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Texas Energy Coordination Council (TECC) Self-Evaluation Report

I. Key Functions, Powers, and Duties

Please provide the following information about the overall operations of the agency. More detailed information about individual programs will be requested in a later section.

Provide an overview of the agency's mission, key functions, powers, and duties. Specify which duties are statutory.

Overview.

HB923 [73rd R.S.] an Act, relating to statewide energy policy and research, ARTICLE 3., Section 3.01 (a)

The Texas Energy Coordination Council was created to support the Texas Committee on Energy Policy and was composed of the following *ex officio* members:

1. a representative from Texas Tech University to be designated by the president of the university;
2. the director of the Energy System laboratory of Texas A&M University;
3. the director of the Center for Energy Studies at The University of Texas at Austin;
4. a representative of industrial energy consumers;
5. the director of the Energy Laboratory of the University of Houston; and,
6. the director of the Alternative Energy Institute of West Texas State University.

Section 3.01 (b) the governor shall appoint the following members to serve on the council:

1. a representative of the natural gas industry;
2. a representative of the oil industry;
3. a representative of the alternative fuels industry;
4. a representative of the Texas Sustainable Energy Development Council or renewable energy industry;
5. a representative of the electric utility industry; and,
6. a representative of an energy consumer organization or environmental organization.

HB1968 [74th R.S.] an Act, relating to the representative of industrial energy consumers on the Texas Energy Coordination Council. SECTION 1. Section 3.01, Article 4413(47f), Vernon's Texas Civil Statutes, is amended [HB923] to read as follows:

Sec. 3.01. Composition.

(a) The Texas Energy Coordination Council is composed of the following *ex officio* members:

1. a representative from Texas Tech University to be designated by the president of the university;
2. the director of the Energy System Laboratory of Texas A&M University;
3. the director of the Center for Energy Studies at The University of Texas at Austin;
4. <a representative of industrial energy consumers;>
- <5> the director of the Energy Laboratory of the University of Houston; and
5. <(6)> the director of the Alternative Energy Institute of West Texas State University.

(b) The governor shall appoint the following members to serve on the council:

1. a representative of the natural gas industry;
2. a representative of the oil industry;
3. a representative of the alternative fuels industry;
4. a representative of the Texas Sustainable Energy Development Council or renewable energy industry;
5. a representative of the electric utility industry;
6. a representative of industrial energy consumers; and,
- (7) <(6)> a representative of an energy consumer organization or environmental organization.

- (c) If a postsecondary educational institution eliminates the entity whose director serves on the council, the institution shall name a representative to serve on the council. The representative must be an individual at the institution with responsibilities related to the mission of the council and must hold a position of a level similar to the level of the position of director of the eliminated entity.

Mission Statement.

The mission of the Texas Energy Coordination Council, through public/private sector partnership, is to coordinate energy research, provide energy policy research to the Legislature, and to promote and facilitate the transfer of technology and research findings between the public and the private sectors for the purpose of establishing a long-term sustainable and efficient energy supply for the state and to strengthen Texas' leadership position in the use of renewable energy.

Key Functions.

1. To coordinate the development and marketing of all aspects of energy research at state agencies, postsecondary educational institutions, and nonprofit research organizations or associations, from the development of basic theoretical and experimental frameworks to the transfer of new energy technology to the marketplace, and to provide policy research on energy matters for the state legislature.
2. To review selected proposal(s) before a [energy performance] contract is awarded.” [HB3530, 75th R.S.]

Powers.

HB3492 [75th R.S.], an Act relating to the Texas Committee on Energy Policy and the Texas Energy Coordination Council, established the council as a state agency with the following powers:

1. Encourage research collaborations and coordinate information sharing among state agencies, postsecondary educational institutions, and nonprofit research organizations or associations;
2. Encourage projects that propose innovative, collaborative efforts among two or more state agencies, organizations or associations or between a postsecondary educational institution or nonprofit research organization or association and private industry;
3. Conduct public relations activities concerning the activities of the council;
4. Develop computer software to facilitate the discharge of the council's duties;
5. Establish a clearinghouse of energy research information that is accessible to all state agencies, postsecondary educational institutions, and all nonprofit research organizations or associations. The council may obtain from other state agencies appropriate information needed to carry out this function;
6. Contract or cooperate with the federal government or private research entities;
7. Promote and conduct technical seminars on energy research;
8. Provide information to the public on energy research;
9. Meet and coordinate with each institution of higher education's federal funds coordinator designated under Section 7512.022(d), Government Code;
10. Enter into memorandums of understanding with any state agency, postsecondary educational institutions, and all nonprofit research organizations or associations to carry out the duties of this Act;
11. Adopt rules for the administration of this Act;
12. Engage in other activities consistent with the responsibilities of this Act;
13. Request that any state agency submit any energy-related research programs for prior approval; and,
14. Review energy-related grant applications.

Duties. (Statutory)

[amended by HB3492, 75th R.S.]

1. Establish an institute for building energy efficiency throughout this state;
2. Promote the efficient use of renewable resources;
3. Advise and assist the legislature in developing plans, programs, cost-benefit analyses, financial models, and proposed legislation in regard to energy policy and the improved use of energy resources in Texas;
4. Determine the long-range needs, assess potential problems, assess the interrelation between energy and the environment, and recommend policy priorities for the energy sector in the state;
5. Biennially submit to the governor and legislature, specifically the Senate Natural Resources Committee and House Energy Resources Committee, a report detailing the actions necessary to promote an effective and efficient energy sector;
6. Promote and establish the formation of consortia to study energy uses;
7. Actively seek monetary support for the purposes of this Act;
8. Coordinate and promote the transfer of energy technologies and energy research findings to the marketplace;
9. Encourage and coordinate energy research among state agencies, postsecondary educational institutions, other public and private entities, industrial entities, state research programs, and nonprofit research entities; and,
10. Provide criteria and recommendations for the awarding of grants for energy research projects approved by state research programs.

B. Does the agency's enabling law correctly reflect the agency's mission, key functions, powers, and duties?

The agency's enabling law correctly reflects the agency's mission, key functions, powers, and duties.

C. Please explain why these functions are needed. Are any of these functions required by federal law?

These functions are needed – though not required by federal law – because:

1. Texas became a net importer of energy in 1992. Texas is the overall largest user of energy of all states, first in petroleum, first in natural gas, third in coal, and last in renewables. Texas has the largest renewable resource potential of any state in the U.S. and yet Texas ranks last in renewables as a percentage of energy used.
2. There is no comprehensive, statewide oversight of energy research projects at institutions of higher education. Researchers compete for diminishing research dollars, and duplication of research projects lessens the benefit of monies earmarked for energy research projects.
3. The council responds to requests from the Texas Legislature to support comprehensive energy policy development. (See "Market-Based Methods for Providing Renewable Energy and Energy Efficiency Programs," requested by the Texas Senate Interim Committee on Electric Utility Restructuring.)
4. The TECC "Biennial Report to the Legislature" details "the actions necessary to promote an effective and efficient energy sector" for the State of Texas.
5. The Texas Building Energy Institute (TBEI) brings diverse interests (academic, policy, trades, manufacturers, inspectors, etc.) of the building industry together to promote greater efficiency and increased sustainability in building design and construction.

6. The TECC is working with the U.S. Department of Energy to establish consortia to promote “States Industries of the Future” Program, a program which supports the development of sustainable industrial processes.

D. In general, how do other states carry out similar functions?

Many states have state energy centers or organizations responsible for developing and implementing comprehensive energy policy for the state. The National Association of State Energy Offices (NASEO) is the state energy officials Washington Voice on national energy issues – informing the administration, Congress, and regional and national organizations about the specific energy priorities and concerns of the states and territories.

The California Energy Commission (CEC) is that state's primary energy policy and planning agency, charged with ensuring a reliable and affordable energy supply. The CEC is perhaps the most comprehensive state energy effort. California has established a funding mechanism for energy R&D through a ‘systems benefits charge’ imposed on all electric energy (kWh) sold in its deregulated utility market.

The Iowa Energy Center carries out R&D and energy policy development for that state. All states have state energy conservation offices (see the National Association of State Energy Offices--<http://www.naseo.org/>) responsible for administering conservation programs funded through oil overcharge and stripper well funds. The responsibilities of most of these offices are limited to sets of core programs administered by the offices.

The Wisconsin Energy Bureau (WEB), created in 1973, in a like capacity, advises the governor and legislature on policies and programs for state and regional energy management, administers federal energy conservation funds, and develops and coordinates emergency energy policies and programs. The WEB maintains information and also houses the state Energy Information Clearinghouse which responds to public information requests, similar to the Texas Energy Clearinghouse effort proposed by the TECC.

The Nebraska Energy Office (NEO) promotes the efficient, economic and environmentally responsible use of energy. The NEO strives to advance the conservation of traditional energy resources, encourages the development of alternate and renewable energy resources and also advises the executive and legislative branches of state government in the development of energy policy.

E. Describe any major agency functions that are outsourced.

There are no major agency functions that are outsourced.

