

Late Backup

TESTIMONY
February 14, 2013
City Council Agenda Item 46
AUSTIN ENERGY INDEPENDENT BOARD

The governance of Austin Energy can be improved without totally destroying what we have in place. The consultant who studied the process for the city never considered how we might make the process that we already have better. This is an oversight that needs to be corrected.

On December 6, 2012 a number of people spoke to you during citizen's communications pointing out why an independent board isn't a good idea. Changes were made to the original proposal but those changes are not enough. Austin Energy customers who live within the city limits are still disenfranchised. We do not know how much it will cost.

Smaller changes can be made to fix weaknesses in the current process where the needs of ordinary households and the poor are weighed in the decision making process. We need change that takes all ideas into account, holds the city council accountable for all Austin Energy decisions, and provides a voice for residential and low-income customers.

As far as I know, no one considered simple changes regarding authority and resources for the Electric Utility Commission (EUC). The EUC has no say in the development of requests for proposals (RFPs) for major consulting and service contracts. The EUC has no resources for hiring experts to assist in the commission's review of Austin Energy's requests. Giving the EUC the ability to have input into major RFPs would improve oversight of the utility with minimal disruption. The same can be said for establishing a hearing process and a consumer advocate. These are changes that could make the system much more efficient that should be fully considered. Changes to the EUC coupled with the development of a hearing process and a consumer advocate's office may be all that is needed.

The resolution calls to have an independent board in place by the end of the year. There is no need to rush. Austin Energy is financially stable. There is no crisis at Austin Energy to justify the radical change to an independent board.

In the past the City Council has been responsive to citizen's pleas *after* they were heard and rejected by the Electric Utility Commission (EUC). An example from the recent rate increase is the request by Austin Energy to raised fixed monthly charges to \$22.00. Residential consumers opposed the charge. When the EUC supported the \$22.00 charge we were able to go directly to City Council where the monthly charge was lowered to \$10.00.

With the independent board, when council has the authority to overrule, we have both the advisory panel and the independent board to overcome before going to council. This additional layer of procedure makes it easier for big commercial and industrial customers to delay or prevent council from acting to protect consumers. This is a new hurdle for residential and low-income consumers.

Voters have no say in who serves on these very powerful decision making bodies. There is a way to make the process better without disenfranchising voters. My request to you is to abandon the proposal before you and start over with a public process that takes all ideas and considers them as an alternative to the independent board. Let's find the ideal solution and put that solution on the table.

Respectfully submitted:
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