

# PUBLICCITIZEN

#55

Thanks for your time and attention to the Austin Energy rate case

**Late Backup**

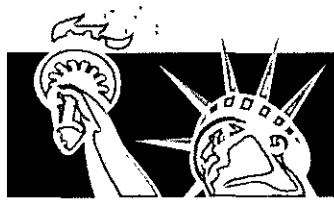
## **It's not perfect – but it's better:**

- You have cut the rate increase by 44% in the first phase-( watch out for the second phase in 2014 where bills will go up another \$3-5 per month )
- Reduced the fees from \$22 to \$10
- Created a community benefit fund that will include CAP, efficiency, solar and street lighting as a separate item on the bill
- Gotten better language on CAP eligibility
- Created a 5 tier system to encourage conservation
- Created good value of solar program
- Chosen a slightly better cost of service model

## **Next steps:**

### *Today*

1. Adjust the tiers to more fairly allocate the rate increase to really encourage conservation
  - Adjusted the blocks to reduce disproportionate size of the increase that would have effected 50% customers who use the least energy ( below 750 kWh on a month on average) - and slightly increase the on those who use between 751-1250 kWh -the next 25%- who were and will still be getting the smallest increase
2. Assure adequate funding for low-income programs and fund those programs based on the amount of energy consumed and not on a monthly fee.
3. The City Council should create a process to allow for annual review of the goals, accomplishments, benefits and cost of these program and adjust the fees for power supply, fuel adjustment for industrials, CAP, efficiency and solar-. This process should occur before the budget insanity begins so that you have time to take a hard look at these programs. This is the process that the PUC uses for its efficiency programs
4. Review the cost of service next year and adjust it to quit giving the industrials big breaks before the contracts and the new rates take effect in 2014
5. Set criteria for the 2014 review
6. Remind the city manager and general manager that it's the council's intent that you want Austin energy to remain a national leader in efficiency, green building and



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renewable development because these programs have saved so much money for the city, created hundreds of jobs and created industrial growth while reducing pollution.

- It's worth noting that these programs have paid back the city more than \$3 for every dollar invested-
  - Solar Austin counted at least 615 full time sustained jobs in the solar industry in Austin. This figure alone would put the solar industry at #40 on the list of Austin's top 50 employers (based on figures compiled by the Austin Business Journal).
  - \$3.5 million per year from Austin Energy an industry supporting an annual payroll well in excess of \$20 million has been created.
- We have saved so much energy that we have avoided building a new coal plant which would have cost us about \$1.2 billion or a new nuke which would have cost us nearly \$4 billion without counting fuel or maintenance costs
- Most recent study shows that Austin is slipping far behind the national leaders in efficiency and renewables

**You need to make it clear that you want Austin to regain its leadership role in these key areas because it saves so much money**

## *In the very near future*

1. Develop a new governing process for the utility- meet monthly to look at AE or designate a council committee to do so
2. The council should establish a policy of doing a rate case every 5 years and should consider doing one before the 2014 increases
3. We would envision that the council would meet, describe its goals for the utility and make some preliminary decisions and have the auditor hire a hearings examiner and a consumer advocate who would be given a list of things to look at:
  - a. The independent hearing examiner would take testimony on the complex technical and financial aspects of setting rates, hear from the consumer advocate, the industrials and other parties and do the hard quantitative work and then give you a list of a few policy decisions to make.
4. We support a resolution looking at other munis and how they govern the utility but also look at the quality of their programs when deciding how to proceed