F. Discuss anticipated changes in federal law and outstanding court cases as they impact the agency’s key functions.

There are no anticipated changes in federal law and/or outstanding court cases that impact the agency’s key functions.

G. Please fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact the agency. Do not include general state statutes that apply to all agencies, such as the Open Records Act, the Open Meetings Act, or the Administrative Procedure and Texas Register Act. Provide the same information for Attorney General opinions from FY 1995 - 1999, or earlier significant Attorney General opinions, that affect

	<p>“The major change relates to the structure of the agency, not its function: (1) the elimination of the Texas Committee on Energy Policy, and (2) the designation of the Texas Energy Coordination Council as the state agency responsible for its implementation. HB3492, Section 1(art.4413(47f), §§ 1.01 and 3.01). The two bodies were reduced to one, which has the authority to carry out the purpose and statutory authority conferred by the law.</p>
	<p>“The authority of the Council is conferred under three provisions of the Act: § ‘Purposes,’ § 3.06 ‘Duties,’ and § 3.07 ‘Powers,’ not a change.</p> <p>“Regarding the express purposes of the Council, two matters were added and one was removed. HB3492, Section 2 (art. 4413(47f), § 1.02). The purpose of developing a statewide energy policy was removed. Added are the purposes of (1) coordinating the development and marketing of all aspects of energy research <u>at state agencies</u> and (2) <u>providing policy research</u> on energy matters for the state legislature. The purposes define the general parameters of the council’s mission.</p> <p>“A new reduction of 7 express duties came out of the amendments, with 3 new duties and 10 removed. HB3492, Section 6 (art. 4413(47f), § 3.06). Rather than list each change . . . note that they generally shift and clarify focus. All of the duties, those added and removed, involved providing assistance, advice, coordination, recommendation and promotion regarding developing energy research and marketing . . . the basic mission of the agency remains.</p> <p>“The basic mission of the agency is generally enhanced with the addition of express powers in § 3.07. That section expands from 10 to 14 subsections with no removal of an existing power. Again without listing each change, they too clarify focus. In addition, the amendments add authority to enter into memoranda of understanding, clarify authority to interact with other stage agencies. Possibly most significant is new subsection 13, which authorizes the council to give prior approval state agency energy-related research programs.</p> <p>“The basic difference between a ‘duty’ and a ‘power’ under the Act lies in the legislative expression that the council ‘shall’ carry out the listed duties, while the council ‘may’ exercise the listed powers. Nevertheless, the listed duties and powers are all specific legislative expressions of authority of the council.</p> <p>“In summary, the 1997 amendments reorganize the structure of the agency but do not alter its basic mission or appreciably</p>

	changes its powers.”
<p>July 8 1998 Administrative Law Division (non-numbered) Memorandum regarding “Suggested Rules for Texas Energy Coordination Council” issued by Ms. Reneé Mauzy, Assistant Attorney General, <i>TECC Counsel</i></p>	<p>“ . . . adopt rules concerning the acceptance of gifts, including money, from third parties . . . the Texas Energy Coordination Council has the authority to accept gifts and grants from any source to be used for the responsibilities the Council has under Article 4413(47f), Vernon’s Texas Civil Statutes (see Section 3.08). Attached is a copy of Chapter 2255, Texas Government Code, which requires state agencies that have statutory authority to accept gifts to adopt rules concerning the acceptance of such gifts. Section 2255.001(d) requires a newly created agency to adopt such rules as soon as possible after creation.”</p>
Attorney General Opinions	
Attorney General Opinion No.	Impact on Agency
<p>October 17 1997 Administrative Law Division (non-numbered) Memorandum regarding HB3530, 75th R.S. issued by Ms. Reneé Mauzy, Assistant Attorney General, <i>TECC Counsel</i></p>	<p>“Section 1 of HB3530 is inapplicable to the Texas Energy Coordination Council.</p> <p>“Section 2 of the bill amends Section 51.927, Education Code, relating to energy conservation measures by institutions of higher education. Section 51.297(h) was amended by HB3530 in three ways relevant to the issues raised in October 16, 1997 correspondence. First, amended Section 51.927(h) requires the Higher Education Coordinating Board, in consultation with the State Energy Conservation Office and the Texas Energy Coordination Council, to establish guidelines and an approval process for energy savings contracts awarded by institutions of higher education pursuant to the requirements of Section 51.927 . . . new language is the guidelines and contract approval process are those of the Higher Education Coordination Council.</p> <p>“Seconded, amended Section 51.297(h) requires that both the State Energy Conservation Office and the Texas Energy Coordination Council review an energy savings contract proposal selected by an institution of higher education covered by the provisions of Section 51.927, prior to the time the contract is awarded. Section 51.927(h) does not authorize either the State Energy Conservation Office or the Texas Energy Coordination Council to reject the proposed contract or to require certain terms and conditions to the contract.</p> <p>“Third, Section 51.927(h) continues to provide, as it did prior to passage of HB3530, that the State Energy Conservation Office may provide a cost-benefit analysis of the energy savings proposals and an analysis of the guaranteed savings projected by various offerors. It may charge a fee for providing the analysis services.</p> <p>“Section 3 of HB3530 amends Subchapter I, Chapter 2166, Government Code, to add new Section 2166.406, relating to</p>

	<p>energy conservation measures contracts entered into by state agencies under Chapter 2166. The portions of Section 2166.406 relevant . . . are subsections (h) and (k).</p> <p>“Section 2166.406(h) requires that prior to awarding an energy conservation contract covered by Chapter 2166, a state agency must submit the selected proposal to both the State Energy Conservation Office and the Texas Energy Coordination Council <u>for review and comment</u>. Those agencies must then provide both cost-benefit and projected guaranteed savings analyses for the proposal. Both the State Energy Conservation Office and the Texas Energy Coordination Council may charge fees for the provision of these services. The State Energy Conservation office must review and approve the contract before it can be executed by the state agency seeking the energy conservation measures.”</p>
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H. Please fill in the following chart:

Texas Energy Coordination Council Exhibit 2: Agency Contacts			
	Name	Address	Telephone Number Fax Number Email Address
Agency Head	Jerry Matthews, Ph.D. Executive Director	10100 Burnet Road Austin, TX 78758	512-475-6774 512-471-1720 jerrymatthews@mail.utexas.edu
Agency’s Sunset Liaison	Jerry Matthews, Ph.D.	10100 Burnet Road Austin, TX 78758	512-475-6774 512-471-1720 jerrymatthews@mail.utexas.edu
Agency’s Executive Assistant	Kyna J. Simmons	10100 Burnet Road Austin, TX 78758	512-475-6774 512-471-1720 kyna@mail.utexas.edu
Agency’s Senior Systems Analyst	Denzil W. Smith	10100 Burnet Road Austin, TX 78758	512-232-2329 512-471-1720 the denz@mail.utexas.edu

II. History and Major Events

Provide a timeline discussion of the agency's history, briefly describing the key events in the development of the agency, including:

- the date the agency was established;
- the original purpose and responsibilities of the agency;
- major changes in responsibilities or statutory authority;
- agency/policymaking body name and composition changes;
- the impact of state/federal legislation, mandates, and funding;
- the impact of significant state/federal litigation that specifically affects the agency's operations; and,

key organizational events and areas of change and impact on the agency's organization (e.g., a major reorganization of the agency's divisions or program areas).

The Texas Energy Coordination Council was established in 1993 by HB923 and SBs737 and 5, Art. V., Sec. 113, 73rd R.S., as an advisory council to coordinate energy research and provide energy policy research for the purpose of facilitating the transfer of energy technologies from the public to the private sector. The Council's duties were amended in 1997 *via* HB3492 which established TECC as a state agency.

- September 1993, CSHB 923 [73rd R.S.] "... the Texas Energy Coordination Council, designed to develop and coordinate statewide energy policy and research in public and private post-secondary educational institutions and nonprofit research organizations. It also would create a Texas Committee on Energy Policy and an energy account in the General Revenue Fund."
- Effective May 23, 1995, HB1968 [74th R.S.], "relating to the representative of industrial energy consumers on the Texas Energy Coordination Council."
- The state agency was established September 1, 1997 by HB3492 [75th R.S.]
- Effective September 1, 1997, "the purposes (Sec. 1.02, HB3492) of this Act are to coordinate the development and marketing of all aspects of energy research at state agencies, postsecondary educational institutions, and nonprofit research organizations or associations, from the development of basic theoretical and experimental frameworks to the transfer of new energy technology to the marketplace, and provide policy research on energy matters for the state legislature."

- November 1998, an additional Full-Time Employee (FTE) was recruited for the purpose of fulfilling the “power”, to “establish a clearinghouse of energy research information that is accessible to all state agencies, postsecondary educational institutions, and all nonprofit research organizations or associations.”
- Impacted by HB3492 in terms of state agency status and continued biennium funding in oil overcharge dollars.
- Impacted by HB3530 relating to energy savings projects for school districts, institutions of higher education, and state agencies.
- There have been no major reorganizations of the Texas Energy Coordination Council or within program areas.

