

Austin Energy Utility Oversight Committee Meeting Transcript – 06/01/2021

Title: City of Austin

Channel: 6 - COAUS

Recorded On: 6/1/2021 6:00:00 AM

Original Air Date: 6/1/2021

Transcript Generated by SnapStream

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[1:41:15 PM]

I'm Leslie pool, district 7, chair of the Austin energy oversight committee. Today is June 1, 2021, it is 1:41 P.M. And I am happy to convene this meeting via video conference and it looks like we have one, two, three, four, five, six, seven, eight, nine, 10, 11 of unconscious, so we are all here, thanks, everybody for making time today for what I think will be a good expedited meeting of the Austin energy utility oversight committee. Do we have -- staff, do we have any citizen communication?

>> No, there is none.

>> Pool: Thanks so much. Recognize a council member for approval of minutes or any changes to the minutes. That's item 1, approve the

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minutes of the February 10 and March 31, 2021 meetings of the Austin energy utility oversight committee. I see councilmember Kelly makes that motion. Is there a second? Councilmember Ellis, thank you both. Any changes or corrections to the minutes? Seeing none, all in favor, please raise your hand. I assume -- mayor pro tem, are you voting? Okay. Okay, it looks like that is unanimous on the dais. Thank you very much. We will move next to the general manager's report and I wanted to let you all know that general manager sergeant is unable to attend the meeting today due to some surgery that she had previously scheduled. She asked me to convey that she understands the frustration associated with the extended outages experienced by Austin

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energy customers due to the recent severe storm, the one that came through our area Friday night. And the waves of thunderstorms that we had all throughout the weekend. She was actively engaged with the team during restoration efforts over the weekend and yesterday, and, in fact, I was in daily conversation with general manager sergeant. So I would like to change up the agenda order a wee bit to start with agenda item 4, the quarterly operations briefing. This way deputy general manager and chief operating officer Sydney Jackson can provide us with an update on the storm effects and the impacts of the storm on our city and maybe jump directly to an item that is top of mind for everybody today. Mr. Jackson, have you been brought over yet?

>> I am.

>> Pool: Okay, good, the mic is yours, thank you.

>> Thank you, good afternoon and thank you committee chair pool.

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Good afternoon, committee members. So we're going to start with the operations report and I'm going to take a look at the recent outages that began Friday just prior to memorial day. And as you mentioned, committee chair, we'll try to do this in an expedited fashion and it's a little bit of a challenge but I will try to step through it as expediently as I can. Let's focus our comments on three things. I would like to speak to the storm itself, what were the weather characteristics of the event and why did it cause so many outages? I'd like to look at Austin energy's advanced planning as the weather was approaching and I thought that you'd be interested in that. And finally let's look at custom restorations and look at the metrics, the size and the breadth. Let's focus on the numbers, especially the first 24 hours of the storm event. And that data will show when we get to that link that at the peak of that Friday evening before memorial day there were

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37,800 customers out. That experienced an outage. And by 24 hours later, 88% of those 37,800 customers were restored. Again, restored in the first 24 hours. But, again, we'll get to that. Thank you for moving the slides for the graphic that you have in front of you. So let's examine that severe storm. For those of you perhaps that don't consider severe thunderstorms to be particularly a challenge, I would ask that you reconsider your point of view. I have topically heard things, well, you know, the system should be able to handle the storm. The system is resilient and I'd like to talk to you as to why. First, looking at the storm and you can see the impacts of the storm, what were the characteristics of

the storm? As you well know and it came through your area as well, straight line winds in some cases and flooding and flash

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flooding and ponding and pooling waters, zero visibility, tow torrential rain and hail in some areas, all occurring over a sustained period of time. So what does this lead to? Why are those things important? Downed trees, as you can see. These trees were down across the whole -- the whole breadth of our service territory. And more specifically it's not only downed trees, but it's downed trees on a powerline. As you can see from these pictures, many of these trees are approaching 10 tons or 20,000 pounds or more. The Austin energy electric system is resilient, however, 10 ton trees falling on overhead distribution lines will cause outages. This is not an issue of electrical maintenance, design or operation, the main contributor is huge debris on our systems. In addition, one of the problem areas, as many of these trees lack soil adhesion, just due to

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the saturation of the ground. Broken branches, often are not twigs. A lot of these broken limbs are considered factions of the tree or sections of the tree and they can weigh almost a ton. Lightning strikes are a key issue. This storm was full of lightning and it can cause damage to our infrastructure, and it did. But more broadly, people talk about storms and electric systems but let's look beyond that. This storm was calamity of sorts to personal property damage and we're talking homes, roofs, sheds, commercial property. And you can see from the graphics the devastation. I think that it would be interesting to look at the insurance company's perspective on these storms. Again, they cause significant damage. But we transition away, the recurring theme here is as you have already mentioned, storm one came in on Friday and storm two came in on Sunday, and storm three came in last night.

