



Recommendation for Action

File #: 20-1855, **Agenda Item #:** 83.

4/9/2020

Posting Language

Conduct a public hearing and approve an ordinance adopting a moratorium on city utility disconnections, waiving city utility late fees, extending the deadline for commercial and multifamily energy audit and benchmark reporting, reducing certain city electric and water rates, expanding eligibility for the city utilities' customer assistance program to include individuals experiencing financial hardship due to the COVID-19 pandemic, amending the fiscal year 2019-2020 budgets of Austin Water and Austin Energy to appropriate up to \$10,000,000 for the utilities' Plus-One payment assistance programs, and declaring an emergency.

Lead Department

Austin Energy

Fiscal Note

Fiscal notes are attached.

Prior Council Action:

Council Resolution No. 20200326-092; Ordinances Nos. 20190910-001 and 20190910-002.

For More Information:

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Additional Backup Information:

This ordinance is in response to Council Resolution 20200326-092, directing the City Manager to identify and evaluate options for reducing utility bill impacts for customers affected by the coronavirus pandemic.

The proposed changes reducing electric rates and offering other forms of customer assistance, will provide approximately \$46 million in utility bill relief through September 30, 2020. Austin Energy and Austin Water are proposing these measures to assist our customers who have been adversely affected by the pandemic. Residential and commercial customers are experiencing financial hardships as a result of loss of employment or business, as well as reduced income or revenues and need immediate assistance. Residential customers may also find themselves requiring higher use of electricity as a result of the shelter-in-place order, teleworking, online education or job-seeking efforts.

The proposed ordinance, to take effect immediately and be in effect through September 30, 2020 will:

- Adopt a moratorium on utility disconnections for nonpayment and waive late fees on utility bills;
- Increase the Customer Assistance Program (CAP) discount from 10 percent to 15 percent;
- Expand eligibility for the customer assistance program to customers experiencing financial hardship from the COVID-19 pandemic.
- Appropriate up to \$5 million each (\$10 million total) for the Austin Water and Austin Energy Plus

1 bill payment assistance programs, which enables partnering local social service agencies to distribute emergency financial aid to customers having a temporary problem paying their bills;

- Reduce the Regulatory Charge for all customer classes to begin returning the overcollection balance now rather than during the FY21 budget process;
- Reduce residential electric rates for in-city and out-of-city customers by setting all consumption above 1,000 kWh at the current in-city Tier 3 rate of 7.814 cents per kWh for the remainder of the fiscal year.
- Reduce residential Block 1-3 water and all wastewater rates by 10% for the remainder of the fiscal year.
- Extend the deadline for commercial and multifamily Energy Conservation and Audit Disclosure (ECAD) reporting to October 1, 2020

Strategic Outcome(s):

Government that Works for All.