

Energy Efficiency Cost Recovery Charge (EECRC) Rider

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Council Resolution

No. 990913-05

“Cost effective energy conservation programs shall be the first priority in meeting new load growth requirements of Austin Energy.”

Current Forecast for 2011

Efficiency Assumptions (to achieve 800 MW by 2020)

DSM kW Savings (w/ T&D, RM)	50,000 kW
DSM kWh Savings	86,000,000 kWh
Austin Energy System Sales (kWh)	12,193,000,000 kWh

Total DSM Costs - 2011

Costs

Rebate Budget*	\$20,861,087
Admin & Marketing*	\$10,876,538
Other Dept/Group DSM Costs*	\$583,112
Lost Revenue	\$4,614,012
TOTAL DSM Costs	\$36,934,750
GFT on Total Costs	\$3,652,887
TOTAL DSM Costs with GFT	\$40,587,637

(assumes all costs collected as revenue)

(amount eligible for inclusion in EECRC)

* Includes Council-approved budget for: Rebates ("CRIF"), O&M for Energy Efficiency Services group, O&M for Green Building, O&M for Austin Climate Protection Plan, O&M for Emerging Transportation Technologies, 50% of O&M for DES corporate, 10% of O&M for Key Accounts and Market Research and Product Development. Does not include capital budgets or Austin Energy overhead budgets in corporate, finance, HR, facilities, etc.

EECRC Rider Calculation - FY 2011 Data

Category

Total Costs Eligible for EECRC	\$40,587,637
Amount of DSM Costs Currently in Base Rates (based on 1995 EECRC of 0.0020613/kWh)	\$25,132,919
Total DSM Cost Recovery Shortfall	\$15,454,718
EXCLUDE Lost Revenues as “Better Buy”*	(\$5,070,343)
Subtotal	\$10,384,375
Exclude Solar Rebate (and assoc. O&M)*	(\$5,282,855)
EECRC Rider Amount	\$5,101,520

* Also excludes associated general funds transfer (GFT) at 9.1%

Impacts: Customer Allocator

Customer Group	No. of Customers	Annual Group Allocation	Annual Customer Impact	Monthly Customer Charge
Residential & Worship	360,088	\$ 2,203,737	\$ 6.12	\$ 0.51
E01A Res CAP Accounts	8,613	\$ 52,709	\$ 6.12	\$ 0.51
Schools, State, City, & Lighting	1,640	\$ 382,035	\$ 232.92	\$ 19.41
Commercial - Sec < 20 kW	33,625	\$ 225,957	\$ 6.72	\$ 0.56
Commercial - Sec > 20 kW	9,768	\$ 1,584,744	\$ 162.24	\$ 13.52
Commercial - Primary	61	\$ 74,657	\$ 1,223.88	\$ 101.99
Contract Customers	77	\$ 564,304	\$ 7,376.52	\$ 614.71
Total Collection		\$ 4,523,838		
Revenue Requirement		\$ 5,101,520		
GFT		\$ 411,669		

Impacts: Volumetric Allocator

- **EECRC Rider: \$5,101,520**
 - Raw rate impact (no allocator applied) - \$0.00044/kWh
 - Residential monthly impact: \$0.42
 - Under-allocates according to 4CP by 7.7% for residential; over-allocates according to 4CP by 4.2% for LTC
 - Actual bill impact about 0.5% for all classes in 2011
 - GFT on EECRC Rider Proposal: \$393,273

Implementation Options

- Implement now in current eCIS billing system
 - Current system is "locked" in preparation for transition to new system
 - Changes to current system create moving target for CC&B data conversion tests
 - Changes to current system could cost up to \$100K, and take up to 3 months to implement
- Implement later in new CC&B system
 - Limits the number of months in this fiscal year to charge
 - Exact implementation dependent on CC&B “go-live”

Decisions Required

- Amount to use as basis for rider in year 1
- Gradualism measures, if any
- Customer allocation mechanism
- Disposition of LTC share that cannot be collected from LTC customers
- Uncollected amount resulting from part-year implementation
- Implementation approach
- Calculation methodology for Year 2+

Decisions

- Amount to Use as Basis
 - *Recommendation: \$5,101,520*
- Gradualism Measures
 - *Recommendation: None*
- Customer Allocation Mechanism
 - *Recommendation: Per Bill, AE 4CP*
- Disposition of Uncollected LTC Share
 - *Recommendation: Absorb \$564,304*
- Uncollectable due to Part Year
 - *Recommendation: Absorb as gradualism*
- Implementation Approach
 - *Recommendation: With CC&B*
- Year 2+ Calculation
 - *Recommendation: Unfunded + Over/Under*

Decision: _____

Decision: _____

Decision: _____

Decision: _____

Decision: _____

Decision: _____

Decision: _____

Next Steps

- Austin Energy prepares final document packet based on Commission decisions
- Austin Energy presents to RMC
- Council sets for public hearing
- Council action
- Austin Energy implements rider, executes communication plan

Questions & Discussion

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