

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

5/24/12
Austin Energy
Operating Fund

Subject: Approve an ordinance amending the Fiscal Year 2011-2012 Austin Energy Operating Budget of Ordinance No. 20110912-005 to decrease the Austin Energy Operating Fund Ending Balance by \$1,630,000 and increase the transfer to the Conservation Rebates and Incentives Fund by \$1,630,000, and amend the Conservation Rebates and Incentives Fund to increase the transfer from the Austin Energy Operating Fund by \$1,630,000.

CURRENT YEAR IMPACT:

	2011-12 Approved	This Action	2011-12 Amended
Beginning Balance	115,372,943	0	115,372,943
Total Revenue	1,139,447,227	0	1,139,447,227
Total Transfers In	0	0	0
Total Appropriated Funds	1,139,447,227	0	1,139,447,227
Operating Requirements			
Austin Energy Operating Fund	831,562,983	1,630,000	833,192,983
Total Debt Service	175,100,697	0	175,100,697
Total Transfers Out	182,123,091	0	182,123,091
Total Other Requirements	28,216,983	0	28,216,983
Total Operating Requirements	1,217,003,754	1,630,000	1,218,633,754
Excess (Deficiency) of Total Available Over Total Requirements	(77,556,527)	(1,630,000)	(79,186,527)
Ending Balance	37,816,416	(1,630,000)	36,186,416
Austin Energy FTEs	1,706.00	0.00	1,706.00

FIVE-YEAR IMPACT:

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Revenue	1,139,447,227	0	0	0	0
Total Program Requirements	833,192,983	0	0	0	0
Total Other Requirements	385,440,771	0	0	0	0
Net Budget Impact	(79,186,527)	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: This operating budget amendment is for adding additional Conservation Rebates and Incentives fund solar rebates. The budget for the residential PV rebate program in FY2012 is \$2.7 million, out of a total approved budget for solar incentives of \$3 million. As of April 30, 2012, Austin Energy had paid \$1.9 million, or 70%, of the FY12 residential rebate budget at a level \$2.50 per installed watt of capacity. Additionally there were \$1.5 million in pending applications. AE now estimates that at the current rate of customer participation, the end-of-year budget will fall short by \$1,630,000. Austin Energy is seeking authorization to amend Ordinance No. 20110912-005, the Fiscal Year 2012 Operating Budget to increase the Conservation Rebates and Incentives Fund by transferring \$1,630,000 from the Operating Budget ending fund balance to fund this additional demand in residential solar rebates. Given the pending rate review and potential new value of solar rate, Austin Energy concludes that it would not be prevalent to institute a reduction in the rebate amount, a tool used in the past to slow demand, at least until AE has a clearer view of current market conditions.

The above five-year impact analysis illustrates the total revenue and expense projections for the Austin Energy Operating Fund.