

# 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
<b>TOTAL DSM Costs</b>	<b>\$36,934,750</b>
GFT on Total Costs	\$3,652,887
(assumes all costs collected as revenue)	
<b>TOTAL DSM Costs with GFT</b>	<b>\$40,587,637</b>

(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)
<b>EECRC Rider Amount</b>	<b>\$5,101,520</b>

\* 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	\$ 2,215,408	\$ 6.12	\$ 0.51
E01A Res CAP Accounts	8,613	\$ 52,468	\$ 6.12	\$ 0.51
City & Lighting	864	\$ 106,685	\$ 123.48	\$ 10.29
Commercial - Sec < 20 kW	33,874	\$ 229,996	\$ 6.84	\$ 0.57
Commercial - Sec > 20 kW	10,278	\$ 1,794,050	\$ 174.60	\$ 14.55
Commercial - Primary	78	\$ 138,612	\$ 1,786.20	\$ 148.85
Contract Customers	77	\$ 564,301	\$ 7,376.52	\$ 614.71
<b>Total Collection</b>		\$ 4,527,219		
<b>Revenue Requirement</b>		\$ 5,101,520		
<b>GFT</b>		\$ 412,887		

# 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: \$393,274

# 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” (now delayed)



# 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: In Current eCIS*
- Year 2+ Calculation
  - *Recommendation: Unfunded + Over/Under*

**Decision:** \_\_\_\_\_

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# Next Steps

- Austin Energy prepares final document packet based on Commission decisions
- Council sets for public hearing (Target 3 March 2011)
- Council action
- Austin Energy implements rider, executes communication plan

# Questions & Discussion

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