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Essentially a three-in-one event, essentially 24 hours apart, and that is challenging to restore service during these events. So I've said a whole lot there. Let's move to the system worked as it was designed. As I mentioned in the past the electrical infrastructure is designed to enter the electric delivery under certain conditions. One of these priority goals is to protect the public. You do not want a tree on a powerline. It is dangerous to the public, dangerous to humans, dangerous to animals and will result in fatalities. Our systems will arrest -- arrest the electric delivery, unfortunately, there's a power outage associated with it, but it does protect the public. Also protects equipment and it protects our maintenance personnel. So without going into a lot of detail, our systems were resilient. And I'd like to conclude with -- and this is kind of a long

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conclusion -- let's take a look at some outage metrics. I'd like to apologize in advance as often these numbers can't convey the human element associated with outages. Even when the overwhelming majority of our customers are restored, it is our goal to strive with the same excellence and vigor and determination to restore the balance that is not energized. And as you know, in terms of outage restoration, our priorities are well known. Let's take care of critical customers as a first priority. Subordinate to that mandate is the focus upon restoring as many customers as fast as possible. All things being equal, the outages affecting the largest customers are first priority and then working towards the outage impacting the smaller number of customers. So I am just looking at the data. Friday, again, prior to memorial day, 37,800 customers were out,

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roughly at 9:30 P.M. Our Austin energy crews were on stand-by ready and able to respond. We knew the forecast. We knew the threat of the storms. I would say that there are very few industries that are glued to weather as we are. I think that the only one that would even come close to us is probably farming and agriculture and I couldn't tell you who would be first or second or second and first. So Austin energy mobilized in the nighttime hours as that storm came through. We also had replacement crews at ready as the day shift and the night shift rolled off. It was all hands on deck. We called supplemental field teams in when we needed to. And in addition to that we called for mutual aid, help from our neighboring utilities Saturday morning upon first light. So what was the result of all of this mobilization, bringing Austin energy resources to bear? And this is what I alluded to earlier -- almost 90% of all customers were restored within

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the first 24 hours. That's an important metric. Started out at 37,800 customers Friday evening. By Saturday evening, that was down to 4,200 customers. Again, almost a 90% reduction in outages over the first 24 hours. So how does that happen? And I just would like to take a moment to talk about the Austin energy team members, the professionalism, the skill of the Austin energy operations and support team I want to acknowledge that includes not only the field crews but also the public service and the public communication and logistics and many others. It takes a lot of people to coordinate that. The strategic management of the outage as more storms roll in, and the reorganization has to happen, and we need to work on the right issues at the right time and the right sequence to include the field staff coordination. That is the only way to restore

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that many customers in that period of time. Skills and expertise and training. The teams work 16 hours, maximum power association industry standard. And additionally there was not a single osha reportable from our teams during the storm restoration and I'd like to just remind that you this is a very dangerous industry. Just the notion of working around high voltage is a risk to health and safety and that's very apparent and the osha statistics affirm that as well. So what happened after Saturday, after 90% was restored? By the time that we reached Sunday, of that 4,000, there was only 1,700 remaining and another 60% reduction. And that was obtained while more storms came through the area. Again, these statistics are important, but, again, the pictures tell the image.

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So the last 10% restoration was challenged by recurring weather. It was also one where we had sectionalized as these graphics or these pictures show, we exceptionalize around a lot of this damage so that we had routed the circuits around them so that we could energize everything in and around the best that we could through sectionalization, but with we got down to the last 10%, we have to come in and to clean up these tons and tons of debris. We physically have to go to all of these sites and clean this up overnight in low visibility, during the daytime, with our crews. And I will also say that, unfortunately, the mutual aid teams did not come and assist. Because one of the challenges of these widespread storms is not only our service territory was hampered, also that of our neighboring utilities is also

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compromised. And one of the points that -- committee chair pool, one of the points that I want to reemphasize is that 90% restored in the first 24 hours, this was a tremendous storm and a tremendous mobilization and I hope that these pictures do justice as to the nature of the storm. And that concludes my remarks.

