grid utilizing customer and company infrastructure to deliver superior reliability and customer experience at the

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lowest cost key is how we're going to measure ourselves. So we'll utilize some of the Normal reliability metrics like sadi and safety and kadi, but really key to all this is adding in the customer experience, the customer collaboration things, things like jd power and ensource to measure the things we're doing in that perspective. We're not modernizing the grid for poplar for customers, although it is key for customers and important for their list but it is important that we are providing values in other areas. Where we sit right now is we're in the top quartile in the reliability metrics, however we're in the bottom quartile as it relates to customer satisfaction. So obviously there's a lot of things that contribute to that, but one of them is we believe is delivering a different value coming from the grid. Some of our challenges are resources, both related to personnel, knowledge, funding. Athletics continues to be -- analytics continues to be a real struggle these days and also solutions selections. We have the beta/vhs type thing that we're working on as new technology comes out, the technologies we choose we want them to be the winners, the ones that will make it for the long run. So just showing you briefly what the

actual panel looks like on what we regularly update you with. As I mentioned before, the reliability indices are key. Two that are commonly used with SADI is the system average interruption frequency index. This is how many times on average a customer may experience an average. SADI, the system outage interruption index. This is how long that customer would be out. These are system averages.

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They are commonly used amongst all utilities so they provide a good ability for us to benchmark and baseline ourselves against those utilities. Thankfully we're a very reliable utility, as we compare ourselves to other utilities throughout the country. We're in the top quartile and in some cases the top decile. There are many metrics we could use to measure our modernization, but we picked some of the major types of deployments and are charting ourselves as it relates to that. We've got this advanced metering infrastructure, the AMI that shows there. It's really on a percentage of meters being converted to both a complex or advanced smart meter versus a simple smart meter. Just to let you know, all of our meters in the system are smart meters with the exception of a handful of opt outs. But by and large, the whole system is all smart meters. However, as you can see by this statistic here, nearly 60% of those are what we call a simple smart meter. They were an early generation, less functionality. And so we have been in this process of going to this more advanced smart meter. You may recall in a previous council meeting we brought these before you, both for the residential and the commercial. There's also a network that's a managed network that connects and communicates to all these meters. And we recently did an upgrade of that network and we're virtually complete. We're at 90% of all those meters currently connected to that more upgraded and advanced network. The other indices, we have a storage goal. We have both an electrical and thermal storage goal. The electrical is really in its infancy right now.

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However, we are fairly progressed in our Shines project, and I'll talk about that in a moment. Thermal, as we have had a mature program for some time. This shows you where we sit right now. We're at 16.8 megawatts of thermal energy based against a 20 megawatt goal. We have a 10-megawatt goal and when Shines gets deployed it will be in excess of 3 megawatts of storage. Another is feeder automation. We're putting intelligence into the information grid and that intelligence is doing a lot of different functions but two that we're keying on right now is conservation voltage reduction. This is an efficiency program that optimizes the voltage so customer service aren't impacted at the same time and at the same time it saves energy. We are saving on average about one gigawatt hour a month. And we're currently at 42% deployed on that. So we've got more to go in that particular area and we're already seeing some of the value energy savings there. The second one is a fault location isolation and system

restoration. Commonly termed in the industry as fliser. The first phase is a fault location aspect. This enables us on the distribution system to locate faults when they occur, which would allow us to reduce truck rolls and allow us to more quickly restore power. Distribution system is a great advancement. In our first phase we're at 67% deployed on that. As I stated before, we're not just modernizing the grid for technology purposes. It needs to ultimately be providing value to our