III. Policymaking Structure

A. Please complete the following chart:

Texas Energy Coordination Council Exhibit 3: Policymaking Body				
Member Name	Term/ Appointment Dates/ Appointed by (e.g., Governor, Lt. Governor, Speaker)	Qualification (e.g., public member, industry representative)	Address	Telephone Number Fax Number E-mail Address
Donald W. Niemiec, Chair	12/04/98-12/31/99 Governor <i>Reappointment</i>	<i>Oil industry rep</i>	Post Office Box 7 MS CT09-3200 Ft. Worth, TX 76101	817-321-6932 817-321-5595 dwniemiec@uprc.com
Glenda L. Callaway	01/12/99-12/31/00 Governor	<i>Environmental consumer rep</i>	2727 Kirby Drive Suite #523 Houston, TX 77098	713-520-9031 713-520-8150 Glencall@aol.com
Kathleen Magruder	01/12/99-12/31/00 Governor	<i>Renewables energy industry rep</i>	1400 Smith Street Houston, TX 77002	713-853-7225 713-646-8160 kmagrude@enron.com
Michael D. Spence	12/04/98-12/31/99 Governor	<i>Electric utility industry rep</i>	1000 Sierra Place Richardson, TX 75080	972-783-4281 972-783-4366 mikespence@home.com
James A. Tramuto	12/04/98-12/31/99 Governor	<i>Natural gas industry rep</i>	1100 Louisiana, Suite 1000 Houston, TX 77002	713-371-6704 713-371-6799 tramutoj@pge-texas.com
	Governor	<i>Alternative fuels industry rep (vacant)</i>		
Robert L. Wright	12/04/98-12/31/99 Governor <i>Reappointment</i>	<i>Industrial energy consumer rep</i>	105 Hollywood Boulevard Victoria, TX 77904	361-573-4606 361-573-4688 darnar@tisd.net
Dr. David Allen	Academic	<i>ex officio member</i>	The University of Texas at Austin 10100 Burnet Road R7100 Austin, TX 78758	512-471-0049 512-471-1720 allen@che.utexas.edu
Dr. Glenn Aumann	Academic	<i>ex officio member</i>	University of Houston 4800 Calhoun Houston, TX 77204	713-743-9130 713-743-9134 ERGY2@jetson.uh.edu

Dr. Walt Oler	Academic	<i>ex officio member</i>	Texas Tech University 18 th & Akron Lubbock, TX 79409	806-742-3563 806-742-3540 jwoler@coe.ttu.edu
Dr. Vaughn Nelson	Academic	<i>ex officio member</i>	West Texas A&M University 2402 N.E. 3 rd Canyon, TX 79016	806-651-2295 806-651-2733 vnelson@mail.wtamu.edu
Dr. Dan Turner, Vice-Chair	Academic	<i>ex officio member</i>	Texas A&M University 215 WRC MS3407 College Station, TX 77843	409-862-8480 409-862-8687 turner@teesmail.tamu.edu

The TECC, as a state agency, is responsible for carrying out the duties outlined in HB3492 (see *I. Key Functions, Powers, and Duties*). The TECC Executive Director reports to the council and informs and seeks guidance from that policymaking body.

The policymaking structure is organized in such a way that the council considers, may advise and act on, by vote, policies that directly affect the functions and duties of the TECC – as a state agency.

For example, the council conducted open forum meetings that addressed:

1. a February 21, 1997 letter from State Representative Steve Holzhauser to (his) district (Victoria) mayors in which the representative, on behalf of the House Energy Resources Committee, asked “the Texas Energy Coordination Council if they have the authority and justification to offer assistance to the affected cities.” This letter was issued regarding the State Near-Non-Attainment Funds.
2. an October 1997 Senate Study, “Market-based Methods for Providing Renewable Energy and Energy Efficiency Programs”, requested by Senator David Sibley, Chair, Senate Interim Committee on Electric Utility Restructuring.
3. in December 1997, scheduled hearings to coincide with Senate hearings and consider issues regarding SB7 “relating to electric utility restructuring and to the powers and duties of the Public Utility Commission of Texas, Office of Public Utility Counsel, and Texas Natural Resource Conservation Commission, providing penalties.”
4. a November 1997 request by Representative Tommy Merritt to “discuss . . . studying the East Texas Oil Field . . . crucial step in producing Texas’ remaining reserves.”
5. a December 1997 meeting between council member Mr. Michael Roberts and Senator J.E. “Buster” Brown, to discuss “the continued working relationship of the TECC with the Senate Committee on Natural Resources.”
6. a September 1998 response to a request by Chair Steve Holzhauser, House Energy Resources Committee, that the “TECC form a consortium to seek funding and resources to perform a long-term study of the East Texas Oil Field.”
7. a November 1998 Enhanced Petroleum Recovery Consortium meeting at the State Capitol.
8. preparation of the February 1999 TECC Biennial Report to the Texas Legislature.
9. the ATP/ARP programs administered by the Texas Higher Education Coordinating Board (THECB) and the participation of the TECC in the coordination and award of these programs.
10. the progress and future of the Texas Building Energy Institute (TBEI).
11. travel and administrative policies affecting the TECC Executive Director, council members, and the TBEI director.

B. How is the chair of the policymaking body appointed?

The chair is elected by the council to serve for a term no longer than one year following election, or until the expiration of such member’s appointment, whichever occurs first. The chair may be re-elected, establishing a new term. In the event the chair resigns from office or otherwise becomes unable to serve as chair, a new chair shall be elected at the first

meeting of the council following the resignation or recognition of need, and that new term of service as chair will be for the full term mentioned earlier in this Section (“Section” references *Item III. Section G. Administrative ByLaws*).

C. Describe the primary role and responsibilities of the policymaking body.

The primary role and responsibilities of the policymaking body are to –

- **Make policy recommendations to the legislature to ensure an “energy efficient economy.”**

January 1999-TECC Policy Recommendations:

Electric Market Restructuring-

1. Emphasize energy efficiency as the most economical alternative to new sources of generation.
2. Require Texas State agencies to comply with U.S. recommendations on the Kyoto protocols and reduce energy usage to at least 5% below 1990 levels.
3. Consider a target for renewable energy in electric utility portfolios by 2005.
4. Require utility bill history disclosure, by seller, for residential real estate.
5. Require utilities to offer real time metering to utility customers.
6. Assess a systems benefits charge on all kWh sold in Texas to annually fund \$20M for research and development in energy conservation and renewable technologies to be administered by TECC.
7. Require environmental emissions labeling of electric energy sources in sales materials and in utility billings.

Home Energy Rating System (HERS)-

Consider adopting incentive programs for energy-efficient and super-efficient homes based on a HERS for Texas.

Financing-

1. Consider modifications to HB3530 75th R.S., to allow for infrastructure modifications, providing that the total project savings still pay for the total project costs within 10 years.
2. Consider modifications to HB1243 75th R.S., to match local government procurement to the procurement process outlined in HB3530 . . . compliance with the Texas Performance Contracting Guidelines promulgated by TECC and the State Energy Conservation Office (SECO).
3. Increase sources of funding for the LoanSTAR program and other building energy management assistance programs that make public funds available to state agencies and local government entities for energy efficient construction, retrofits and maintenance.
4. Promote energy efficient equipment, renewable energy and low embodied energy materials in new construction and building retrofits through tax credits of up to \$2K for high efficiency features and onsite renewable energy application.
5. Consider adoption of a statewide energy code . . . reduce administrative costs of local adoption, set minimum standards to protect consumers in the lower end of markets.
6. SECO should require compliance certification with the Texas Building Energy Design Standard for state facilities.

Data-

SECO should expand the statewide electric utility data repository to include all energy sources consumed by state agencies.

- **Direct the activities of the executive director, defining priorities and goals of the council.**

D. List any special circumstances or unique features about the policymaking body or its responsibilities.

The policymaking body represents the five (5) energy research centers at state higher education institutions, as well as representatives from the major energy interests in the state, as well as consumer and environmental interests.

E. In general, how often does the policymaking body meet? How many times did it meet in FY 1998? in FY 1999?

In general, the council holds quarterly meetings.

In 1998, the council met nine (9) times. These frequently held meetings were in response to –

- a charge from Senator David Sibley, Chair, Senate Committee on Electric Utility Restructuring, to “prepare a study describing alternative market-based methods of providing renewable energy and energy efficiency programs”;
- a request by Representative Steve Holzhauser, Chair, House Energy Resources Committee, to “form a consortium to seek funding and resources to perform a long-term study of the East Texas Oil Field”; and,
- a statutory fulfillment to provide a biennial report to the legislature.

The council met five (5) times in 1999 (as of August 1, 1999, next scheduled meeting September 16, 1999).

F. What type of training do the agency’s policymaking body members receive?

- The Governor’s Office offers training to gubernatorial appointments.
- The Office of the Attorney General offers ethics training to council members.

G. Does the agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, please describe these policies.

The agency has a set of **Administrative Procedures** (or ByLaws), adopted June, 1996 –

Preamble.

These are the administrative procedures which govern the conduct of the Texas Energy Coordination Council, a body established by Article 4413(47f), Vernon's Texas Civil Statutes. The purposes and the composition of the council are set forth in that enabling legislation.

