



## **Electric Utility Commission**

### **Annual Internal Review**

**This report covers the time period of 7/1/2015 to 6/30/2016**

**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 that 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.**

In keeping with its mission, the Electric Utility Commission (EUC) reviewed and analyzed policies and procedures of Austin Energy during the reporting period. The Commission:

- Reviewed, discussed and solicited public comments for 101 Requests for Council Action (RCA's) and made recommendations to Austin City Council regarding these requests.
- Reviewed and discussed Austin Energy staff briefings on subjects including the Value of Solar, potential purchase of utility scale solar, assumptions used by Navigant Consulting in analysis pertaining to the 2025 Generation Plan, Cost of Service and the Cost of Service study and updates as the study progressed, Billing system and customer complaints, Austin Energy performance measures and possible district-level measurement, Responses to Commissioner Requests for Information, the rate review process and timeline, rate design recommendations, local amendments to the 2015 International Energy Conservation Code, Austin Energy's Telecom Pole Attachment Program, and Austin Energy's Financial Forecast.
- Commissioners heard presentations from Herrera and Boyle, PLLC, Impartial Hearing Examiner; Clarence Johnson, Independent Consumer Advocate on the Austin Energy Rate Case; and Janee Briesemeister, Consultant for the Independent Consumer Advocate; as well as a telebriefing by Jim Lazar, Senior Advisor with the Regulatory Assistance

Project. Commissioner Biedrzycki presented on behalf of the Low-Income Consumer Advisory Task Force.

- Commissioners proposed and discussed resolutions to be forwarded to the Austin City Council and City Manager recommending that:
  - City Council approve the 600 MW solar purchase called for in the 2025 Generation Plan, if available and affordable.
  - AE present their preferred proposal to City Council.
  - City Council direct Austin Energy to authorize an additional 250 MW of utility-scale solar from among the lowest bids received
  - City Council direct Austin Energy to give top priority to several key recommendations from the Low-Income Consumer Advisory Task Force:
    - Adopt the Sustainability Office's triple bottom line evaluation that looks at the impacts on people/equity, prosperity/economy, and planet/environment
    - Conduct a weatherization cost reduction study to investigate operating practices that could increase the cost effectiveness of the weatherization program
    - Create a residential low-income weatherization rebate pilot project in conjunction with affordable housing projects
    - Develop better demographic survey data of income and family size in all programs including multi-family properties
    - Implement fractional billing to allow for fractional division of the value of solar credits from a distributed solar system on a multifamily residential property to be divided and applied to multiple residential customer accounts.
  - City Council, with advice from the Impartial Hearing Examiner, should determine the procedural rules that will apply in the rate case and set a schedule consistent with the Consumer Advocate's full participation and with the budget review process.
  - City Council adopt a commercial and residential Solar-Ready Zone amendment to the Residential and Commercial Energy Codes and that Solar-Ready Zone amendments be included as part of the technical codes being developed by the Development Services Department, expected to be sent to City Council before the end of the year.
- The Electric Utility Commission held a Special Called Joint Meeting together with the Resource Management Commission on Oct. 12, 2015, regarding a recommendation to adopt a plan for achieving 600 MW of utility scale solar generation capacity by 2017 and to authorize power purchase agreements for up to 350 MW of utility-scale solar generation, for a total of 600 MW of new solar capacity, if available and affordable.

- Established a Cost of Service / Rate Review Working Group consisting of Commissioners Heidebrecht, Fath, Ferchill, Stout and Wray.
- Elected Michael Osborne to represent the Electric Utility Commission on the Joint Sustainability Committee.
- Held a Commemoration of Commissioner Shudde Fath's Upcoming 100<sup>th</sup> Birthday and thanked her for her many years of dedicated service and extensive contributions toward shaping Austin Energy policy. She has served on the EUC since 1977 and has donated her files from many of these years to Austin Energy.
- Elected new officers in April of 2016. Michael Osborne remained on the Commission but did not seek to remain in his position as Chair. The Commission elected Karen Hadden as Chair and Brent Heidebrecht as Vice-Chair by acclamation.
- Did not request that the City Council hire an outside consultant to make a comprehensive review of the policies and procedures of Austin Energy during this timeframe. 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. Additional review was conducted as part of the current Rate Review. 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.**

Throughout the July 1, 2015 to June 30, 2016 timeframe the actions of the Electric Utility Commission complied with the mission statement (bylaws) as outlined in the Ordinance.

**3. List the board's goals and objectives for the new calendar year.**

- 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 Generation, Resource and Climate Protection Plan.
- Provide review for replacement of power from aging baseload and peaking assets that is consistent with the Council adopted plan.
- Encourage a process that would allow on-line billing for donations to Customer Assistance Programs (CAP).
- Encourage utility transparency in providing data important to the public, including data broken down by Council District, more data in the utility's Annual Performance Report and the inclusion of data regarding generation units in Quarterly reports.
- Encourage fair and equitable treatment of all customers, including demand charges that are not overly burdensome for small businesses.
- Encourage adoption and implementation of energy efficiency measures prioritized by the EUC this year.
- Encourage tours of Austin Energy Facilities by EUC members.
- Improve the Commission's process for requesting and receiving information from Austin Energy Staff.
- Encourage equitable distribution of energy efficiency benefits to low and low moderate income customers and renters.
- Encourage excellence in Austin Energy customer satisfaction.