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customers. And what we've done here is we have shown how those four strategies, Ami, grid automation, resource and asset management really do provide value to the customer. First and foremost Ami allows us to provide flexible rate option in the future. Allows customers to get usage alerts and allows csrs a little bit more tools and information at their hands to work with customers, understand their usage, and maybe provide opportunities or more tools for them. The grid automation side. One significant benefit I'll talk a little bit more about is two-way outage communication notification. Reduced voltage -- excuse me. Reduced outages duration and increase resiliency and also just providing customer information and history at the hands of our field personnel. And the distributive energy resource integration area. We're providing value and providing customers choice and flexibility. Allowing them participation opportunities in things like community solar that Debbie spoke about. And also just the environmental and social benefits that come through that reduced emissions. Asset management allows us to improve our reliability. Better identification of customer problems. Cost savings, which is key to operational efficiencies and more granular information about our customer services. You know, general manage sergeant brought up the significance of safety. And I really appreciate that. And our folks do as well. Just a significant part is when we're modernizing the grid we're also providing a safer grid. Not only for our personnel but also the public as well. And these are just two examples

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that I thought I would show you. You know, one coming through an Ami, the metering infrastructure. That lower picture on the left there is a remote operated switch. So as we have those tools at our disposal we're able to reduce truck rolls. Countless ones just related to reading meters alone. Now that we're moving into the ability to remotely connect and disconnect customers from the meter it's all feeding into the ability to reduce our truck rolls. Reduces emissions but also reduces exposure. I would give you a little bit of a firsthand story. During hurricane Harvey, I think Sunday around midnight I was the highest paid and least experienced operator on my floor, but I was sitting there pinging meters, which was being able to basically check to confirm whether a customer had been restored or not. I was able to do that at the terminal. Just giving my folks a hand there and to just obviously it reduces the

need to dispatch somebody to go out there and do that verification. It provides a quicker response, better customer experience there and at the same time reduces those truck rolls and the exposure during those storms and that type of thing. I won't go through the details of this other than to state I think an Ami is interesting in the sense that it really provides positive movement really in all six of Austin energy's strategic goals. I list those there as an example. And I mentioned some of them as we talked about it. But it's a pretty significant infrastructure. I would tell you that roughly the country is about 50% deployed in having smart meters. The rest of the utilities are moving that direction. And it really is becoming ubiquitous and it's becoming a more important framework for moving forward. And a related technology for us is an advanced distribution

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management system, or ads. I would say that Austin energy is one of the more modernized distribution systems in the sense that we have Ami and ads. Those are providing the platform to really providing significant value. This is a good example of one. So both the Ami and ads have been the enabler of us putting out a different type of communication with our customers. Now we know through that system when customers are out. No longer them picking up the phone and calling us and telling us they're out. We are also now able as to proactively communicate with them. So they can sign up for these type of text messages and let them know that we know that your power is out. Lets them know when we're dispatching a truck and can give them an estimated time for restoration. Theft ability -- they have the ability to talk back to us. They have the ability to get a status and they have the ability to confirm that they have been restored when we say they are. It also dove tailed into the storm center map. I don't know how many of you have had to deal with our previous situation trying to get on your mobile phone and see what that looked like. The experience is much, much improved now. You can actually report outages from your mobile phone, whether or not you have signed up for this service or not. And you're able to drill in and you're able to see what's happening throughout the system. Very powerful. If you haven't signed up, I went ahead and put that there. It's real easy to to do. Typeegg to that number and you're able to sign up and get those outage alerts. >> Excuse me. >> Tovo: Yes, council member Houston. >> Houston: Could you send us something that talks about that so we can send it out to our

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district? >> Yes, ma'am. >> Houston: So we don't have to make up the content. If you will send us the content and this way to sign up and register. >> Yes, ma'am. I will do that. Too, if you go to our website you can sign up online. >> Houston: But people don't know that. I'm trying to get the information out so they know to do that. Night there were phone messages on my phone about why aren't you

responding? We don't have lights. So if I had been able to get that information out prior to Harvey they could have been able to sign up and have been able to contact you all directly. >> I appreciate the question too. I would let you know that we had just gone internally live with this storm center upgrade. We had not gone with the hard launch yet to communicate that. We are just now into that mode where we're going with the hard launch in communication. Regardless, I will get you that information to send to your constituents there. As was previously mentioned, this is kind of a good project to focus on for distributive energy resource integration. As you know, and I have come to you before to talk about the Austin shines project. Great project, not only beneficial to our community and beneficial to our customers, but ultimately a great thing for the industry. We received a \$4.3 million grant from the department of energy. We were the highest grant recipients on that. We also received \$1 million tceq grant. Those have gone into cover roughly a little less than half the costs related to doing a pretty large-scale deployment, which is addressing both solar and battery storage at the grid level, the commercial level, and the residential level. And it's looking at leveraging things like smart inverters and