ARTICLE I : Name and Address

Section 1. Name: The entity is the Texas Energy Coordination Council, hereafter referred to as the Council.

Section 2. Address: Official business items should be addressed to the Council chairman with a copy to the Executive Director whose office address is Texas Energy Coordination Council, C.E.E.R., R-7100, 10100 Burnet Road, Austin, TX 78758.

ARTICLE II: Organization and Structure

Section 1. Chair: One member of the Council shall be elected to serve as chair. The chair shall serve for a term no longer than one year following election, or until the expiration of such member's appointment, whichever occurs first. The chair may be re-elected, establishing a new term. In the event the chair resigns from office or otherwise becomes unable to serve as chair, a new chair shall be elected at the first meeting of the Council following the resignation or recognition of need, and that new term of service as chair will be for the full term mentioned earlier in this Section.

Section 2. Other officers: The Council shall elect a vice chair to serve in the absence of the chair. The term for such vice chair shall be the same as for the chair, or until the expiration of such member's appointment. A

recording secretary shall be designated by the chair to serve during the same term as the chair, with the assignment to keep the official minutes of the body. The recording secretary may be a member or a Council or Institute employee.

Section 3. Resignation: Any appointed Council member may submit a request to resign at any time by giving written notice to the chair of the Council and the Governor; however, such a request or notification does not alter the number of members required to have a quorum.

Section 4. Attendance: A record of the attendance at each meeting shall be made, and such record shall reflect both members and guests present.

ARTICLE III : Meetings and Administrative Procedures

Section 1. Regular meetings: The Council shall meet at least quarterly at such times and places as agreed to by the Council or upon the properly noticed call of the chair. Special meetings shall be called by the chair upon written request of three or more members of the council. Written notice of the date, hour, designated place, agenda, and subject of each meeting shall be given before the meeting and will be transmitted to each member before each meeting.

Section 2. Emergency meetings: In case of emergency or urgent public necessity, which shall be clearly identified in the notice, an emergency meeting may be called by the chair. The requirement remains, however, that the meeting notice must be posted in compliance with the Texas Open Meetings Act.

Section 3. Open meetings, open records, and administrative procedures:

All Council meetings, regular and emergency, are open to the public, except where a closed or executive session is required or authorized as provided in the Texas Open Meetings Act. The Council shall comply with the requirements of: the Open Meetings Act in the conduct of its meetings; The Texas Open Records Act, in the release of Council records to the public; and the Administrative Procedure Act where that act is applicable to the Council in the conduct of its functions.

Section 4. Quorum: Seven members of the Council constitutes a quorum for the transaction of business at any meeting. For voting purposes, a majority is defined as more than one-half of the members present.

Section 5. Voting: The Council may act by no less than a majority vote of its members present, with each member entitled to one vote. No proxy vote shall be allowed.

Section 6. Presiding officer: The chair shall preside at all meetings and perform all other functions prescribed by law or by the Council. The chair shall be allowed to vote on all matters not personally involving a conflict. In the absence of the chair, the vice chair shall preside and perform the required duties.

Section 7. Committee meetings: Committee meetings may be held at the convenience of the committee members. Since the result of their actions must be presented to the Council for action, the committee meeting shall not be required to file advance notice of meeting site, time nor agenda. Attendance shall be open to interested and/or invited guests, and guests may comment if recognized by the member designated to preside.

ARTICLE IV : Committees

Section 1. Permanent committees: Permanent committees may be created by the Council by a majority vote.

Section 2. Ad hoc committees: Ad hoc (single purpose) committees may be created by a majority of the Council or appointed by the chair for specific tasks related to matters Properly within the scope of the Council's preview.

ARTICLE V: Conflict of Interest

A member who has a personal or private interest in a measure shall publicly disclose the fact to the Council in a meeting called and held in compliance with the Open Meetings Act. The member may not vote or otherwise participate in the decision. The disclosure shall be entered in the minutes of the meeting.

ARTICLE VI : General Considerations

Section 1. Parliamentary procedure: All open Council and committee meetings are to be conducted following parliamentary procedures as described in the latest edition of Robert's Rules of Order. Revised, except that the presiding member (chair) shall be both entitled and encouraged to vote on all matters before the Council.

Section 2. Minutes: Written minutes which indicate time and place of the meeting, each vote, order, decision, and other action taken at the meeting and any other material requested for inclusion by any Council member shall be prepared and provided to all Council members before the next meeting. Once approved by the Council, written minutes of open meetings shall be provided to the public promptly upon receipt of a written request in accordance with the Open Records Act. Tape recordings of all open meetings may be made in addition to the required written minutes. A Certified Agenda of executive sessions shall be made by the chair and that agenda retained in safekeeping by the executive director of the Council. Copies of the Certified Agendas shall not be disclosed except upon a ruling of the Attorney General or a court of competent jurisdiction.

ARTICLE VII : Amendments to these Procedures

Proposed amendment(s) to these procedures may be submitted by any Council member to the Executive Director. The executive director shall furnish written notice of the proposed amendment(s) to the Council members not less than 29 calendar days in advance of the next Council meeting. The written notice must contain a full statement of the present section or article, if any, which is affected and the proposed amendment(s) These procedures may be amended by a positive vote of seven members of the Council. Approved amendments shall take effect immediately upon a Council vote approving them.

H. If the policymaking body uses subcommittees or advisory committees to carry out its duties, please fill in the following chart.

Texas Energy Coordination Council			
Exhibit 4: Subcommittees and Advisory Committees			
Name of Subcommittee or Advisory Committee	Size/Composition/How members are appointed	Purpose/Duties	Legal Basis for Committee
Subcommittee on Strategic Plan 10/97	5/Don Niemiec, Glenn Aumann, Vaughn Nelson, Michael Osborne, Bob Wright	To review the Strategic Plan draft, in particular, to incorporate changes reflecting new duties	<i>Council vote</i>
Subcommittee on Texas Energy Clearinghouse 10/97	3/Vaughn Nelson, Steve Nichols, Michael Roberts	To establish the Texas Energy Clearinghouse as an energy information database for research and information purposes	<i>Council vote</i>
Subcommittee on Senate Study 12/97	4/Michael Osborne, Vaughn Nelson, Dan Turner, Bob Wright	To determine the focus of the Senate Study	<i>Voluntary</i>
Subcommittee on Mission Statement and Strategic Plan 1/99	5/Don Niemiec, Kathleen Magruder, Glenda Callaway, Walt Oler, Michael Spence	To review the Mission Statement and Strategic Plan	<i>Council vote</i>
Subcommittee to Coordinate University	6/David Allen, Chair, Glenn Aumann, Vaughn Nelson, Walt Oler, Dan Turner, Bob Wright	To review possible TECC research opportunities	<i>Voluntary</i>

Research 1/99			
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I. How does the policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of the agency?

- The agency holds open meetings that are posted in the *Texas Register*. Notices of these meetings are distributed to individuals listed in the TECC database. Approximately 70-90 notices are issued prior to each meeting.
- The agency invites public testimony *via Texas Register* announcements.
- The agency incorporates input *via* (open meeting) recorded transcripts gathered from invited public comment(s).
- The agency offers electronic website accessibility: <http://tecc.ces.utexas.edu>

IV. Funding

A. Describe the agency’s process for determining budgetary needs and priorities.

- The agency’s process for determining budgetary needs and priorities is directly related to statutes as set out in HB3492 [75th R.S.].
- The agency’s executive director determines budget allocations for most budget items. The executive director regularly submits budgets to the council for review and approval, as well as provides any extraordinary budget requests.
- Additional budgetary priorities are considered by the council, such as –
 - 1) October 1997, Senator David Sibley (Chair, Senate Interim Committee on Electric Utility Restructuring), asked the TECC to conduct a study describing “alternative market-based methods for providing renewable energy and energy efficiency programs”.
December 1997, the council voted unanimously in an open meeting in to *set aside* \$50K for the purpose of completing and delivering the study. *Expended actual funds* approximately \$38K.
 - 2) March 1998, the council voted in an open meeting to *set aside* \$6K in support of the Hot and Humid Symposium held at Texas A&M University. The TECC traditionally supports, and the TBEI hosts this symposium (every other year).
 - 3) September 1998, Representative Steve Holzheuser, Chair, House Energy Resources Committee, requested the TECC “form a consortium to seek funding and resources to perform a long-term study of the East Texas Oil Field.”
Although actual funds were not *set aside* to form a consortium, actual dollars were expended in terms of –
 - personnel,
 - creating a database,
 - forming a consortium,
 - preparing a mailout,
 - arranging meetings, at the request of Representative Tommy Merritt, specifically between the TECC and Dr. Noel Tyler, Director of the Bureau of Economic Geology at The University of Texas at Austin,
 - responding to questions from legislative members and other interested parties,
 - testifying before legislative committee(s), and,
 - including an additional \$2M request to the legislature in the TECC appropriations request (on behalf of Representative Merritt).
 - 4) February 1999, in an open meeting, the council voted to *set aside* \$10K to prepare a biennial report (to fulfill a statutory requirement) to the legislature. *Expended actual dollars* approximately \$11K.
 - 5) June 1999, the council voted in an open meeting to fund the Texas Building Energy Institute in FY2000 for \$110K.

