



BOARD/COMMISSION RECOMMENDATION

Electric Utility Commission

Recommendation No. 20130415-025

Austin Energy Governance

WHEREAS, the Electric Utility Commission (EUC) is concerned, and has been concerned for years, that no public body is exercising effective oversight over Austin Energy;

WHEREAS, in the opinion of the EUC, effective oversight involves having sufficient grasp of ongoing activities at Austin Energy to be able to independently assess what questions need to be asked of staff and to independently determine whether some activities require additional scrutiny or review;

WHEREAS, in the opinion of the EUC, the quarterly and other updates that the City Council receives on Austin Energy are too infrequent and lack sufficient detail to allow for effective oversight of Austin Energy;

WHEREAS, in the opinion of the EUC, the EUC, as an all-volunteer board that meets once a month, does not have the capability to exercise effective oversight over Austin Energy;

WHEREAS, non-expert and unelected City staff exercises the only real, effective oversight over Austin Energy and this is not good governance as a public body should be exercising that oversight;

WHEREAS, in the opinion of the EUC, if the new independent board does not have authority to review all matters involving Austin Energy, it too will not be able to exercise effective oversight;

WHEREAS, utility companies such as Pedernales Electric Cooperative have demonstrated the risks of allowing utilities to operate without effective, public oversight;

WHEREAS, the EUC respects the need and benefit of having the City Council retain ultimate authority over key decisions involving Austin Energy;

WHEREAS, ratepayers outside the city of Austin should be able to participate in the body that exercises oversight over Austin Energy;

WHEREAS, the issue of which body retains ultimate authority over key issues affecting Austin Energy is distinct from the question of whether a public body has the capability of effectively overseeing Austin Energy, and those issues should not be confused;


NOW, THEREFORE, BE IT RESOLVED, the Electric Utility Commission recommends that the draft ordinance creating an independent board be revised to give the independent board general authority over all matters relating to Austin Energy, so the independent board may

effectively oversee Austin Energy; provided that any decision of the independent board involving more than a dollar amount specified by Council or involving other matters specified by Council should not be effective until 30 days after the independent board approves it, so City Council may block the decision as the City Council would retain ultimate authority and be the final decision-maker on any matters so blocked by the City Council. In the opinion of the EUC, this compromise would create a public body with the ability to effectively oversee Austin Energy while retaining authority for key decisions with the City Council.

Date of Approval: April 15, 2013

Record of the vote: Approved by the Electric Utility Commission on a vote of 6-1 with Vice Chair Hadden voting against.

Attest:

A handwritten signature in black ink, appearing to read "Toye Goodson", written over a horizontal line.

Toye Goodson, Staff Liaison