



Annual Internal Review

This report covers the time period of 1/1/2013 to 12/31/2013

(This report is due in the first quarter of each calendar year for the previous year.)

Electric Utility Commission

(Official Name of Board or Commission)

The Board/Commission mission statement (per the City Code) is:

- (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.
- (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.

1. Describe the board's actions supporting their mission during the previous calendar year. Address all elements of the board's mission statement as provided in the relevant sections of the City Code. *(Reference all reports, recommendations, letters or resolutions presented to the City Council on mission-specific issues. If some of the elements of the mission statement were not acted on by the board in the past year, the report should explain why no action was taken.)*

The EUC reviewed and analyzed the following policies and procedures of Austin Energy during the reporting period:

- Reviewed, discussed, and solicited public comments for 175 Requests for Council Action (RCA's) in 2013 and made recommendations to the City Council.
- Received and discussed 20 Austin Energy staff briefings on subjects including STP outages; Green Purchasing Policies, FY 2012 Austin Energy Annual Performance Report, regular Financial Reports, Disconnection and Reconnection Fees, the Advanced Metering Infrastructure Project, the GreenChoice program, Austin Energy's Five-Year Financial Forecast, Line Extension Policies, the Smarte Building App for mobile phones, Property Assessed Clean Energy (PACE) Act, Austin Energy's risk management program, fuel hedging policies and fuel management, solar rebate incentive levels and solar credits; and Austin Energy's 2014 budget.
- Proposed and discussed resolutions to be forwarded to Council and the City Manager on such topics as requiring recipients of energy efficiency rebates for multi-family properties to not raise rents because of those improvements, possible options for the future of the Fayette Power Project, fiscal policies including financial and reserve fund policies, transfer of funds from Austin Energy to the City of Austin, fuel hedging, non-nuclear decommissioning reserves, distributed energy, future generation sources, resumption of EUC executive sessions, disconnection and reconnection fees, line extension fees, the Value of Solar and whether Austin Energy should collect

Municipal Franchise Fees from ratepayers in some of the small cities in the service area.

- Received comment from 55 members of the public offering opinions about EUC agenda items, including solar energy and rebates, the Value of Solar, Disconnection and Reconnection Fees, Green Choice programs, franchise fees and rates for customers living outside the city limits, Fayette Power Project and coal generated electricity, the 2014 budget, extending the license of STP Units 1 and 2; and additional natural gas generation.
- Held a Special Joint Meeting of the Electric Utility Commission and the Resource Management Commission regarding the strategic plan and recommendations of the Austin Local Solar Advisory Commission and the Value of Solar.
- In 2013, no electric utility capital projects were proposed which needed to be sent to the Planning Commission for inclusion in the Capital Improvements Program.
- The EUC did not request that the City Council hire an outside consultant to make a comprehensive review of the policies and procedures of Austin Energy in 2013. This is not a mandatory annual requirement of the EUC and an extensive review of Austin Energy was done in 2011 as part of the Rate Review process. A comprehensive review of the utility would cost several million dollars.

2. Determine if the board's actions throughout the year comply with the mission statement. *(If any of the board's actions were outside the scope of the mission statement, the report should explain the non-compliance issues.)*

The actions of the EUC complied with the mission statement (bylaws) as outlined in the Ordinance throughout 2013.

3. List the board's goals and objectives for the new calendar year. *(Make sure the goals and objectives fall within the mission statement of the board/commission.)*

- Encourage public discussion on the future policies and programs of Austin Energy
- Provide public oversight of Austin Energy's annual budget and efforts to reduce costs and provide clean, reliable power
- Provide public oversight over long term planning regarding electric rates
- Review and provide public input and oversight over Austin Energy's compliance with the Austin Climate Protection Plan, including how actions and proposed actions of the utility impact climate change, sustainability goals and water usage.
- Provide oversight and guidance regarding the biennial review of the Generation, Resource and Climate Protection Plan.
- Provide review for replacement of power from aging baseload and peaking assets.