>> Pool: Thank you so much, Mr. Jackson. And I think that when we are in the midst of a crisis, and when we are having to deal with its impacts, it's one of the first places that we all go just as human beings is to find fault or to criticize. And I -- I recognize that is just kind of where people go. And so it is sometimes a bigger lift for people to say, wait a second, 99% of the time my power

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is a-ok, and maybe 1% or less of the time it isn't. And then recognizing the real peril that your crews are in when they are out making these repairs. We all know from school studies what the impacts of electrocution have on a body and we're talking about super high power lines in some of these instances. So I thank you for that and, please, pass along my appreciation to your full team. I want to say one more thing about the spring storms and then see if there's anybody else who wants to ask you a couple of questions. Because I can see that councilmember alter has a question. I wanted to just remind everybody that the spring storms are strong this year -- stronger than I can recall. And we know that climate changing is having impacts and here is a real live example of where that's happening. So as a smart precaution, if you know someone who has mature trees in their yard, please

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remind them that now is a good time to have a professional arborist come and to assess these trees for lifting and to remove dead limbs. The trees will thank you for sure. They'll be healthier, they'll look better, and then you'll reduce the prospect of storm and wind damage to the powerlines and save us -- save the headaches and the crises in the future. Councilmember alter.

>> Alter: Thank you, Mr. Jackson, for being available this weekend. We had the need to speak several times over the weekend. There were a large number of power outages in my district. I know that they were all over the city, but, you know, once again at one point I think that there were 10,000 out in my district. We have been working over the last several years to celebrate vegetation management program and there's now plans to do that on the high fire risk areas by

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the end of the calendar year, and I'm pleased with that. I don't know if you're going to be able to answer this today, but we really do need to understand how much of what happened in this storm had to do with vegetation management practices that had they been in place and fully implemented would have avoided the debris on the lines? And how much had to do with the specific nature of the strength of this storm? Because, you know, the standard vegetation management is not so much about, you know, whole trees falling on the line as it is about limbs, but from the information that we have at this point how do we understand that difference? Because we -- we had a conversation at our last meeting with the post-uri storm where we could clearly see that the line that had the vegetation management from blown up circuit didn't experience the outage, but the ones that didn't have it

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yet did. And I know that in my district the de facto more of that vegetation management because of the impact for storm uri wasn't impacted by this, but other parts that didn't have any of that work -- so how do we know whether this is a vegetation management practices or the strength of the storm or some combination where we could be improving resiliency further with our efforts?

>> Yeah, thank you for the question, councilmember alter. I will work to bring some data back, just like we did in the uri storm and looked at those circuits, and see what the impact on them was. We saw that it was a positive reliability impact and we'll look and bring back data when we have opportunity for this particular storm. Just based on experience, I am 100% confident that we will find that vegetation management was positive, even in this storm. But to your point our vegetation

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management is usually around trimming in the right-of-way and the boundaries of the right-of-way or the boundaries of the easement and it does not include trees that may be outside of the easement or outside of the right-of-way that topple that they're tall enough to encroach upon our lines and damage our lines. So, yes, you're right in both -- both instances, but we will bring some data back to help you

-- to help inform that discussion.

>> Alter: Yeah, we need that data and we do need to understand the nature of the storm and the challenges to the reliability so that we can make sure that we are making all of the investments that we need for resilience. And, you know, I had a chance to talk with the general manager over the weekend and we, as a council, if there are investments that we need to make and this is not simply a function of whether we need to -- you know, to have this

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before us and to understand the magnitude of those decisions and what those choices are. We've been hearing a lot of folks speaking about varying lines and other kind of stuff. And I don't know that is the right solution, but we need to have an open conversation about what investments are possible, what is necessary, you know, other parts of the country have severe weather and they don't experience these kinds of broad outages that last over time. So I definitely am going to need to have a lot more debrief on this particular storm. We had outages in my district that happened several days before in perfectly good weather. And then those were echoed again, you know, with the weather. And so there's something more going on here that we have to get to the bottom of for that. The second thing they wanted to raise is -- and I understand, again, I had several conversations about this over

