



**Budget Amendment
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2
AGENDA DATE: Thu 04/07/2005
PAGE: 1 of 1**

SUBJECT: Approve an ordinance amending the Fiscal Year 2004-2005 Austin Energy Operating Budget of Ordinance No. 040913-01 (1) to decrease the Operating Fund Other Operating expense by \$1,000,000 and increase the Transfer to Conservation Rebates and Incentives Fund; and (2) amend the Conservation Rebates and Incentives Fund to increase the Transfer in from Austin Energy Operating Fund by \$1,000,000 and to increase the Solar PV Rebate Program by the same amount.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$1,000,000 is available in the Fiscal Year 2004-2005 Operations and Maintenance Expense Fund of Austin Energy.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Ester Matthews, Local Government Issues / 322-6041;
Fred Yebra, Manager, Energy Management Services / 482-5305

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Recommended by the Electric Utility Commission and the Resource Management Commission.

Austin Energy is seeking authorization to Amend Ordinance 040913-01, the Fiscal Year 2004-2005 Approved Operating Budget for Austin Energy, to increase the Conservation Rebates and Incentives Fund by \$1,000,000 for the Solar PV Rebate Program. Austin Energy's Strategic Plan, adopted by the City Council on December 4, 2003, included a strong commitment to solar energy as a key component to our energy resource strategy. This budget amendment will increase funding of solar rebates to meet projected program participation through the end of the fiscal year.

The Fiscal Year 2004-2005 budget included \$2.5 million for the Solar PV Rebate Program of which \$2 million is for residential and commercial solar PV rebates, and \$500,000 is earmarked for installations of solar PV in schools and municipal community centers. As of the end of February 2005, Austin Energy had issued \$1,220,500 for residential and commercial Solar PV Rebates, and an additional \$657,215 has been requested through letters of intent. Austin Energy estimates that a total amount of \$3,000,000 will be needed to meet the requests for solar rebates in homes and businesses by the end of fiscal year 2004-2005.

Austin Energy plans to conduct a study to determine the comprehensive value of solar energy. That value, coupled with declining cost of solar cells, will serve as the guide for the price that Austin Energy will pay for any additional solar energy beyond the portion secured by the rebate program.

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

4/7/2005

WHERE ON AGENDA:

Ordinance

DEPARTMENT:

Electric Utility Operating Fund

Description: Approve an ordinance amending the Fiscal Year 2004-2005 Austin Energy Operating Budget of Ordinance No. 040913-01 (1) to decrease the Other Operating expense by \$1,000,000 and increase the Transfer to Conservation Rebates and Incentives Fund; and (2) amend the Conservation Rebates and Incentives Fund to increase the Transfer from Austin Energy Operating Fund by \$1,000,000 and to increase the Solar PV Rebate Program by the same amount..

FINANCIAL INFORMATION:

Electric Utility Operating Fund

| | 2004-2005 Amended Budget | This Action | 2004-2005 Amended Budget |
|--|-----------------------------|----------------------|-----------------------------|
| Beginning Balance | <u>\$100,430,121</u> | <u>\$0</u> | <u>\$100,430,121</u> |
| Revenue | | | |
| Service Area Revenue | \$794,979,922 | \$0 | \$794,979,922 |
| Other Revenue | <u>\$102,443,521</u> | <u>\$0</u> | <u>\$102,443,521</u> |
| Total Revenue | <u>\$897,423,443</u> | <u>\$0</u> | <u>\$897,423,443</u> |
| Transfers In | <u>\$10,000,000</u> | <u>\$0</u> | <u>\$10,000,000</u> |
| Total Available Funds | <u>\$907,423,443</u> | <u>\$0</u> | <u>\$907,423,443</u> |
| Operating Requirements | | | |
| Operations and Maintenance | \$494,641,149 | | \$494,641,149 |
| Conservation - Energy | \$8,730,705 | | \$8,730,705 |
| Conservation - Rebates and Incentives | \$14,458,619 | \$1,000,000 | \$15,458,619 |
| Other Operating Expenses | <u>\$49,920,000</u> | <u>(\$1,000,000)</u> | <u>\$48,920,000</u> |
| Total Operating Requirements | <u>\$567,750,473</u> | <u>\$0</u> | <u>\$567,750,473</u> |
| Total Other Requirements | <u>\$12,353,986</u> | <u>\$0</u> | <u>\$12,353,986</u> |
| Transfers Out | | | |
| General Fund | \$74,520,189 | \$0 | \$74,520,189 |
| Electric CIP | \$63,217,900 | \$0 | \$63,217,900 |
| Repair and Replacement Fund | \$20,000,000 | \$0 | \$20,000,000 |
| Austin Water Utility CIP | \$1,045,795 | \$0 | \$1,045,795 |
| General Government CIP | \$4,625,000 | \$0 | \$4,625,000 |
| Trunked Radio | \$238,737 | \$0 | \$238,737 |
| General Obligation Debt Service | \$563,608 | \$0 | \$563,608 |
| Utility Debt Service | <u>\$160,296,215</u> | <u>\$0</u> | <u>\$160,296,215</u> |
| Total Transfers Out | <u>\$324,507,444</u> | <u>\$0</u> | <u>\$324,507,444</u> |
| Total Requirements | <u>\$904,611,903</u> | <u>\$0</u> | <u>\$904,611,903</u> |
| Excess/(Deficit) of Available Funds Over Requirements | <u>\$2,811,540</u> | <u>\$0</u> | <u>\$2,811,540</u> |
| Ending Balance | <u>\$103,241,661</u> | <u>\$0</u> | <u>\$103,241,661</u> |
| Full Time Equivalents (FTE) | 1537.50 | 0.00 | 1537.50 |

