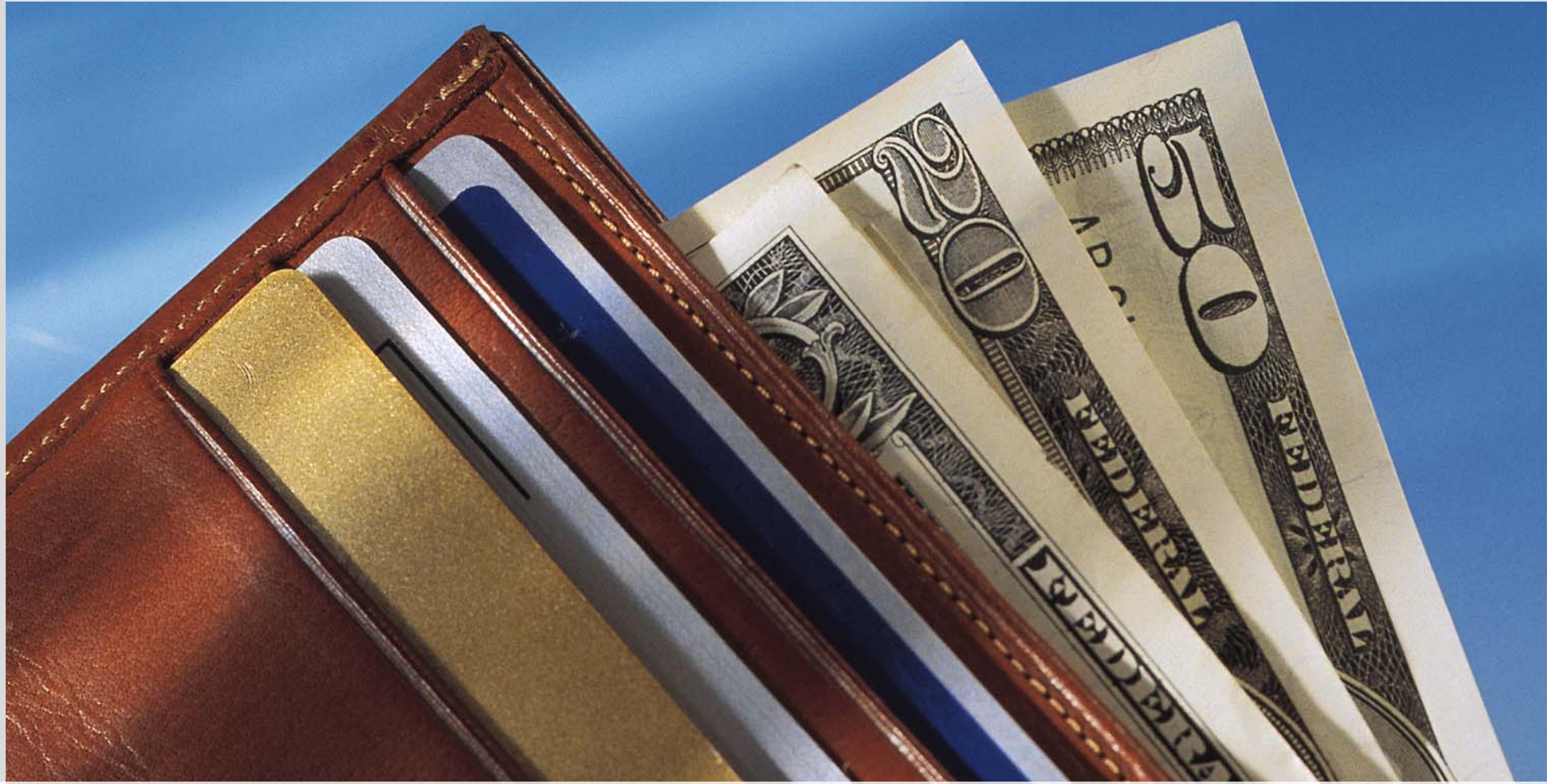




# Austin Energy FY 2014 Adjustments to Proposed Budget

Item #20



Larry Weis, Austin Energy General Manager  
Electric Utility Commission  
August 19, 2013