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the weekend -- our outage map process. We need a new outage map. Software, or process, or upgrades. It is infuriating to people to sign up for outage alerts and wait more than 24 hours after their original alert to hear anything. And as I understand that the system only tells you when there's some action taken with some slip that happens through, you know, the technical process, when somebody gets assigned or something gets fixed, that is the only time that another alert happens. But yet you have people who are out of power, who are not accessing the web, who can't see every bit of news that is out there, or don't know where to look, or who are older and don't access Twitter and Facebook and they think they signed up for an outage alert and that means they'll be told something about what is going on. I understand from my

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conversations this weekend that it is not possible with the system that we have. We need to think about fixing that system, changing that system, so that we can handle it if we have a large number of outages. I understand this is part of the review from storm uri, but I really want to underscore how much frustration comes from the outage system. We have people also experience outages not showing up. So, you know, can you help me understand what that process is for reviewing that system?

>> Well, we review all of our technology on a regular basis. We can always look to bring back some more information. It is part of the after-action report. I really don't want to jump ahead of that report because that outage map is one of the major components of the report in that analysis that is ongoing.

>> Alter: Well, it may be that we need to take some of the

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lessons that have failed in this one as you're taking that next step for the conclusions that get drawn. I'll let other people --

>> Pool: Is there anybody else

-- okay, I see councilmember kitchen and then councilmember Ellis.

>> Kitchen: Yes, thank you. I wanted -- one of the questions that I have just relates to -- I think that it is something that you said councilmember pool -- we should be encouraging individuals to look at the trees in their yard and in their neighbors' yard. Is there a process or a place that -- that people can notify Austin energy? And/or get help with trimming the trees in their own yard or their neighbor's yard, if they are noticing issues that could be a problem? What's the process to help individuals with that?

>> That is a really good

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question, councilmember. I do know that Austin energy is generally relegated to the public right-of-way to where our facilities are, we don't have license to just -- to encroach upon private property, as you well know. In terms of what resources might be available, I would have to get back with you. Austin resource recovery might be an aid and I don't know, but I do know that if those lines are even on private property -- excuse me -- if those trees are on private property but they are very close to our lines I know that we'd have an interest in helping in any way that we could.

>> Kitchen: Well, thank you. If you could help me with that. And I also don't know to what extent if people hire arborists or tree-trimming company, to what extent those companies are authorized to get anywhere near trimming trees that are near lines? Do you know the answer to that? Or are there limitations on what

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they can do in trimming trees that might be near impacting lines?

>> Well, I suspect if they're arborist they should be considered a tree-trimming professional and you can contact us at Austin energy and coordinate whether the de-energizing of a line might be needed or something like that.

>> Kitchen: Okay, because there's the issue of cost, of course. So that's going to be an issue with regard to -- to people taking care of trimming in their own area. And then there's the issue of safety and wanting to be sure that's done in a safe way. It just occurs to me -- obviously, Austin energy has responsibility for the vegetation program and I appreciate the efforts that are being done and still need to be done regarding improving that program, but eyes on the ground is something that everybody can help with.

>> Absolutely.

>> Kitchen: And it's a thing that would be important as well

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as to the extent that homeowners have the ability to take care of the trees in their yard, they should be doing that. So if you could get back also for me, it would be helpful for everyone on the dais to understand what kind of options there might be to help individuals who may have limitations in terms of trimming their own yard. Or may just notice something they need to report that may not be directly in the right-of-way, so if you could help me with that that would be helpful.

>> Absolutely. We will work to get you a written communication back to you, even if we still want to have a disclosure at this meeting -- next month, or whatever it might be. But we'll work --

>> Kitchen: Well, as soon as you can, that would be great because we'll disseminate the information and I am sure that my colleagues would like that too.

>> Pool: Mr. Jackson, be sure to have our legal team to give you

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a hand with the ordinances, there's city ordinances about the responsibility of property owners for the care and keeping an eye on the trees for this very purpose. And, like, if a limb overhangs from your neighbor's yard into your yard, you're actually responsible for the portion that is in your yard though the tree itself is in your neighbor's yard. Because it's on your property. So there's some legal specifications I believe in our ordinance manual that would be useful and helpful.

>> Thank you.

>> Pool: Okay, I think that, yeah, councilmember Ellis and then I'm going to move us on to the next items after councilmember Ellis.

