



Austin Energy Affordability Project

Electric Utility Commission
Briefing
July 19, 2010



Related Austin Energy Projects



1. Resource Generation Plan

- Affordability Metrics (Council Approval)
 - Rate Comparison (RW Beck)
- New Generation Project Template
- Annual Report on Progress to the Generation Plan
- Biennial Review of Generation Plan

2. Competitive Matters Resolution

- Resolution Update (Council Approval)
- Data Transparency
 - Expansion of AE Annual Report
 - Quarterly Financial Report
 - Web Presence

3. Financial and Programmatic Review of the Utility

- City Manager Directive
- Navigant Consultants

4. Rate Review



What is an Affordability Matrix?



- What is an affordability matrix?
 - Used as tool for making resource investment decisions
- Matrix
- Measures / Metrics
- Dashboard?

- Working Assumptions:
 - Data-driven
 - Specific to customer classes
 - Benchmarking w/ Texas cities
 - Simple, visual presentation
 - Detailed methodology and sources
 - Updated annually
 - Must integrate with related projects



Development Process



- Internal project team: residential, commercial, design of output
- Customer engagement:
 - Key accounts
 - Small business
 - Social services organizations
 - Environmental representatives
 - Low-income advocates
 - Residential representatives
- Key Lessons Learned:
 - Difficult to confine a dialogue to affordability
 - Customers want deeper insight into AE resource decision-making
 - Some customers are seeking a specific affordability target
 - Very limited data availability to design customer metrics



Residential Affordability: Based on Energy Burden



- Energy Burden: percent of household income spent on electric service
 - Census data
 - Compare Austin area with other parts of state
 - Allows stratification of population by income and other characteristics (*e.g.*, ownership/rental, house/apartment)
- Supplemental Information
 - Bill comparisons across communities (R.W. Beck)
 - Couple with housing burden statistics
 - Provide breakdown of all utilities (electric, gas, water)
 - Energy efficiency information / housing characteristics



Commercial / Industrial Affordability: “Competitiveness”



- Commercial/industrial customers assess affordability in terms of competitiveness
- How do we assess competitiveness?
 - Characterize the general economic environment
 - Austin Energy customer electric bill data benchmarked with comparative Texas cities' electric bill data
 - Austin Energy data specific to energy project-specific data
 - Unique affordability metrics for commercial and industrial customers—particularly challenging to identify



Next Steps



- R.W. Beck results on commercial/industrial bills due in August
- Draft of metrics and presentation late August
 - Customer meetings late August/early Sept
- EUC and Council review in September