**Mission:** Deliver clean, affordable, reliable energy  
and excellent customer service.



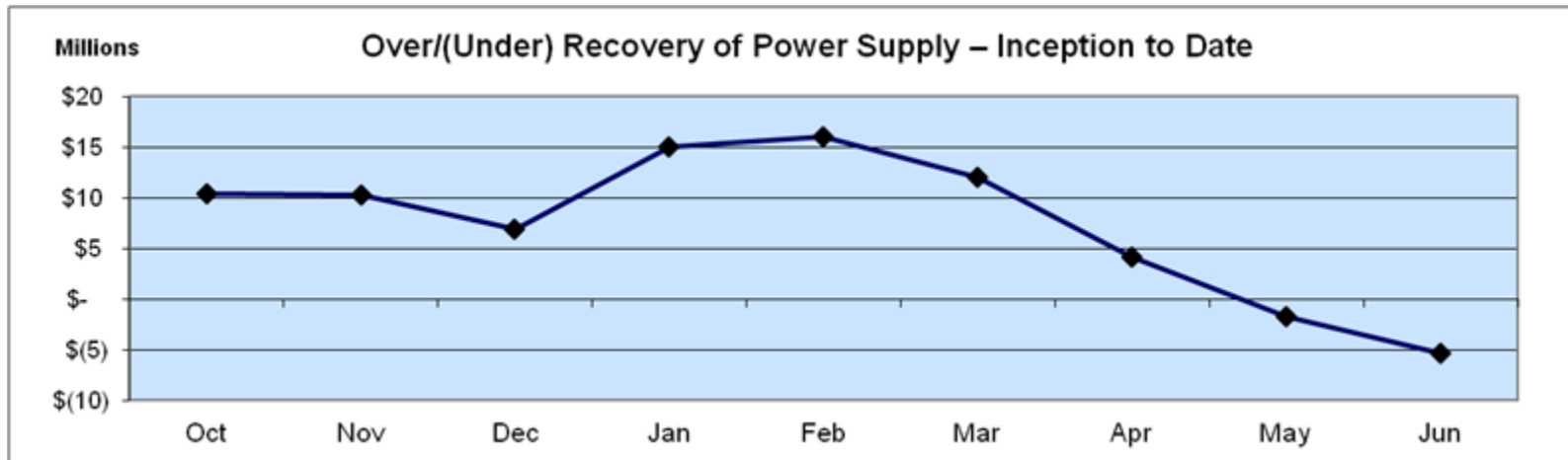
# Adjustments to Proposed Budget

- Power Supply Adjustment (PSA)
  - Update factor with actual June & July cost
  - Adjust proposed budget
- GreenChoice®
  - Discuss pricing
  - Submit new Rate Schedules to be included in proposed budget