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really looking at how you can, you know, handle market signals and things of that nature to really optimize this. This is ultimately -- the sun shop program is ultimately trying to drive down the cost of solar to be 6 cents or less per kilowatt hour. Maybe one thing to kind of end with. This is what I think the future of inspections is looking at. Not exhaustively but we've got a number of these in our fleet now. We've got a small little air force of unmanned aerial vehicles. And those are providing value to us. We have actually, in the last several storms, we have flown uavs to do damage control -- not damage control, damage assessment and be able to get to areas that we normally couldn't get to. We now just recently purchased one that has an infrared camera, which we will be able to fly and look for hot spots on the system. So this is kind of just highlighting one thing that's going on in the asset management side of the business. I have only given you a snapshot. We've got a lot of other projects but I had ten minutes and I probably overspent my time. So any questions or comments or anything else? >> I don't see any lights on. Council member alter. >> Alter: Can you help me understand why customer satisfaction -- >> You know as far as our metrics or goal? >> Alter: Yeah. >> So just as I mentioned before, you know, what it enables us to do the outage communication. When we listen to jd power, they have acknowledged that we have a reliable system but they said when your power is out your

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communication with us is horrible. That's more or less, in a generalized statement. So an enabler to that is really how we modernization the grid. The Ami and the advanced distribution management system. As

we provide that functionality we want to provide it and see that the needle is changing. That the customer is now responding to jd power different than how they were. That else -- tells us we are getting some success in that. We are driven to see that value. I look at the distributive energy resource integration and another example is we don't want to be the limiting reason why somebody can't put rooftop solar on their house. Quite honestly, the way some utilities manage that is they look at a percent load and they say, well, we kind of subscribed on that feeder and they're limiting it because there are technical issues as it relates to putting high penetrations of solar. We're going to modernization the grid such that we can deal with those technical issues such that a customer has that choice. >> When jd power does a survey it's focused only on the Austin energy portion of the billing process and the city utilities? >> They look at more than just the billing. They look at comprehensively - >> I just meant it's focused on Austin energy. It's not that they're unhappy with another one of our utilities and it's reflecting on Austin energy. >> One thing about jd power is it drills down to different questions. We were able to look at specific questions in the survey that speak to outage restoration or your communication during an outage. >> Okay. >> Elaine. Yes, the questions are asked by jd power and other survey terms with regard to Austin energy but of course the customer sees Austin energy as the face of the utility. They may have another issue that may come across, but the

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questions are tied to Austin energy. >> Thank you. And then related to this in a way, with the introduction of the full Ami rollout, Austin water is also in the process of trying to, I think, move towards new meter systems. Obviously you are metering different things but to what extent would there be any way to leverage those together or they just are totally separate processes of rolling out those new meters? >> Austin energy does participate in their Amr, Ami working groups and they have various pilots out. They have a grant out so they are investigating the different methodologies that can use for automation. It may or may not entail piggybacking off of our network. We would hope to be able to integrate several of our systems so the customer has a seamless interface. >> Okay. Thank you. >> Anything else on this item? Thank you, both very much. >> You get to keep me. I have the next one as well. >> All right. You're going to talk to us about powering downtown. >> Yes, ma'am. >> This is item 7, downtown electric infrastructure needs. Thank you, Mr. Smith. >> I will say up front I know many of you we have already had some meetings on you with this so it may be a little bit redundant. For those who haven't, we will try to field questions as you may have them. Is the presentation there? I don't see it. >> We're up to item 7. >> Yeah, so this tells you a