>> Ellis: Thank you, I will try to keep it quick, I know that we have a lot on our agenda today. Is there a place where people might be able to find more information if they have frequent outages? We got an email today from someone in district 8 who said they seem to always have outages

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when there's storms. My last apartment, it seems like the power was going out commonly, but some of that may have been more due to -- I don't know, car accidents or right-of-way concerns that were not necessarily tree related. Do you have any assessments or an understanding or any information that I can help to share with my constituents if they're feeling that they're experiencing outages far more commonly than maybe some of the other people that live down the street?

>> Yeah, councilmember Ellis, I'm sure that there's some information on their website -- I know that there is, because I have seen it. Can I work with the team and get you that information in writing and we'll get that communication to you?

>> Ellis: That would be great. And I do appreciate councilmember kitchen's line of questions just about safety and knowing -- don't take matters into your own hands and make sure that you're hiring a professional. You can ask the city to turn power off so they can safely trim trees. I think that all of that information is really, really important. And I did just want to say that

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I really do appreciate the deployment of a cooling center. I know that we've had a lot of conversation around resilience hubs so seeing south Austin to get a cooling center without me having to shake anyone down was really good to see. Maybe councilmember kitchen was working on it and that's why maybe it got into her district but I know that it was really needed and it really helped people, so I really appreciate that quick response.

>> Absolutely.

>> Pool: All right, let us move on to the next item. Mr. Jackson, I think -- are you going to handle the next few items -- okay. So we've -- yes.

>> Mr. Jackson, when you provide that information to councilmember Ellis that you do so to all of us on the dais. I'm also interested in that question about what constituents who have frequent outages, what their remedies might be?

>> Absolutely.

>> Pool: Thanks, councilmember tovo. That sounds good. Who on staff will be handling

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the general manager's report? And who is up for the second quarter financial briefing and the second quarter operations briefing, if those folks could jump in.

>> Councilmember pool, this is Tammy cooper and I'll take the general manager's report.

>> Pool: Great, thank you so much, miss cooper. The floor is yours.

>> Thank you. I believe that there's a presentation. I'll go ahead and keep talking though since I than we're on a time constraint while that is pulled up.

>> Pool: Thank you.

>> I'll start with an update on our plus one assistance program. Since 2020, and including fiscal year 2021 to date, the city of Austin utilities improved over 42,000 requests for plus one financial assistance to over 25,000 households for a total of more than \$15.2 million in utility bill relief. This is in addition to the other bill relief measures approved by

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council last year. We are proud of the accessibility of this program and the enhancements to help customers during challenging times. As the city of Austin utilities resumes standard collection activities, our assistance will continue and we encourage customers affected by covid-19 or other financial hardships to apply for help with their utility bills at austinbillhub.com or calling 512-765-9721. And I would also like to brief the committee on a few of the upcoming requests for council action. The first item is a five-year contract with catapult systems to have technical and support services for Microsoft can software and cloud services for a amount not to exceed \$12 million. This contract will provide continuous technical and project-based services, as well as organizational change management and program management for all Microsoft technologies. These services will improve the security and achieve compliance

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with federal standards. The next item is a professional services agreement with the engineering services for electric system engineering and technical services rotation list. These services include producing turnkey project and construction drawn packages and providing engineering and technical and drafting personnel to augment the engineering staff. This item was previously presented to council on March 4th not to exceed \$29.9 million awarded to two firms. However, it is going back to council for consideration because the staff was unable to come to contract terms with one of the two firms. And we are required to come back to request negotiations with a third firm. The next item I'd like to brief you on today and ends the fiscal year 2021 Austin energy operating budget to provide additional funding for the Austin weatherization assistance program. This budget amendment would provide \$1.1 million in additional funding for the weatherization assistance program that remained unspent

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during fiscal year 2020. And the final item that I'd like to brief you on today is a public hearing and an ordinance update to adopt the 2021 international energy conservation code. There are no new local amendments in this update and important highlights to note that include that it keep solar ready as written for residential and commercial customers and remove the requirement for natural gas water heating in new construction with adjacent natural gas service. Included in the package for the code will be an affordability impact statement issued by the housing and planning department, which outlines the impact that the new codes will have on housing costs and energy burden. Next slide, please. Quickly I would like to acknowledge and to recognize some awards and events that Austin energy has recently achieved. Last month, cepa, the smart power lines named Austin energy to their challenge leaderboard. Out of 130 utilities submitting responses, Austin energy was top 10 for carbon-free and grid