Director of Financial Planning and Budget, Austin Energy

Date:

3/14/05

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

4/7/2005
 Ordinance
 Conservation Rebates and Incentives Fund

Description: Approve an ordinance amending the Fiscal Year 2004-2005 Austin Energy Operating Budget of Ordinance No. 040913-01 (1) to decrease the Other Operating expense by \$1,000,000 and Increase the Transfer to Conservation Rebates and Incentives Fund; and (2) amend the Conservation Rebates and Incentives Fund to increase the Transfer from Austin Energy Operating Fund by \$1,000,000 and to increase the Solar PV Rebate Program by the same amount.

FINANCIAL INFORMATION:

Conservation Rebates and Incentives Fund

| | 2004-2005 Approved Budget | This Action | 2004-2005 Amended Budget |
|--|------------------------------|--------------------|-----------------------------|
| Beginning Balance | <u>\$47,131</u> | <u></u> | <u>\$47,131</u> |
| Revenue | | | |
| Transfer from Austin Energy | \$14,458,819 | \$1,000,000 | \$15,458,819 |
| Transfer from Austin Water | <u>\$1,107,728</u> | <u>\$0</u> | <u>\$1,107,728</u> |
| Total Revenue | <u>\$15,566,347</u> | <u>\$1,000,000</u> | <u>\$16,566,347</u> |
| Requirements | | | |
| Electric Rebates and Incentives | \$14,458,819 | \$1,000,000 | \$15,458,819 |
| Water Conservation Rebates | \$946,228 | \$0 | \$946,228 |
| Swimming Pool Repair and Renovation | <u>\$161,500</u> | <u>\$0</u> | <u>\$161,500</u> |
| Total Requirements | <u>\$15,566,347</u> | <u>\$1,000,000</u> | <u>\$16,566,347</u> |
| Excess/(Deficit) of Available Funds Over Requirements | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Ending Balance | <u>\$47,131</u> | <u>\$0</u> | <u>\$47,131</u> |

Director of Financial Planning & Budget, Austin Energy

Date:

[Signature] 3/14/05

ORDINANCE NO.

AN ORDINANCE AMENDING THE FISCAL YEAR 2004-2005 AUSTIN ENERGY FUND OPERATING BUDGET OF ORDINANCE NO. 040913-01 TO TRANSFERS FUNDS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The Council amends the Fiscal Year 2004-2005 Austin Energy Operating Budget of Ordinance No. 040913-01 to decrease the Operating Fund Other Operating expense by an amount of \$1,000,000 and to increase the Transfer Out to the Conservation Rebates and Incentives Fund by the same amount, and to increase the Conservation Rebates and Incentives Fund the Transfer In from Austin Energy Operating Fund by an amount of \$1,000,000 and to increase the Solar PV Rebate Program by the same amount.

PART 2. This ordinance takes effect on _____, 2005.

PASSED AND APPROVED

_____, 2005

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§
§

Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Brown
City Clerk