- The council authorizes salary increases and votes on special budget items such as grants or subcontracts or special projects.

PLEASE FILL IN EACH OF THE CHARTS BELOW, USING EXACT DOLLAR AMOUNTS.

B. Show the agency's sources of revenue. Please include all local, state, and federal sources

Texas Energy Coordination Council Exhibit 5: Sources of Revenue — Fiscal Year 1998 (Actual)	
Source	Amount
Oil Overcharge Dollars FY1997-1999	\$499,000
TOTAL	\$499,000

C. If you receive funds from multiple federal programs, show the types of federal funding sources.

Texas Energy Coordination Council Exhibit 6: Federal Funds — Fiscal Year 1998 (Actual)				
Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
N/A	0	0	0	0
TOTAL				0

D. Show the agency's expenditures by strategy.

Texas Energy Coordination Council Exhibit 7: Expenditures by Strategy — Fiscal Year 1998 (Actual)	
Goal/Strategy	Amount
TECC has been funded through a rider on GSC's LAR, and was advised by the LBB analyst <u>not</u> to submit an LAR though an LAR was prepared. Goals/Strategies normally included in an LAR are "defined" in Item IV.A. Funding	\$499,000
GRAND TOTAL	\$499,000

E. Show the agency's expenditures and FTEs by program.

Texas Energy Coordination Council					
Exhibit 8: Expenditures and FTEs by Program — Fiscal Year 1998 (Actual)					
Program(s)	Budgeted FTEs, FY 1998	Actual FTEs as of August 31, 1998	Federal Funds Expended	State Funds Expended	Total Actual Expenditures
Texas Energy Coordination Council (TECC)	3	2	0		\$196,895.15*
Texas Building Energy Institute (TBEI)	1.5	1	0		\$130,495.13*
TOTAL	4.5	3	0		\$327,390.28

*includes unexpended balance carryover(s) from FY1997 + new funds, figures are obtained from UT Accounting

F. If applicable, please provide information on fees collected by the agency.

Texas Energy Coordination Council				
Exhibit 9: Fee Revenue and Statutory Fee Levels — Fiscal Year 1998				
Description/ Program/ Statutory Citation	Current Fee/ Statutory maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited (e.g., General Revenue Fund)
Performance Contracting Review	\$75/Hour	2	\$20,489	The fees are deposited into a special account created by The University of Texas at Austin solely for the purpose of collecting these fees.

G. Please fill in the following chart.

N/A

Texas Energy Coordination Council				
Exhibit 10: Purchases from HUBs				
FISCAL YEAR 1997				
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction				
Building Construction				
Special Trade				
Professional Services				
Other Services				
Commodities				
TOTAL				

FISCAL YEAR 1998				
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction				
Building Construction				
Special Trade				
Professional Services				
Other Services				
Commodities				
TOTAL				

H. Does the agency have a HUB policy? How does the agency address performance shortfalls related to the policy?

The Texas Energy Coordination Council is an agency that resides at The University of Texas at Austin. The University administers the council's contract with the State Energy Conservation Office and performs all (HUBs) Purchasing functions for the council. The procurement for this agency is under the Procurement Plan for agency 721, The University of Texas at Austin. The University of Texas Purchasing Office responds to purchasing performance shortfalls.

It is the policy of The University to encourage minority and female-owned small businesses to bid on contracts and open market purchases and to assist those businesses in that bidding.

This policy applies to all procurement and contract activities of The University of Texas System and component institutions, including auxiliary enterprises.

"Minority or female-owned small businesses" means a business enterprise:

A. That is independently owned and operated, formed for the purpose of making a profit, and has fewer than 100 employees or less than \$1,000,000 in annual gross receipts.

B. At least 51% of which is owned or controlled by one or more socially and economically disadvantaged persons who are socially disadvantaged because of their identification as members of certain groups, including women, Black Americans, Mexican-Americans and other Americans of Hispanic origin, Asian Americans, and American Indians.

Responsibilities:

A. The Vice President for Business Affairs is responsible for administering this policy.

B. The Purchasing Office is responsible for preparing, publishing and distributing information about procurement procedures to comply with this policy.

C. The Purchasing Office maintains lists of minority and female-owned small businesses. These lists are available to heads of each office, department, division, laboratory or project. In the case of consultants and professional services, it is the responsibility of the applicable departments to develop lists of minority and female-owned small businesses capable of providing the required services.

D. The Purchasing Office is responsible for preparing all required reports to The University of Texas System and to State and Federal agencies.

V. Organization

A. Please fill in the chart below. If applicable, list field or regional offices.

Texas Energy Coordination Council Exhibit 11: FTEs by Location — Fiscal Year 1998			
Headquarters, Region, or Field Office	Location	Number of Budgeted FTEs, FY 1998	Number of Actual FTEs as of August 31, 1998
Austin Texas Headquarters	Austin, Texas	3	2
TOTAL		3	2

B. What was the agency's FTE cap for FY 1998?

2.0

C. How many temporary or contract employees did the agency have as of August 31, 1998?

0

D. Please fill in the chart below.

Texas Energy Coordination Council Exhibit 12: Equal Employment Opportunity Statistics	
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FISCAL YEAR 1996							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	1						
Professional							
Technical							
Protective Services							
Para-Professionals							
Administrative Support	1					1	100%
Skilled Craft							
Service/Maintenance							

Texas Energy Coordination Council
Exhibit 12: Equal Employment Opportunity Statistics (cont.)

FISCAL YEAR 1997							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	1						
Professional							
Technical	.5			.5	100%		
Protective Services							
Para-Professionals							
Administrative Support	1					1	100%
Skilled Craft							
Service/Maintenance							

FISCAL YEAR 1998							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	1						
Professional							
Technical							
Protective Services							
Para-Professionals							
Administrative Support	1					1	100%
Skilled Craft							
Service/Maintenance							

E. Does the agency have an equal employment opportunity policy? How does the agency address performance shortfalls related to the policy?

The agency's Equal Employment Opportunity (EEO) policy is that of The University of Texas at Austin, agency 721-

“Mission Statement
 The Equal Employment Opportunity Office is committed to:
 Ensuring that the University of Texas at Austin
 fulfills both the spirit and the law of
 Equal Employment Opportunity/Affirmative Action by
 Providing equitable resolutions to complaints
 and
 Striving for a workplace environment free from discrimination.”

VI. Guide to Agency Programs

Please complete this section for each agency program (or each agency function, activity, or service).

Please complete the following chart(s).

Note: The core programs of the TECC are “Administration and Policy Research,” which entails providing staff support to the Council, coordinating energy policy development, arranging research and publication support, forming consortia to research energy issues, providing policy recommendations to the legislature, and pursuing all duties itemized in the creating legislation. TECC also created the Energy Storage Technology Institute and the Texas Building Energy Institute, the latter continues to receive TECC support as of this report's date.

A. Program: Texas Building Energy Institute (TBEI)	
Texas Energy Coordination Council Exhibit 13: Program Information — Fiscal Year 1998	
Name of Program	Texas Building Energy Institute
Location/Division	The University of Texas at Austin
Contact Name	Tom Fitzpatrick, Executive Director
Number of Budgeted FTEs, FY 1998	1.5
Number of Actual FTEs as of August 31, 1998	1

B. What are the key services and functions of this program? Describe the major program activities involved in providing all services or functions.

The Texas Building Energy Institute (TBEI) is a public/private collaborative to promote building energy efficiency throughout the state and promote the efficient use of renewable resources. The institute is operated through agreement by the University of Texas Center for Energy and Environmental Resources.

Key functions of the institute are to:

- provide energy Education related to building energy efficiency and renewable energy;
- encourage and support Technology Transfer;
- provide Technical Support to public agencies;

- conduct a program of Research & Development; and,
- develop and make Policy Recommendations to the TECC.

The participants and key customers of TBEI, in addition to the core academic members, are representatives of the building industry, utilities, government agencies and the public.

C. When and for what purpose was the program created? Describe any statutory or other requirements for this program.

The institute was created in 1995 in response to requirements in TECC's enabling legislation (Art. 4413 (47f) V.T.C.S., Sec. 3.06) to “(1) establish an institute for building energy efficiency throughout this state; (2) promote the efficient use of renewable resources . . .” The underlying purpose was to maximize public, commercial and economic benefits from limited funds available for investments in related university research programs. Leveraged development, research, and education result in reduced energy costs, economic and industrial development, and improved environmental quality (information obtained from 1995-1996 Interim Report to the Texas Energy Coordination Council, October 18, 1996).

D. Describe any important history not included in the general agency history section, including a discussion of how the services or functions have changed from the original intent. Will there be a time when the mission will be accomplished and the program will no longer be needed?