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modernization efforts. Also last month the smart energy consumer collaborative awarded Austin energy their consumer engagement award for a customer-driven initiative removing barriers of electric vehicle adoption by improving the consumer buying experience. Next, the latest community solar project located on the blue garage at via came on line a few months ago. The capacity will support an additional 160 subscribers to the community solar program, by providing easy access to solar energy in the community through a user-friendly experience with no upfront costs. It also includes no cost participation for cap customers, since funds used to pay for that portion come from the C.B.C. Charge, breaking down historical barriers to solar. As part of the e.v.2021 summit, two staff members were undicted as the top women in E.V. For their contribution to E.V. Infrastructure programs, including the electric drive showcase, the utilities, the

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fast network and Austin energy E.V. Ecwitdy and inclusion programs that include E.V.S for schools and E.V.S are for everyone. Next slide, please. And with that I would turn it over to mark debrosky.

>> Pool: I want to let everyone to know to keep this to the 45 minutes as promised and we have about five more minutes and so I will ask him to do the financial briefing and then our second quarter operations briefing. And then I'm going to put aside the decker creek workforce planning. We can catch up on that either with a memo, as necessary, for any new information that may be available. And, of course, to have it on our agenda for next time. We touched on the winter storm uri after-action report, so that item number 6 I'm going to -- yes, mayor?

>> Mayor Adler: Thank you for that. I just want to state quickly

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that at the legislative session I want to thank the general manager and staff with Austin energy for being able to fight back the efforts to take away from us some of the ability that we have to be able to run our power company consistent with our local community values. A lot of credit, of course, goes to our legislative team, but I know how hard the general manager and staff worked on that throughout the session. So congratulations on that.

>> Thank you, chair. And I would like to acknowledge the work of my team as well on that. And I appreciate all of our collaboration with the itor office.

>> Pool: Thank you for that recognition, chair and mayor.

>> Chair, the decker workforce usually takes about five minutes and it is on a pretty tight -- you know, we're really marching toward the conclusion of that. So if we can keep that on for

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five minutes.

>> Pool: I don't think that we'll have five minutes for it but I will text can staff to see if they could do it for like two minutes.

>> And I talked in past about having the financial quarterly reports be less presentation and more q&a so they can use the time for just q&a. So in future that might be another option for time savings.

>> Pool: Thank you. Mr. Dombrowski.

>> Thank you. I have a presentation and if you could pull up page 5 and I will cover everything on that one page. I think that I can do it in less than five minutes here. So page 5, please. So and with uri and the covid pandemic had and they will continue to have a significant impact on our financial position here at Austin energy. So O page 5 you will notice that at the end of the second quarter, 2021, we were substantially complying with all

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of our financial policies, contingency and capital reserve balances are below their minimums but our total exceeding our minimum of \$457 million. We're currently meeting our double a. Credit rating metric, however two, of the three credit rating agencies, S and P and Fitch, placed it on a negative outlook as a result of storm uri. May 7th, S&P reaffirmed our double a. Rating but leftous a negative credit watch, including to the legislative uncertainty and the concern of operational risks, associated with exiting decker and fayette without a power replacement. We're expecting to undergo a review with Fitch in the next six months. While the other is a wait-and-see approach. Our operating revenues at \$501 million for the second quarter ending in March which is 22% under budget.

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And that is due to the lower power supply. And you may remember that our power slight revenues always match our expenses. During are during winter storm uri, the power that we sold to ERCOT was larger than the cost of the power that we purchased from ERCOT to serve our customers. The operating expenses at \$372 million were 28% under budget. Again, largely due to the power supply costs. This resulted in operating income of \$125 million -- excuse me, \$129 million. And the debt service requirements of \$65 million and making transfers of \$117 million, Austin energy ended the quarter with a deficit of \$51 million, which is in line with our forecast of \$52 million. And remember that Austin

energy is a summer peaking utility. Historically we have not had positive cash flowing until the fourth quarter. However, we're seeing lower sales and lower margins that put pressure on our ability to end