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good story. Downtown skyline in 2000 versus the downtown skyline in 2017. Pretty telling. In fact, I have seen this done before where these are put up on two different slides and you guess which city it is. It's really amazing to see what has happened. And that really does set sort of the basis of what our needs are related to repowering downtown. This is some information that came from the downtown Austin alliance. It gives you a snapshot of where residential customers, how many people actually now live downtown. And in comparing that also or adding to that the number of commercial customers. I won't read all those stats, but that really sets, you know, a lot of what's happened there. We have seen continual growth on the electric grid as well. And that's one of the strong drivers for the need to repower downtown. The downtown network, just briefly a few key points about it. It's a very safe. It's a highly reliable. It's fully redundant. It is resilient. There's good efficiency. The downtown, including this building we are in now, is served from an underground network of cables that are tied back currently to two substations, and those are the only things aboveground, those two substations. That gives you some idea. This is a good picture. All of what you see highlighted there is the parts of our downtown area that are actually served from this network, this electrical network. This is the overall repowering downtown project. And there's some key elements in it. It's a \$60 million over six-year investment that we're working on. The first part of it is increasing the distribution tie circuits. As I mentioned, there are two substations that serve the downtown network. And we have just now completed that portion of it, but it was a very important thing to just

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really strengthen the ties between those two substations. So in case of a problem with one, the other substation could back it up. A second part is adding a 70 mva transforming in the C. Home substation. We'll have to shoe horn that one in but at that point we will not have any more ability to add capacity at that station. It is necessary for us to do so based on the current growth that we have seen. The third element of that is building a new substation. And that becomes a critical project and one that I'll highlight a little bit more here in a moment. That one is necessary. It's a predecessor for us to rebuild the Brackenridge substation. That substation is 43 years old now and has equipment reaching more of its individual useful life. So those are some of the -- so one of our key elements to be able to rebuild that station, because of its tight footprint and constraints, in order to do it safely we have to deenergize, so we can't do it in parts and pieces. Then there will be an aspect of upgrading the network distribution feeders. This is ultimately a part of a 69 kv conversion. We have some 69 kv transmission. There's the need to convert that to 138 kv based on several factors, some of that being aged infrastructure, wooden structures, as well as capacity relationships as well. So this aligns well with the strategic direction that we believe the city and the council, the downtown Austin plan, imagine Austin, and in our strategic plan. This is kind of an interesting thing. It came out of a rainy street development plan in 2004 and it references the specific need to

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add an electric substation in the rainy street area. It does define the piece of land, which is the current tract that we were slated to actually build a new substation on. This shows you the locations. If you look at right there toward -- if you want to call it the southeast portion by the river near I-35. And it's this triangular piece of land that is referenced in that rainy street development plan. So the three drivers are capacity, I mentioned that and given you some indication as to what is behind that. But it's also related to reliability and resiliency. Some of that has to do with the age of the Brackenridge infrastructure. And we're really looking to make sure that we handle single component failures in the system such that the downtown is not interrupted. Just to tell you up front, we just last week even had a failure at one of our Brackenridge substations. It was something that, obviously, the system was immune to. No customers were impacted. That's part of that redundancy but it's what we have to continue to rebuild into the system. These are just capacity drivers. These are some, not all. In fact, as we started to do some of the communication on this, this list seemed to continue to grow. But this is some of the type of projects going on in the downtown area and driving some of the need for increased capacity. To give you a brief rundown on our selection drivers. One very important part is geographically locating it so it meets the electrical requirements. We do look for how that will provide some levels of redundancy in that area. Accessibility to transmission distribution circuits is key. The transmission line runs right

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over the property so it makes for cutting in or tying this substation into the system very easily done. It also has good access to get to the existing distribution underground that feeds the downtown network. It's relatively low impact. I won't say it's no impact to the area. You know, it does avoid the need for eminent domain. It's land we already own. And, as I stated, it was specifically purchased for this purpose. >> Jerry. >> Tovo: Council member Renteria. >> Renteria: Where do the transmission lines go under? >> The transmission lines here run from, in this particular -- this runs -- that particular line runs from the peddernaes to Brackenridge. >> Renteria: Do you have any lines that go underground? >> Transmission lines, we have very little to run underground. The only places we have it underground is highway 130. So that was a txdot-funded dip of that line, putting it underground so that the highway could be built. >> Renteria: So in downtown the lines don't go underground? >> The transmission does not. The distribution does. Just the 69 kv and 138 kv all run aboveground. That's, as I stated, that's pretty much across the board with the exception of this highway 130 crossing over in the east part. >> Renteria: The only reason I was asking these questions is, you know, they go over the

