



2011 Annual Review and 2012 Work Plan

The Electric Utility Commission

PART I – Annual Review

For the reporting period January 1, 2011 through December 31, 2011

1. Provide a brief summary of the work of the board during the past year including a list of their activities and achievements.

Overall, the Electric Utility Commission evaluated Austin Energy (AE) purchases and major generation decisions, reviewed the current financial state of AE, provided recommendations for council action, passed resolutions on major energy issues facing the City of Austin, and monitored tactical and strategic matters facing Austin Energy.

- A. We reviewed 171 Requests for Council Action (RCAs), received 45 staff reports and briefings, and addressed 3 items in executive session.
- B. We provided specific resolutions to the Austin City Council on these matters
 - Funding of EGRSO
 - General Fund Transfer
 - Concerning Costs of Delaying New Rates
 - Competitive Matters Resolution
 - Duplicative commission coverage of AE operations
 - Eliminating General City Expenses from Austin Energy's 2012 Budget to Protect City Council Powers to Amend Rates without Appeal to the Public Utility Commission
 - Rate Review Process
 - Rescinding the Probability of Dispatch methodology
 - 2011 Rate Review Decision Point List

The EUC received [\[number to be inserted here\]](#) Citizen Communications.

- C. EUC was represented at Austin Energy's Public Involvement Committee programs.

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D. Among the issue areas reviewed by the EUC in 2011 were:

- Funding methods for energy efficiency programs
- City regulation of electric customer privacy
- Federal grants for AE weatherization programs
- Customer care, billing, deferred payment arrangements, and disconnections
- Rolling blackouts of February 2, 2011
- Rate redesign process and principles, including decision point list
- Energy Conservation Audit and Disclosure requirements
- Texas Legislative activities affecting AE
- Austin Energy's Fuel Hedging Program
- US DOE "BetterBuildings" Program
- AE's 2012 budget
- AE's generation resources
- Implementation of ERCOT Nodal Market
- Plans to execute additional long-term wind power purchase agreements
- PPA's for coastal wind power
- Transparency and reporting in Annual Performance Report
- Representation on customer rate design panels
- AE solar generation planning and value of solar
- Strategy to reach peak demand goals
- customer complaint process and procedures
- programs for low income customers (including weatherization)
- energy conservation programs
- policies concerning back billing
- AE's role in economic development
- net metering
- tree trimming
- power factor standards for commercial billing

To be attached: list of briefings provided to the EUC in 2011

2. Evaluate board actions throughout the year to determine compliance with the mission statement.

All activities and achievements of the EUC during 2011 were in compliance with the mission statement of the Commission as outlined in the Ordinance.

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PART II – Workplan

1. Mission statement (Bylaws)

The purpose of the board is as follows:

- (A) The commission shall review and analyze all policies and procedures of the electric utility, including the electric rate structure, fuel costs and charges, customer services, capital investments, new generation facilities, selection of types of fuel, budget, strategic planning, regulatory compliance, billing procedures, and the transfer of electric utility revenues from the utility fund to the general fund.
- (B) The commission shall advise the city council, the city manager, the electric utility, city departments, and city boards, commissions, and committees on policy matters relating to the electric utility. All advisory information given shall simultaneously be forwarded to the city manager.
- (C) The commission may review, study, and make recommendations to the Planning Commission on proposed electric utility projects for inclusion in the Capital Improvements Program.
- (D) The commission may request that the city council hire an outside consultant every five years to make a comprehensive review of the policies and procedures of the electric utility. The commission may initiate an external or internal review of the policies and procedures of the electric utility. If the commission initiates a review, it shall report its findings to the city council and the city manager.
- (E) The commission shall interpret the role of the electric utility to the public and the role of the public to the electric utility. The commission may hold a public hearing and briefing session every six months to explain new policies and to take citizens comments, suggestions, and complaints.
- (F) The commission may make recommendations to the city council before final council action on a policy or procedure of the electric utility.
- (G) The commission shall request from the city manager any information which it deems to pertain to the electric utility.
- (H) The commission shall, as a body, review customer complaint procedures, accept specific customer grievances and complaints, and make recommendations to the city council and city manager based on its findings. This duty does not supersede, replace, or substitute for the appeal procedures provided to customers in the City Utility Service Regulations.

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- (I) The commission shall seek to promote close cooperation between the city council, other city boards, committees, and commissions, city departments and individuals, institutions and agencies concerned with the policies, procedures, and operations of the electric utility to the end that all similar activities within the City may be coordinated to secure the greatest public welfare.

2. Goals and objectives for the next plan year focused on long-range, strategic issues.

- Assist AE in completing its rate redesign
- Increase communication between City Council Members and EUC members
- Push for long-term solution to General Fund Transfer method question
- Increase public communication with EUC
- Encourage public discussion on the future governance of AE and the appropriate role and authority of the EUC
- Provide public oversight over AE's budget and efforts to reduce costs
- Provide public oversight over long term planning regarding electric rates

3. Proposed activities for the next year to achieve the commission's goals and objectives.

In addition to our regular monthly meetings in review of Austin Energy policies and procedures, we make the following recommendations.

We recommend that EUC members should meet at least quarterly with their appointing City Council Members to review current and future issues relating to Austin Energy.

We recommend that least one EUC member should accompany each resolution sent by the EUC to the City Council and be present when it is heard by the City Council, and also available to answer questions by Council Members and staff.

We recommend that the EUC have a separately dedicated web page on the City's web site. To limit costs, we recommend that this web page be limited to the following functionality: information explaining the role of the EUC, information explaining how citizens can communicate to the EUC and allowing them to do so over the web, links to agendas and minutes of EUC meetings, and links to video of EUC meetings. There should be a link to this website from the Austin Energy web site.

To be attached: 1) Agenda of each board meeting held in the previous year; 2) Approved minutes of each board meeting held in the previous year; and 3) each resolution or written recommendation sent to the Council in the previous year.