The original conception was to lay out a comprehensive research and technology transfer program for building energy efficiency and renewable energy, and pass through subsequent research appropriations and state energy program funding to participating academic centers (ref.: Mission and Scope Statement 3/31/95). Absent such appropriations, emphasis shifted to providing a forum for public-private collaboration and cooperation on ad hoc issues. Strategic planning sessions during FY99 have reemphasized the importance of the education and technology transfer functions in particular, and the need for supporting collaborative research. Although the institute was not conceived as a short term mission, it is probably most critical for the next five to ten years. At present, our state, with the measurably greatest potential in renewable energy generation, and arguably greatest potential for renewable energy technology export, is the lowest ranking state in renewable energy use. The potential for increased efficiency in buildings remains about 10% for improvements through operating practices, 30% through cost-effective renovations to existing buildings and 40-60% above conventional building practices in new construction. TECC is providing funding for full time operation during FY2000 to support a higher level of effort to identify and secure alternative sources of funds for a broader effort.

E. Describe who this program serves. How many people or entities are served? List any qualifications or eligibility requirements for receiving services or benefits.

This program serves –

- general public - access to information
- consumers - homeowners, building owners and operators
- designers - architects and engineers, home designers, specifiers
- building industry – contractors, suppliers, manufacturers
- utilities - municipal, cooperative and investor-owned
- government agencies – as building owners/operators or with environmental missions.

Approximately 125 individuals participate at some level in the institute, currently representing 9 Texas universities, 24 non-profit organizations and industry associations, 9 agencies, 13 companies, 17 professionals and 5 utilities. Voluntary membership is open to all interested parties. Voting members must represent academic institutions, and public agencies or organizations representing industry, consumer or environmental interests.

F. Describe how the program is administered. Include flowcharts, timelines, or other illustrations as necessary. List any field or regional services.

The TBEI is administered by the University of Texas at Austin/Center for Energy and Environmental Resources under agreement with TECC. The TBEI is governed by by-laws accepted by TECC. The institute is managed by an Executive Director and has a policy-making Executive Committee elected from the general membership. The Executive Director was the only staff for TBEI in FY99. A part-time administrative assistant will be added in FY2000.

G. If the program works with local units of government, (e.g., Councils of Governments, Soil and Water Conservation Districts), please include a brief, general description of these entities and their relationship to the agency. Briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TBEI has not contracted with local units of government.

H. Identify all funding sources and amounts for the program, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The Texas Energy Coordination Council was refunded FY2000-FY2001 at \$500,000. This amount, including any carryover balance, is adequate funding to satisfy statute requirements, as well as fund the Texas Building Energy Institute at \$110K in FY2000.

TECC allocation in FY95 (oil overcharge)

\$100,000

TECC allocation in 96-97 Biennium (oil overcharge) (U.B. carried forward)

\$200,000

SECO contract in 98-99 Biennium (DOE Special Project)

\$ 74,000

TECC allocation for FY2000 (oil overcharge)

\$110,000

I. Are current and future funding resources appropriate to achieve program mission, goals, objectives, and performance targets? Explain.

FY2000 funding is adequate for maintaining basic functions and pursuing external funding for additional collaborative projects. (\$110K in FY2000 funding was approved by the TECC on July 8, 1999.)

FY2001 funding has not been committed by TECC due to uncertainty of appropriated oil overcharge funds.

J. Identify any programs internal or external to the agency that provide identical or similar services or functions. Describe the similarities and differences.

Each participating university has limited resources for research, fundraising for research, public service education and technical assistance. The uniqueness of TBEI is in its collaborative character, including and supporting all member institutions, and its emphasis on public service functions.

K. Discuss how the program is coordinating its activities to avoid duplication or conflict with the other programs listed in Question J and with the agency's customers.

Universities are permanent voting members of TBEI able to help define opportunities for coordination or collaboration and identify and prevent potential duplication or conflict. Consumer, environmental and business members help provide balanced evaluation of those opportunities.

L. Please provide any additional information needed to gain a preliminary understanding of the program.

The institute holds membership meetings 4-to-6 times per year (6 in FY99).
 The executive committee meets or conferences by phone in alternate months.
 The institute hosts a building symposium (for technology transfer) in alternate years (next in May 2000).

M. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. If this is a regulatory program, please describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

The TBEI is a voluntary organization with no regulatory functions.

N. Please fill in the following chart for each regulatory program. The chart headings may be changed if needed to better reflect the agency's practices.

N/A

A. Program: Energy Storage Technology Institute (ESTI)

Name of Program	Energy Storage Technology Institute (ESTI)
Location/Division	The University of Texas at Austin
Contact Name	Jerry Matthews, Executive Director, TECC
Number of Budgeted FTEs, FY 1998	0
Number of Actual FTEs as of August 31, 1998	0

B. What are the key services and functions of this program? Describe the major program activities involved in providing all services or functions.

The Energy Storage Technology Institute (ESTI) was established in 1996 with a mission to –
 -support development of energy storage system technologies with priority given to those exhibiting strong commercialization potential;
 -support cooperative research activities structured to include end-users, commercial producers, service providers, investors, governing agencies and academia as critical development partners;
 -function as an energy storage technology clearinghouse structured to support ongoing public and private research and development activities within the State, and promote cooperative interaction of these activities and entities; and,
 -provide national and international leadership in the area of energy storage system technology development, commercialization and utilization.

C. When and for what purpose was the program created? Describe any statutory or other requirements for this program.

ESTI was structured to coordinate research and development activities in four technology focus areas which include but were not limited to kinetic energy storage systems – flywheels; electrochemical energy storage systems – electrochemical batteries, fuel cells; direct electrical energy storage systems – inductive (superconducting magnetic),

capacitive; and thermal energy storage systems. Each technology focus area addressed both mobile (vehicular) and stationary (utility) applications as appropriate.

There are no statutory or other requirements for this program.

D. Describe any important history not included in the general agency history section, including a discussion of how the services or functions have changed from the original intent. Will there be a time when the mission will be accomplished and the program will no longer be needed? (refer to Section "I" below.)

A program of the ESTI, "Advanced Locomotive Propulsion System", benefited Texas:

-TECC/ESTI Match	\$0.1M
-Federal Funding Matched to TECC/ESTI Funds	\$2.7M
95-97 System Trade Studies, Fabrication, Lab Testing	\$2.7M
97 Lab Testing, Rolling Demo (appropriated)	\$1.8M
98-00 Locomotive Development (planned)	>\$10.0M
-Avoided Infrastructure Electrification Costs	\$100.0M
(if applied in one, 100 mile Texas Corridor)	
-Texas Jobs	
Yearly diesel/alt. fuel sales to five corridors studied (by 2006 based on 25% market share)	\$15.9M
Yearly flywheel energy storage device sales (by 2006 if built by Texas manufacturer)	\$22.5M
Yearly turbine engine sales (by 2006 if sold by Texas company)	\$27.5M
-Potential Total Yearly Texas Sales by 2006	\$65.9M

E. Describe who this program serves. How many people or entities are served? List any qualifications or eligibility requirements for receiving services or benefits.

ESTI served its membership – The University of Houston, Texas A&M, Texas Tech, West Texas A&M, The University of Texas at Austin – as well as established national and international energy storage technologies:

- Electric Power Research Institute (EPRI) Think Tank: "Energy Storage Technologies for a Deregulated Electric Utility Industry
- Sandia National Laboratory Energy Storage Systems Program
- International Energy Agency "Facilitate and accelerate the development and implementation of energy storage technologies"
- Energy Storage Association "Promoting the development and commercialization of competitive and reliable energy storage delivery systems for use by electricity suppliers and customers"

There were no qualifications or eligibility requirements for receiving services or benefits.

F. Describe how the program is administered. Include flowcharts, timelines, or other illustrations as necessary. List any field or regional services.

The program was administered by the TECC and The University of Texas at Austin.

G. If the program works with local units of government, (e.g., Councils of Governments, Soil and Water Conservation Districts), please include a brief, general description of these entities and their relationship to the agency. Briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

ESTI did not contract with local units of government.

H. Identify all funding sources and amounts for the program, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The original \$200K investment by the TECC has to date yielded \$24 million in storage technology research grants from the Department of Defense Advanced Research Proposal Administration’s Hybrid and Electric Vehicle Program, Federal Railroad Administration’s Next Generation High Speed Rail Program, and Utility Flywheel Energy Storage Systems.

I. Are current and future funding resources appropriate to achieve program mission, goals, objectives, and performance targets? Explain.

TECC no longer maintains ESTI, the consortium originally initiated by the seed funding having achieved the goal of a sustainable research program.

J. Identify any programs internal or external to the agency that provide identical or similar services or functions. Describe the similarities and differences.

Unaware of identical or similar services or functions.

K. Discuss how the program is coordinating its activities to avoid duplication or conflict with the other programs listed in Question J and with the agency’s customers.

No known duplication or conflict.

L. Please provide any additional information needed to gain a preliminary understanding of the program.

Research initiated by the original TECC investment yielded manifold returns. An independent company, Active Power, located in Austin and aided by the Austin Technology Incubator, has been created from research faculty previously involved in ESTI initiatives.

M. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. If this is a regulatory program, please describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

The ESTI was a voluntary organization with no regulatory functions.

N. Please fill in the following chart for each regulatory program. The chart headings may be changed if needed to better reflect the agency’s practices.

