



BOARD/COMMISSION RECOMMENDATION

Electric Utility Commission

Recommendation No. 20130520-028

Distributed Energy Costs

The Electric Utility Commission recommends that the City Council request the City Manager to develop a plan to address the impact of distributed energy on Austin Energy including an analysis of who should pay the fixed costs of serving distributed energy customers. The plan should determine the actual cost borne by Austin Energy in serving distributed energy customers, the amount of that cost that is paid by the distributed energy customer and the amount of that customer's costs that are being subsidized by other rate payers. The plan should analyze whether not requiring the distributed energy customers to pay their actual costs amounts to a subsidy of wealthier Austin Energy customers by other lower income customers in a manner that is inconsistent with this Community's notions of fairness and fair play. The plan should also address projected rates of adoption of distributed generation and the expected impact on the utility and its non distributed energy rate payers in the future.

Date of Approval: May 20, 2013

Record of the vote: Approved by the Electric Utility Commission on a vote of 6-0-1 with Vice Chair Hadden voting against.

Attest:

Toye Goodson, Staff Liaison