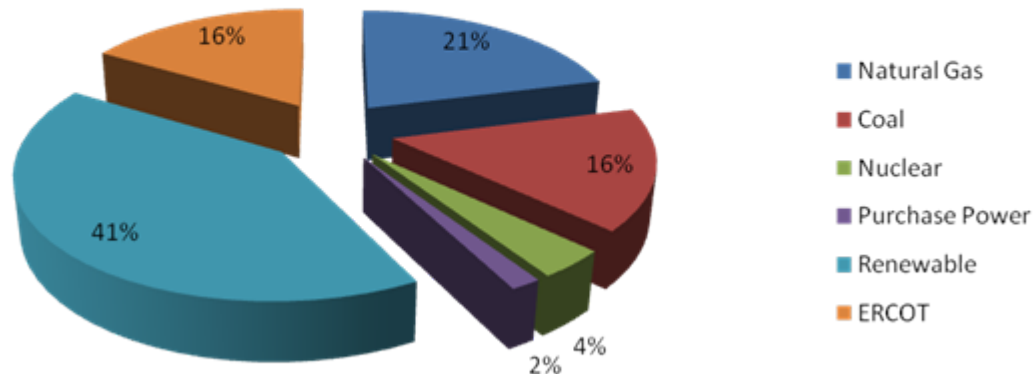




# June 2013 Power Supply Cost

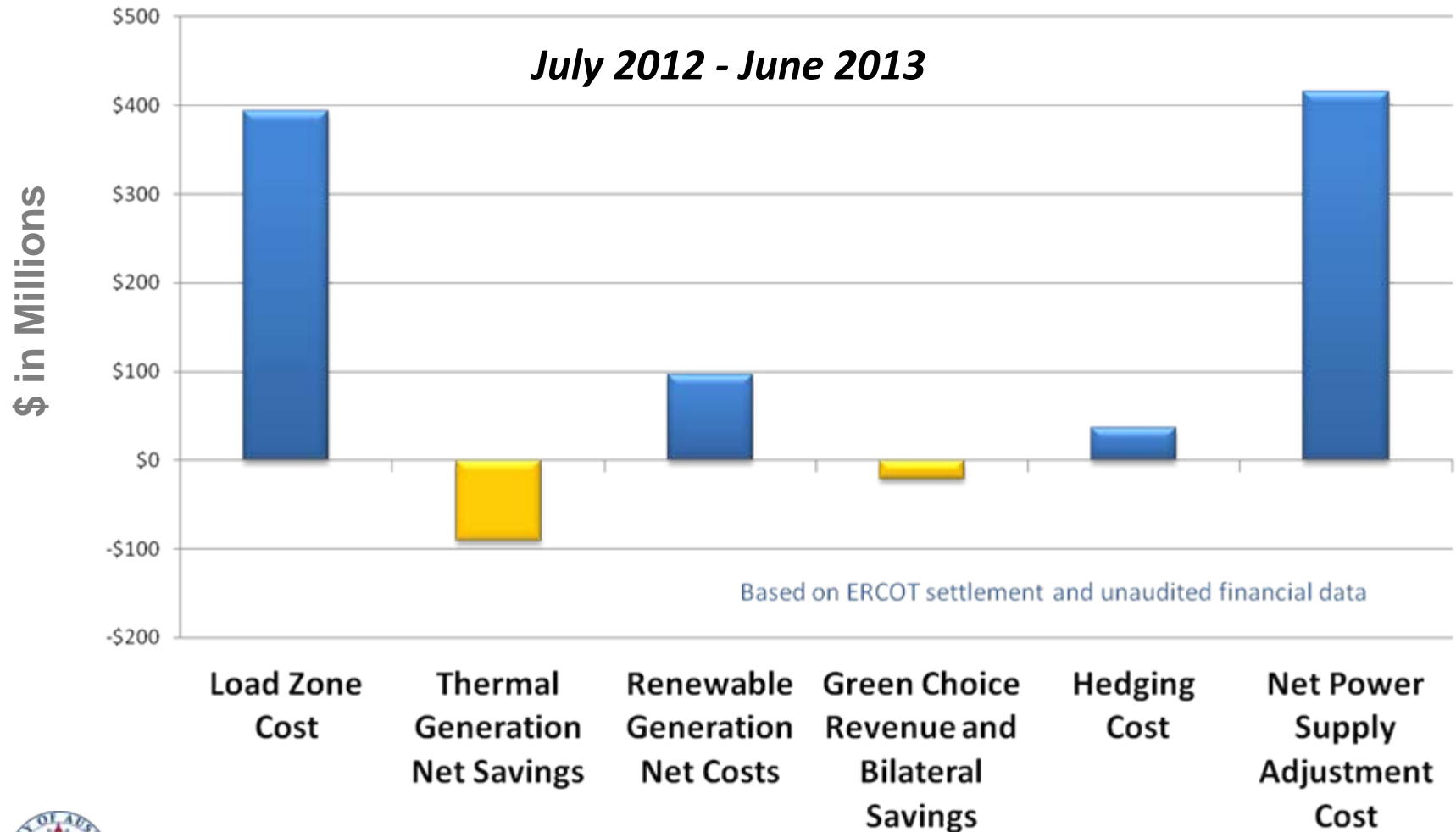