N/A

Texas Energy Coordination Council		
Exhibit 14: Complaints Against Regulated Entities – Fiscal Years 1997 and 1998		
	FY 1997	FY 1998

Number of complaints received	0	0
Number of complaints resolved	0	0
Number of complaints dropped/found to be without merit	0	0
Number of sanctions	0	0
Number of complaints pending from prior years	0	0
Average time period for resolution of a complaint	N/A	N/A
Number of entities inspected or audited by the agency	0	0
Total number of entities regulated by the agency	0	0

VII. Agency Performance Evaluation

A. What are the agency's most significant accomplishments?

- **Recommended energy policy considerations to the Texas Legislature** (74th, 75th, and 76th Sessions).
- **Researched and printed “Market-Based Method of Providing Renewable Energy and Energy Efficiency Programs,” for the Senate Interim Committee on Electric Utility Restructuring**
 (In October of 1997, Senator David Sibley, Chair of the Senate Interim Committee on Electric Utility Restructuring, requested that TECC “prepare a study describing alternative market-based methods of providing renewable energy and energy efficiency programs”. TECC initiated research, held four public hearings involving twenty-five presentations, and submitted a two-volume report to the Interim Committee on August 3rd, 1998. Distribution of the report was also made to the Governor’s Office, to the House Energy Resources Committee, to Pat Wood, Judy Walsh, Patricia Curran, and Suzi Ray McClellan of the Public Utility Commission, and to the Honorable Bob Bullock. Bound copies of the complete report are available from TECC. Volume I is available from the TECC web page: <http://tecc.ces.utexas.edu>.)
- **Created the Energy Storage Technology Institute leveraging less than a \$200K investment into over \$20M in research**
 TECC provided seed funding of \$100,000 to the Energy Storage Technology Institute for the formation of a Texas coalition in support of research projects in the area of flywheel energy storage technologies. The investment has to date yielded \$24 million in storage technology research grants from the Department of Defense Advanced Research Proposal Administration’s Hybrid and Electric Vehicle Program, Federal Railroad Administration’s Next Generation High Speed Rail Program, and Utility Flywheel Energy Storage Systems.
- **Created the Texas Building Energy Institute, a consortium of government, private, and academic interests promoting improved building efficiency throughout Texas**
 (The Texas Energy Coordination Council created two research entities, the Energy Storage Technology Institute (ESTI), and the Texas Building Energy Institute (TBEI). ESTI’s focus has been the development of collaborative energy storage technology research among state universities.
 The Texas Building Energy Institute was created in response to legislative direction in HB 3492. TBEI, a consortium of public and private building interests, has sponsored two symposia focusing on building comfort in hot and humid climates. The 10th (May 13-14, 1996) and 11th (June 1-2, 1998) *Hot and Humid Climates Symposium* were hosted by TBEI. Approximately 200 attendees from almost 20 states attended each symposium. Papers were presented on a wide range of aspects of building design, commissioning, performance contracting, humidity control,

and numerous other aspects of providing occupant comfort in challenging environments. The 12th symposium is scheduled in San Antonio in the year 2000.

In March of 1998, TBEI received a grant from the Department of Energy to promote the adoption of the residential Model Energy Code in Texas. Only about 30 of the 600 municipalities in the state authorized to adopt and enforce energy codes have adopted the Model Energy Code, a national standard of minimum energy efficiency requirements. In May, 1998, TBEI hosted a residential forum of interested stakeholders. The National Association of Homebuilders, Building Officials Association of Texas, the Public Utilities Commission, and the Electric Utilities Marketing Managers of Texas were among the interested stakeholders participating in the meeting. Dr. Jerry Matthews published an article, "Energy Codes: Everyone Can Win," in the July-August issue of *Texas Building Trends*, a publication of the Texas Association of Builders. Promotional activities are ongoing.)

- **Developed and promulgated guidelines for energy performance contracting with public entities** (Legislation passed in the 75 session (HB3530) authorized long term energy performance contracts for public entities, and required the Texas Energy Coordination Council, the State Energy Conservation Office (SECO), and the Texas Higher Education Coordinating Board to develop guidelines for such contracts. TECC requested the assistance of TBEI to organize a committee responsible for drafting performance contracting guidelines. TECC and SECO invited representatives from energy service companies (ESCOs), state agencies and universities, municipalities, energy engineering firms, public schools, and financial interests to participate in a six-month process to develop guidelines for state agencies and institutions of higher education to engage in contracts of up to ten years. Energy performance contracts provide guarantees by the provider that energy efficiency improvements within a facility, complex, or campus will save sufficient energy to repay the cost of the energy improvements implemented. From October 1997 through March of 1998 the committee and subcommittees met to develop guidelines for the proposal process, the energy audit requirements, measurement and verification plan and approval process, and contract components. TECC has to date reviewed and referred to the Higher Education Coordinating Board four contracts with a total value in excess of \$33 million, and an annual energy savings of over \$5.5 million. Annual energy and environmental benefit of these projects includes electricity reduction of 32,627,161 kWh, and the reduction of 27,351 tons of CO₂, 78 tons of SO₂, and 88 tons of NO_x.)
- **Initiated a Texas Energy Clearinghouse database/information resources effort**
- **Developed a website containing information regarding energy research activities in Texas higher educational institutions**
- **Developed and distributed TECC newsletter**

B. Describe the internal process used to evaluate agency performance, including how often performance is formally evaluated and how the resulting information is used by the policymaking body, management, the public, and customers.

- The Kinsman Audit, initiated by the Texas State Energy Conservation Office (SECO) in April 1999, satisfied agency requirements by contractor, SECO. The Kinsman Audit (or an auditing agency) is conducted every two (2) years and includes an agency performance evaluation.
- The University of Texas auditors are available as another resource.
- The resulting information is provided to the TECC members, and is available upon request (public information document) and is gathered to ensure agency compliance.
- The TECC furnishes quarterly reports to SECO.
- The TECC Executive Director and staff are accountable to the council, as well as to The University of Texas at Austin and SECO. The TBEI Director is accountable to an executive committee, as well as to the TECC.

C. What are the agency's biggest opportunities for improvement?

- Define energy research priorities for the state
- Provide policy recommendations in a timely manner to the Texas 77th R.S.

- Found the TBEI as an independent, self-sufficient entity by Y2001
- Develop more comprehensive working relationships with other state agencies with energy responsibilities
- Establish a Texas Energy Clearinghouse database
- Develop more detail regarding energy related research at state universities and integrate into TECC website
- Create a more comprehensive and informative website

D. How does the agency ensure its functions do not duplicate those of other entities?

The agency ensures its functions do not duplicate those of other entities by reviewing duties and responsibilities of other state organizations with energy responsibilities, and through the involvement of the five (5) energy research centers at state universities.

E. Are there any other entities that could perform any of the agency’s functions?

There are no other entities that have the same legislative mandate of TECC, but legislation could be introduced to consolidate TECC’s duties and powers into another agency, or to integrate the functions of the State Energy Conservation Office and TECC. The duties and powers assigned to TECC in HB3492 are invaluable instruments to help shape the states energy future. There is no other agency with such comprehensive authority as that provided to TECC, yet TECC is not currently funded nor staffed to effectively pursue all duties nor exercise many powers. Utility deregulation, environmental concerns, energy sustainability, global competition, declining fossil fuel production, and economic development are all legitimate interests of TECC, and of the state.

F. What process does the agency use to determine customer satisfaction and how does the agency use this information?

Council members are appointed to represent academic, industry, and end-user interests. Members maintain frequent, informal contact with other individuals within those areas of interest and discuss this feedback in open meetings.

G. Describe the agency’s process for handling complaints against the agency, including the maintenance of complaint files and procedures for keeping parties informed about the process. If the agency has a division or office, such as an ombudsman, for tracking and resolving complaints from the public or other entities, please provide a description.

Complaints are forwarded to the Office of Mr. G. Charles Franklin, Vice President for Business Affairs, The University of Texas at Austin, agency 721, in addition to being reviewed and acted upon by the Executive Director and the Council.

H. Please fill in the following chart.

Texas Energy Coordination Council		
Exhibit 15: Complaints Against the Agency – Fiscal Years 1997 and 1998		
	FY 1997	FY 1998
Number of complaints received	0	0
Number of complaints resolved	0	0
Number of complaints dropped/found to be without merit	0	0
Number of complaints pending from prior years	0	0
Average time period for resolution of a complaint	N/A	N/A

I. What process does the agency use to respond to requests under the Public Information (Open Records) Act?

Open Records Requests under chapter 552 of the Texas Government Code (the Open Records/Public Information Act), which guarantees the public's right of access to information in the custody of governmental bodies, in accordance with Section 552.221), are directed to the office of Mr. G. Charles Franklin, Vice President for Business Affairs at The University of Texas at Austin., in compliance with University rules.