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the year without a deficit. At the end of second quarter our cash value increased to \$461 million. However, much of that increase is associated with positive balances. And the power supply adjustment, and the community benefits charge which will be returned to our customers in the future. As well as other obligations against that \$461 million balance. So after you account for obligations, our true unobligated cash balance is \$47 million lower than a year ago. And that is largely attributed to greater cash requirements for C.F.P. Projects. In our market end stream analysis this quarter we presented how covid has amplified the trend of increasing customers, but lower energy sales that we have received. Between March 2020 and March 2021, we added 11,308 customers which is a 2.2% increase, while our sales decreased by 198

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gigawatt hours or 3.2%. This is not an anomaly. You look back as far as 2016, and our compound growth rate for customers is 2.2% year. And during that same period our retail sales have experienced as a .3% compound growth rate. So the years of 2021 are really impacted by covid and that translates into a lowering of sales in future years. We expect a \$40 million reduction in base revenue for 2020-2021, and because we're starting at a lower forecast than we had anticipated in 2019, our forecasted 2022 base revenues, \$14 million less as a result of covid. So this ratio of new customers to new sales is part of what is driving our lower operating margins. We're increasing the fixed costs. But we're collecting from a decreased volume metric unit. With that I can answer any

[2:22:59 PM]

questions.

>> Pool: You can take down -- anybody have any questions? Mr. Dombrowski, thank you so much. And who do we have for the operations report?

>> That would be me.

>> Pool: Mr. Sweeney?

>> Sydney Jackson.

>> Pool: Sydney, where are you.

>> The quarterly operations report.

>> Pool: I'm looking, okay.

>> I'm sorry.

>> Pool: I see your name, but not your face.

>> I'm sorry.

>> Pool: There we go. Thank you. And while Sydney is pulling this up, who was -- I think that pat Sweeney was going to give the dec report, if you could be ready to jump in and to give us a high level recap. Thanks.

>> Can we move to slide number five, please, I believe that it's four or five.

[2:24:01 PM]

Yeah, exactly. Right, slide five. This speaks to the commercial availability of our power plants. The takeaway here is that we're greater than our 90% goal. But what is most important is that these power plants have had some commercial availability rates but that is specifically due to the outage, and these outages are in preparation for the summer peak load season, and south Texas had a planned outage and dec had a planned outage in April. The last slide to speak to, if we could move to slide 8, this has to do with -- and slide 9, I should say -- this has to do with -- one more. As you can see renewable generation as percent of load is like 70% on the right. That is an all-time record. So our renewable generation, um, exceeded the previous record as a percent of load. I believe that was -- 53%.

[2:25:07 PM]

So you can actually just look at the graph. So our renewable generation as a percent of load was robust, a lot of wind in the region during the month of March. And that is a new record. That concludes the operations report.

>> Pool: Thank you so much. Any questions for Mr. Jackson? Thank you, Mr. Jackson. And then Mr. Sweeney and then we will conclude.

>> Good afternoon, council. A brief update on the decker transition for our team here. Since March, we have continued to focus on job shadowing. We have 21 folks who requested those and we have done them so far, and we will have the balance by the end of June. We had the training update

[broken audio] This past month and that was well attended then. And we have another ongoing meetings coming up in June.

[2:26:12 PM]

And I think that I may have lost you guys.

>> Pool: It seems that your connection is a little bit sketchy there.

>> I'm sorry. I will turn my video off. So I hope that you caught that we did some training recently. We have another meeting with our employees, a regular series coming up in June. I think that with the combination of movement that we've already gotten from retirement, from folks taking internal opportunities, and if you look at the folks who are actively pursuing training opportunities, that will get a good part of the way towards what we expect to be the lower level workforce. I think we're on a good trajectory. That's my report.

>> Pool: Great. Councilmember tovo, did you have anything that you wanted to ask?

>> Tovo: No, that's great. I appreciate you making time for it. Thank you, that's helpful. And I would just say that it looks like the powerpoint that we got this morning did not have Mr. Dombrowski's slides unless I'm missing them. So if there's a more updated powerpoint, if the staff could

[2:27:13 PM]

send that to us.

>> Mayor Adler: A backup for the item.

>> Pool: All right, I think that is it.

>> Tovo: We did receive a version this morning. But I assumed that it was more recent. So I'll take a look for it. Thanks.

>> Pool: Thank you. Anything else for the good of the cause? And I don't see anything else. Anybody has any agenda item that you'd like to have just either -- either let me know by the message board, I guess. Mayor, I will adjourn the Austin energy utility oversight committee meeting at 2:27 P.M. Thank you.