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mexican-american cultural center there. I believe that -- I don't know why they are going to be expanding, when they do expand. And there was a lot of concerns about those power lines going directly over that area there. >> Understood. Right. We are continuing to work with the Mexican cultural center and we are actually continuing to have discussions about whether it's relocation or what other options that may exist there. It is part of our community outreach in the area. As we have actually reached out to some in the community, those have been some of the discussions. >> Renteria: Thank you for reaching out. I know they have a lot of concerns about those lines. >> Absolutely. The station's not going to be your average run of the mill station. We're going to use gas insulated switch gear. What that provides for us is a much smaller footprint. It also allows us to put it inside of a building, which is the plan to do. We're not building what you may see in most of them, but we do have two other gas-insulated substations in our system. This will be the majority of it is open air. This will not be that type of construction. So we'll be working with the community on the design to really make that something that blends well in the area. It will have other types of continued grid modernization and other features related to it, just the Normal stuff with L.E.D.S and solar and security and smart technologies. But it will also be energy storage capable. This is just kind of the high-level milestones. We're in the mode and in the summer we reached out to many of you. We have been having community meetings all summer long and we'll continue to do that with engaging stakeholders in this

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this fall. We are right now in the phase where we are working to contract with a design firm that will also be working on the community outreach portions of that. Expect probably an rca to you next month on that. We'll be working on installing that third 70 mva transformer in winter 2018. We will be engineering it roughly this -- starting this winter and carrying all that through until the summer of 2019. Ultimately the summer of 2020 and that allows us to rebuild the Brackenridge substation. That's kind of the major milestones of where we are. And I think that's it. If you have any other questions or comments, I would be happy to address them. >> Tovo: Any other questions? Yes, council member Houston. >> Houston: On slide three you said commercial customers. 86,000 downtown employees. Is that just in the commercial buildings? You didn't count city, county, state employees that come into downtown and use those buildings? Or does the state not pay anything? >> I would have to get you more information. This information came from the downtown Austin alliance. So I would have to verify what they have included in there. Whether it included state and city employees as well. I won't -- he's going to answer that question but I don't think he is. No, I'll find out that answer. I do think it's interesting. You look at how many people are working down there these days. If that does include the city and county -- >> Houston: But I don't think that includes the city and the county and the state. Of course downtown goes to U.T. So the U.T.. >> Okay. >> Tovo: Any other questions? >> Houston: I just don't think that's accurate. >> Tovo: Yes, council member alter. >> This sounds necessary and

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expensive. How are the costs distributed among customers and among those folks who are increasing the demand for this and just the model that you use for distributing those costs. >> Sure. So part of the cost will be part of our transmission cost of service. So it will be different than the Normal rate base that's put -- as you may know, we pay 4% of basically the transmission cost. And that's through an amortized type recovery method. This will go into our bases. Our basis is put into that and that's part of what we do. We -- so as we do transmission costs it goes into our base and it offsets how much we would be paying in that part. Some of this cost will go into the distribution rate base as well. >> Alter: But if somebody was wondering who is paying for this growth, how is that being distributed? If I build a giant building what cost do I incur versus this or what cost does the average rate payer pay? Obviously this is necessary. I'm just trying to understand the financial model. >> I would probably have to get back to you to understand that impact in percent wise. Our line extension policy does address portions of it but not the type of work that's underneath that \$60 million thing. Some of that will be transmission cost and some of it will be in our distribution base. >> Council member, as Dan said, the cost for interconnecting to the network from a new building are funded by the developer. The \$60 million cost is divided between some cost center distribution system and some costs on our transmission system.