J. Please fill in the following chart:

Texas Energy Coordination Council Exhibit 16: Contacts		
INTEREST GROUPS (groups affected by agency actions or that represent others served by or affected by agency actions)		
Group or Association Name/ Contact Person	Address	Telephone Number Fax Number Email Address
The University of Texas at Austin Dr. David Allen, Director Center for Energy & Environmental Resources (CEER) <i>(TECC ex officio member)</i>	10100 Burnet Road, R7100 Austin, TX 78758	512-471-0049 512-471-1720 allen@che.utexas.edu
University of Houston Dr. Glenn Aumann, Director Energy Laboratory <i>(TECC ex officio member)</i>	4800 Calhoun Houston, TX 77204	713-743-9130 713-743-9134 ERGY2@jetson.uh.edu
West Texas A&M University Dr. Vaughn Nelson, Director Alternative Energy Institute <i>(TECC ex officio member)</i>	2402 NE 3 rd Canyon, TX 79016	806-651-2295 806-651-2733 vnelson@mail.wtamu.edu
Texas Tech University Dr. Walt Oler, Director Center of Energy Research <i>(TECC ex officio member)</i>	18 th & Akron Lubbock, TX 79409	806-742-3563 806-742-3540 jwoler@coe.ttu.edu
Texas A&M University Dr. Dan Turner, Director Energy Systems Laboratory <i>(TECC ex officio member)</i>	215 WRC MS3407 Bizzell Street College Station, TX 77843	409-862-8480 409-862-8687 turner@teemail.tamu.edu
Russel E. Smith, President Texas Renewable Energy Industries Association (TREIA)	P.O. Box 16469 Austin, TX 78761-6469	(512) 345-5446 (512) 345-6831 rl346@aol.com
Tom "Smitty" Smith, Director Public Citizen of Texas	1800 Rio Grande, Austin, TX 78701	(512) 477-1155 (512) 479-8302 smittypubcit@txinfinet.com

INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS (that serve as an information clearinghouse or regularly interact with the agency)		
Group or Association Name/ Contact Person	Address	Telephone Number Fax Number Email Address
National Association of Energy Service Companies	1615 M Street, NW, Suite 800 Washington, DC 20036	202-822-0950 202-8522-0955 www.naseo.com
General Services Commission State Energy Conservation Office Mr. Felix Lopez, Program Manager	P.O. Box 13047 Austin, TX 78711	512-463-1080 512 475-2569 felix.lopez@gsc.state.tx.us
General Services Commission State Energy Conservation Office Mr. Mel Roberts, Deputy Director (resigned, effective 09/01/99)	P.O. Box 13047 Austin, TX 78711	512-463-1757 512 463-7806 mel.roberts@gsc.state.tx.us
Texas General Land Office Mr. Adan´ Martinez	1700 N. Congress Austin, TX 78701	512-478-5161 512-478-8140 admartin@wpgate.glo.state.tx.us

All Texas State agencies are affected by agency actions in terms of performance contracting guidelines, as well as all statewide universities (by HB3530, 76th R.S., “relating to energy savings projects for school districts, institutions of higher education, and state agencies”).

LIAISONS AT OTHER STATE AGENCIES (with which the agency maintains an ongoing relationship, e.g., the agency’s assigned analyst at the Legislative Budget Board, or attorney at the Attorney General’s office)		
Agency Name/ Relationship/ Contact Person	Address	Telephone Number Fax Number Email Address
Julie Horsley	Legislative Budget Board Analyst P.O. Box 12666 Austin, TX 78711	512-463-1256 512-475-2902 julie.horsley@lbb.state.tx.us
Cue Boykin <i>TECC Counsel</i>	Assistant Attorney General P.O. Box 12548 Austin, TX 78711	512-475-4300 512-463-2063 cue.boykin@oat.state.tx.us
Dan Procter	Director, Texas Register Secretary of State 2 nd Floor, James E. Rudder Building P.O. Box 12697 Austin, TX 78711	512-463-5562 512-463-5569 dprocter@sos.state.tx.us

VIII. 76th Legislative Session Chart

Fill in the chart below or attach information if it is already available in an agency-developed format. In addition to summarizing the key provisions, please provide the intent of the legislation. For example, if a bill establishes a new regulatory program, please explain why the new program is necessary (e.g., to address specific health and safety concerns, or to meet federal mandates). For bills that did not pass, please briefly explain the issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation)..

**Texas Energy Coordination Council
Exhibit 17: 76th Legislative Session Chart**

Legislation Enacted in the 76th Legislative Session		
Bill Number	Author	Summary of Key Provisions/Intent
HB2960	Jones, Delwin	Relating to the evaluation of proposals for contracts by institutions of higher education for energy conservation measures. This Act alters the extent of the TECC's participation in the performance contracting review process.
HB2492	Lewis, Ron	Relating to contracts for and the financing of energy conservation measures taken by state agencies and political subdivisions.

Legislation Not Passed in the 76th Legislative Session		
Bill Number	Author	Summary of Key Provisions/Intent/Reason the Bill did not Pass
HB1249	Lewis, Ron	Added the option of water conservation measures to HB3560 (performance contracting). Bill did not pass because water conservation measures were already allowed in previous legislation.

IX. Policy Issues

The purpose of this section is to briefly describe any potential policy issues that would help the agency operate better and improve service delivery. This section is intended to give the Sunset Commission

a basic understanding of the issues so staff can develop more information during our detailed research on the agency. Some questions to ask in preparing this section may include: (1) How can the agency do a better job in meeting the needs of clients or in achieving agency goals? (2) What barriers exist that limit the agency's ability to get the job done?

Emphasis should be given to major policy issues and issues appropriate for resolution through changes in state law. Issues related to funding or actions by other governmental entities (federal, local, quasi-governmental, etc.) may be included, but the Sunset Commission has no authority in the appropriations process or with other units of government. If these types of issues are included, the focus should be on solutions which can be enacted in state law. Focus should also be given to areas where the agency can improve its interaction with other state agencies.

The policy issues presented should not be limited to issues the agency supports, and inclusion of issues in this document will not be interpreted as an endorsement by the agency.

This section contains three components:

1. **Brief Description of Issue.** Often, the issue is best presented as a question, e.g., "Should the agency be required to . . . ?"
2. **Discussion.** Include enough background information to give context for the issue. Information helpful in building context includes:
 - What is the general scope of the issue?
 - What is the agency's authority (statutory or other) related to the issue?
 - What is the current practice or situation related to the issue?
 - Any previous legislative action related to the issue?
3. **Possible Solutions and Impact.** Provide specific recommendations to solve the problem. Keep in mind each issue may have multiple and/or competing solutions. Feel free to include a more detailed discussion of each proposed solution. This section should also include the impact of the proposed solution, including:
 - Will the proposed change impact any entities or interest groups?
 - How will the performance of the agency be impacted by the proposed change?
 - What are the benefits of the recommended change?
 - What are the possible drawbacks of the recommended change?
 - What is the fiscal impact of the proposed change?

Please complete this section for each policy issue. Copy and paste boxes A through C as many times as needed to discuss each issue.

A. Brief Description of Issue

Should the council have the responsibility for coordinating energy research among state agencies, postsecondary

educational institutions, other public and private entities, industrial entities, state research programs, and nonprofit research entities, and for providing criteria for the awarding of grants for energy research projects approved by state research programs?

B. Discussion

The above responsibility, as envisioned in the initial legislation (HB 923, 73RS) creating the Texas Energy Coordination Council, would have been made practicable if the funding mechanisms outlined in HB 923 ever materialized. In addition to money appropriated to the Council each biennium, the original legislation outlined a funding mechanism based upon a multiple of 3, 5, or 7 times the total money raised from private sources during previous biennia. That mechanism and those funds could have made TECC the major source of funding for energy related research projects in the state. The funding was eliminated in the next legislative session, and now TECC has been funded solely through oil overcharge dollars, at the level of about \$500,000 per biennium. After labor and operating expenses for TECC, remaining monies for energy grants are insufficient to build a critical mass of influence to affect energy research in the state. The Higher Education Coordinating Board (THECB), through its ATP/ARP program, is the largest pool of state dollars for energy related research. While TECC has met with THECB and has a subcommittee developing recommendations for energy research initiatives, the ATP/ARP research program agenda is proposal driven, and has the additional agenda of equitable investment of funds among institutions of higher education. It remains to be seen whether TECC research agendas will have significant influence over existing THECB protocol.

The practicality of TECC's introducing research guidelines to supercede those practiced for several years by the Coordinating Board's Advisory Committee on Research Programs (ACORP) is limited.

C. Possible Solutions and Impact

State funding for energy-related research is approximately \$3.5M in the ATP/ARP Programs. While the research funded through this program has value to the state and performing institutions, grants are not made based upon an assessment of the needs of the state, but upon the interest and qualifications of the principle investigators.

One solution, already being discussed between TECC and THECB, is the contribution by TECC of recommendations for energy research agendas to the Coordinating Board. Another solution is either to reinstitute the multiplier factor contained in HB923 to generate a pool of research dollars, or to modify SB7 in the next legislative session to generate an R&D fund through systems benefit charges. The impact of significantly increased funding for energy research could be a dramatic advancement in the prospect of an "effective and energy efficient sector". Given the inexorable decline in the states petroleum and natural gas resources, it is imperative that the state encourage and support alternative fuels, renewable energy, energy efficiency, and advanced electrotechnologies to sustain the growth in the Texas economy.