**Power Supply Cost**  
(9 months ended June 2013)



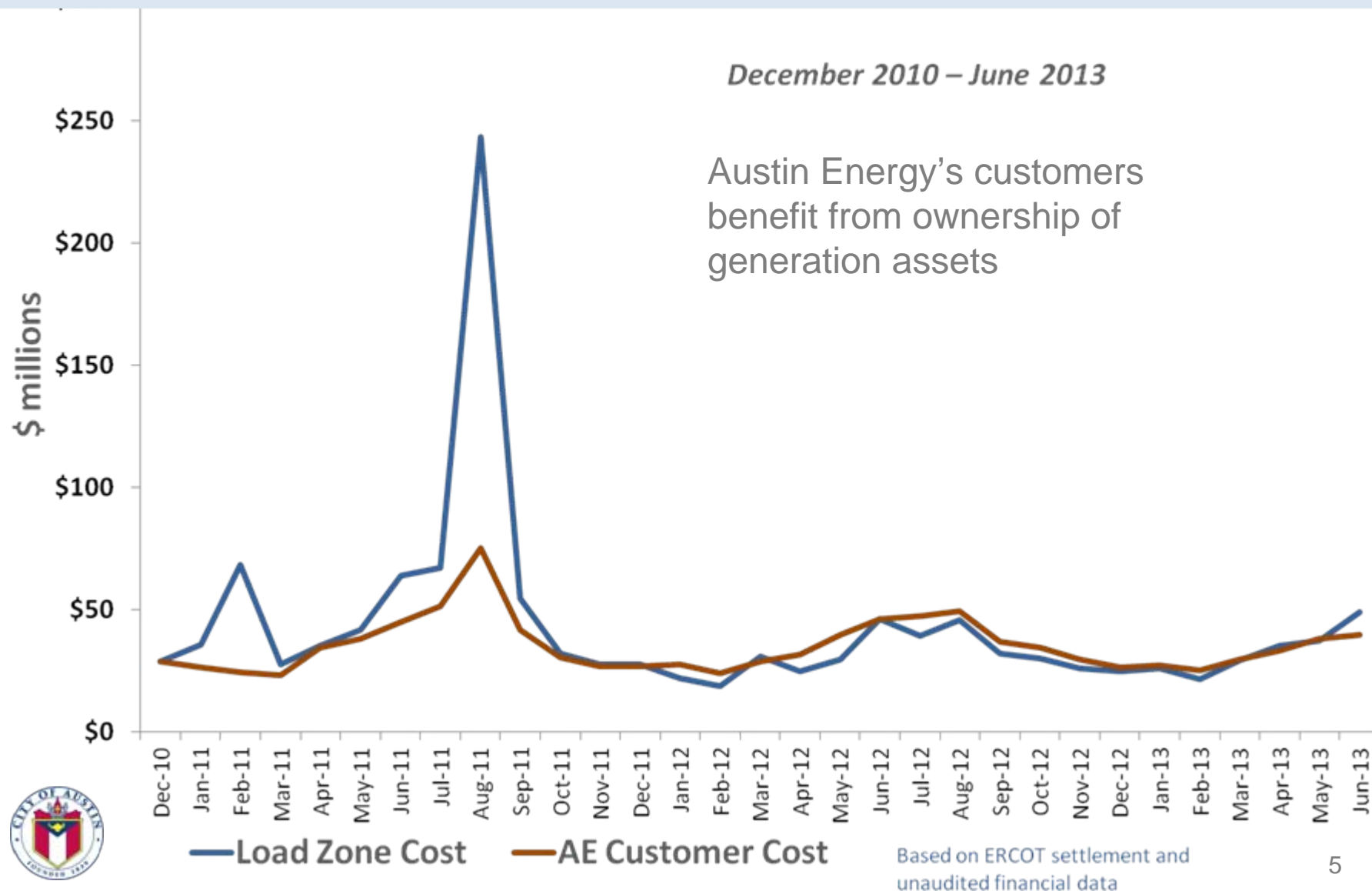


# