

Memorandum



CITY OF DALLAS

Date August 1, 2014

To Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer Staubach Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

Subject Upcoming Agenda Item: Renewal of Contract with Comverge, Inc. to Administer the City's Participation in the Emergency Response Service (ERS) and Commercial Load Management (CLM) Programs

The Electric Reliability Council of Texas (ERCOT) offers the ERS program and ONCOR offers the CLM program. Both programs provide revenue to the City for reducing facility electricity usage upon notification of a potential grid overload event. In such an event, the City is required to reduce electricity usage on demand, for periods not to exceed eight hours. The City manages the electricity reduction through an assortment of ways, including the use of an emergency generator already in place and by reducing the use of some non-essential equipment at some City facilities. The typical duration per incident over the last three years has been from one to two hours.

The August 13, 2014 Council Agenda includes an agenda item for your consideration to renew the contract with Comverge, Inc. to oversee and administer the ERS and the CLM programs through July 31, 2017. The consultant facilitates the enrollment into the ERS and CLM programs with ERCOT and ONCOR on the City's behalf and receives the earnings. Comverge, Inc. retains 15% of the money earned for its services and provides 85% to the City. In addition, the consultant helps the city staff to evaluate which facilities and the amount of load a facility can curtail. The consultant then submits that amount to the demand reduction program. The consultant installs any necessary equipment to ensure compliance and trains staff on how to respond to an electrical curtailment event.

Please feel free to contact me if you have any questions or need additional information.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, PE
Assistant City Manager

c: A. C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, (I) First Assistant City Manager
Forest E. Turner, Assistant City Manager

Joey Zapata, Assistant City Manager
Charles M. Cato, (I) Assistant City Manager
Theresa O'Donnell, (I) Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, (I) Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council