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Transmission costs are shared. So we will fund the capital to build this transmission infrastructure but we will be repaid over the life of that capital by all the transmission customers in ercot. We are 4% of that, so we will fund 4% of that. The distribution costs will go into our rates and be allocated according to our cost of service methodology, some of which will be recovered from residential customers, some from commercial, and some from industrial based on the models that we use. >> Alter: Thank you. >> But whether or not there's an increase in rates to customers is part of a big moving set of costs and expenses in revenues. We'll know that sometime in the future. >> Tovo: Any other questions? >> How do you assess needs -- I wonder if we could bring out page 10, just to look through it. Something like the fairmont is clearly a sure thing. It's under construction. Something like the convention center, which I see on here as there's been a decision, it's not yet been decided. So how are you assessing need when some of these are really at an early stage like the unc Brackenridge. I think those proposals are out and I'm not sure -- I don't know that -- I don't believe they have selected a developer for that. >> Yeah, I understand your question. >> And the expansion is very much not something we authorized. >> What we did was look at overall load growth over time. So we have actually tended and we have seen where we are on a percentage load growth and increase. These are projects, like you stated, that some are more developed than others. It doesn't change historically

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what we have seen happen. So we basically took a relatively conservative type of projection. We did look at low and high above that as well. And we basically projected out to determine when are we going to reach a capacity problem. So it's not -- it's not tied to exact projects where then we've got a load projection related to that project and then we carry that back. These type of announcements have helped to give some validation that there looks to be continued growth. If everything dried up tomorrow and we had no growth, then some things could change. But based on what we're seeing and based on our historical load growth, we're in capacity constraint. >> So I guess you're using the word slightly differently than we used during budget. We used cost drivers to be things that we absolutely know we're going to incur over the course of that year. The projects on this list are, some of them will certainly factor into the demand. Some of them may but you're really looking at the overall demand in downtown to assess it. It's not that each one of these is going to be a driver pushing toward that because, again, some of these are at very early stages. >> No, excellent point. And that's a good way to look at it as well. We look at the network as a whole, which is important. Some pockets of downtown are growing faster than other parts. And we do know that from looking at a quadrant system. But we look at it as a whole because of the way the redundancy has to work as well. I will state that we, obviously, because of how long it takes to build some of this infrastructure, we do have to do some levels of projection in looking out. Because we aren't able to drop this in in six months or things of that nature. So it is how we do other parts of the system as well.

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Not just the downtown network. But we do these type of projections and make estimates of when we need to do other types of system upgrades and capacity expansion. >> Anything else on this one? I think you have a second part to item 7. A district cooling plant no. 3 crescent tract presentation. >> Jim Collins, director of on-site energy resources. The chill water program is another example, another element of the utility infrastructure that supports the downtown growth. Dan's earlier slides had the images of 2000 and 2017 and that's really part of the district cooling story also. We began serving our very first customer in April of 2001. That was the csc buildings that are on either side of this building. And since then we have continued to grow. We are currently serving 46 different customers downtown. And in discussion with four others for growth. And so what I have today for you is just an update on the continued growth of our system. And then an early look at a proposed third chill water plant for downtown. I think you have seen this slide many times but I really like it. It really tells our story. Buildings have an option of having their own chilling equipment or connecting to a central system. And so the central system is this underground network of pipes that connects multiple buildings into a large

system. The program really becomes, in addition to serving the thermal load of these buildings, we are an electric load aggregator. Nearly half of it goes to their

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cooling system. So we have aggregated that load and brought it into our plants where we can employ our thermal energy storage to shift that electric consumption from on-peak to off-peak hours. That's in support of Austin energy resource generation and climate protection plan, by having a goal of 30 megawatts of thermal storage available by 2027. Earlier today you heard Khalil of shift. This year actually it was 17.2, this past summer. And we continue to grow. And as we add customers that's how we'll grow toward the 30-megawatt goal. This is a map of the downtown system. I know it's a little busy but it does highlight the 45, 45 customers that we have downtown. Originally we started with the plant at 300 San Antonio and basically served that six-block area, pretty adjacent to this location. About six or seven years later we ended up expanding toward the east. There was developing happening in that area. So we went toward the east side there toward red river. Ultimately we built a second plant there at 410 Sabine. Now we're talking about a proposed third plant toward the west side of our system. And it's on a lot called the crescent tract. By adding this plant to our system it will provide improved hydraulics, our ability to move the water around to our customers. And it will just give us more capacity to serve more customers. >> Mr. Collins. Real quick question just to orient myself. I'm looking at it on slide 17. Is that part of where the green water treatment plant was? Where is that, exactly? >> That is -- >> Or is that the old substation

