



**Denton Municipal Electric**

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## **MEMORANDUM**

**DATE:** August 8, 2022  
**TO:** Public Utilities Board Members  
**FROM:** Antonio Puente, General Manager DME  
**SUBJECT:** 2022 System Achievement Award

Madam Chair and PUB Members,

I wanted to notify you that DME was recently presented the 2022 System Achievement Award by the Texas Public Power Association. Below is what we are sending to Council tomorrow along with the attached nomination document:

**“TPPA System Achievement Award** – DME was recently named co-recipient of the 2022 System Achievement Award by the Texas Public Power Association for achieving its 100% renewable energy goal in calendar year 2021. The award is provided to member organizations that are widely recognized in the public power field, have enhanced the prestige of public power, and have improved service to customers. DME is honored to have received this award on behalf of our community and employees.”

We are sharing this award with the City of Boerne, which operates a 9,000 customer distribution only electric utility. Their City Manager, Ben Thatcher, started out as an intern in the City of Denton quite a few years back and it was great sharing this award with him.

Past recipients of this award:	2021	Austin Energy
	2020	CPS Energy
	2019	Pedernales Electric Cooperative
	2018	Kerrville PUB
	2017	CPS Energy and New Braunfels Utilities
	2016	City of Seguin

Thank you for your continued support and we will formally share this award with you at the next meeting. By the way, it's a nice piece of hardware!

## **OUR CORE VALUES**

Integrity • Fiscal Responsibility • Transparency • Outstanding Customer Service

# TPPA System Achievement Award Nomination

## Denton Municipal Electric

Denton Municipal Electric (DME) is a municipal owned utility in the City of Denton located in North Central Texas that serves 61,000 customers across 108 square miles. DME owns 846 miles of distribution line and 30 miles of transmission line that supports 370 MW of local load.

DME is widely recognized in the public power industry for its many accomplishments in safety, reliability, renewable power, and dedication to its customers. DME received the 2021 American Public Power Association (APPA) First-place Safety Award. This award is based on the number of hours worked, number of total injuries, and current state of the safety program combined with the safety culture. DME did not have any injuries in 2021 and is developing a comprehensive safety program that includes craft training as well as safety training. DME is dedicated to developing a mature safety culture by expanding existing safety programs, providing continuous education at all craft levels, and maintaining an engaged workforce.

DME is committed to delivering high-quality, dependable power to its customers. DME is implementing new grid technologies such as voltage optimization programs and developing emergency response services for its customers. DME has received the APPA Excellence in Reliability Award 4 years running and is in the top quartile of utilities for System Average Interruption Duration Index (SAIDI) including or excluding major event days based on Energy Information Administration data for 2016 to 2020. Electric Utility customers in Denton enjoy some of the lowest SAIDI numbers in the United States at 33 minutes. The average SAIDI in the United States is 136 minutes according to the APPA data. DME's System Average Interruption Frequency Index (SAIFI) is among the lowest in its utility class at .4 in comparison to utilities in its region at .39 and .69 for utilities in its customer size.

The City of Denton, via the City Council, committed to a goal of 100% renewable energy in 2018. The goal to achieve annual power supply that is 100% renewable was achieved in 2021. Denton achieved that goal via a range of Purchased Power Agreements 'PPA's', for solar and wind resources whose output would at least equal DME's total customer load. Some of the stated goals and objectives of the renewable plan were to reduce greenhouse gas emissions, reduce reliance upon fossil fueled power production, provide utility scale economies of scale to those wanting to utilize renewable power more affordably and to provide a sustainable legacy to future Denton residents and DME customers. Remarkably, DME was able to achieve this objective with no rate increases and today DME's residential, commercial and industrial rates are the lowest in Texas for a 100% renewable energy supply. In fact, the only rate adjustment made over the last 5 years has been a rate decrease in 2018.

Denton continues to build and refine its portfolio, seeking to maintain 100% renewable objectives, in a rapidly growing local economy whilst enhancing risk mitigation efforts as technologies, strategies and opportunities present themselves. The customers of DME and citizens of Denton are the number one focus of DME in its renewable portfolio decision-making.

In July 2021, DME entered into a power purchase agreement with Core Scientific to locate a 300 MW data center on property owned by the DME. Core Scientific will increase DME's annual energy sales by over 200%. All energy supplied to Core Scientific will be renewable energy in keeping with the City's 100% renewable power supply goals. Despite losses incurred by DME during winter storm Uri

associated with the loss of natural gas fuel, the incremental revenues from Core Scientific have enabled DME to not raise retail rates.

Denton Municipal Electric is dedicated to meeting customer needs and expectations by focusing on positive customer interactions. DME has increased its social media response and community event attendance. Communication has been a focus point for DME, especially in emergency response situations. Creating a safe environment for its employees and customers, reliability efforts, 100% renewable energy provider, and many new and exciting customer programs demonstrates DME's contributions to the community as a public power provider.