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for ae? >> Let me show you the next slide. >> That's better. Thanks. >> This highlights the site itself. And it's nestled there in the inside turn of the southern pacific railroad. It's across the railroad tracks from the old C. Home plant and that infrastructure. It's got the railroad on the east. It's a lot that's roughly 70 feet wide and 400 feet long. It's a long, narrow lot. Crescent shaped because it's in the inside bend of the railroad. And then it's bounded on the west by the gables residences. So it will have frontage along electric drive on the south. And it will have frontage on the north side. About two-thirds of this -- or actually three-fourths of this lot is in the capitol view corridor. It was a little development opportunity but it turned out to be an excellent place, we feel, for infill for this chilling plant. Did that answer your question, ma'am? >> It sure does. Thanks. >> So what I have are three renderings that are from the 60% design. And so there's not a lot of meat on the bones just yet. But I wanted to show you these three. This is the southern, looking from electric drive looking north at this plant. Again, narrow lot. And the plaza here out in front, and it's not shown in this rendering yet, but the plaza will be a real engaging

space for pedestrians and other traffic along electric drive. It will include trees, tree wells, benches, water fountain and this will be the location of the art and public installation along this facility. We have worked with neighborhood

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stakeholders throughout this design process. And, of course, they were interested in what the plant looked like. They're even more interested in what the plant would sound like. I want to tell you that we have earned letters of support from the downtown Austin alliance and the downtown Austin neighborhood association. And next month we'll return to the design commission and the downtown commission for a final look at inputs. This is a view from trader Joe's east looking west. You can see the gables in the backyard there. And the plant kind of provides a low-profile from this direction as the railroad tracks are elevated. This is the view. Whoops. Oh. And then lastly I have a view from 3rd street looking south. This would be as if you were on the fifth floor of the spring condominiums. Again, recognize that it's somewhat plain. But that's intentional at this time. You will see on this rendering there's the proposed bowie pedestrian and underpass underneath the train. The northern edge of our property is adjacent to that trail. And we're going to coordinate that so we can better communicate with elevations, et cetera for the trail there. >> Are you able to talk about timing? And is Austin energy helping with the cost for the underpass? Or is that not part of your presentation. >> We're not participating in that bowie underpass. That's an economic development project. I will tell you that we have given up a seated portion of our property to the north to help better accommodate the trail as it comes through. On the other side of that trail is called the hammer head there.

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And so we have donated, if you will, a little chunk of property to help with the embankment and some of the sides of that trail. >> Great. Thank you. Is the artwork proposed by artist Bailey Lou called cloud pavilion. This is her initial rendering of what that might look like. It's interlocking clouds. Kind of speaks to the water cycle of water evaporation and condensation, which seems to make sense to a chilled water plant. So that's what I have for you this morning. We expect to bring a construction contract to council for this plant in January or February of 2018. >> All right. Great. I asked my questions along the way, so I'm done. Anybody have any other questions? Thank you so much, Mr. Collins. Appreciate it. >> Thank you. >> All right. We have completed our agenda except for the last item, which is things for our next meeting. And one of the things that we'll talk about when we meet in November is what our meeting plan will look like for calendar '18. And I would like you all to look at your calendars and let me know if the Monday starting at 9:30 in the morning is a good time for everybody. And then if there are

some months where you would recommend we not have a meeting. This year we skipped, of course, July and August. And then we canceled September because of budget. It would be good for us to have a September meeting but it came right about the same time we were finishing up budget. So it seemed like a good opportunity just to let everybody get some time back. But I'll be working with the

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general manager and her staff on crafting that schedule for '18. And then we'll have that on our agenda in November for approval. And anything else you all would like -- any briefings you would like to have or questions you need answered, let us know and we'll bring that in November. Anything else? All right. I think we are done. It is just about 20 after 11:00. Thank you all very much. We are adjourned.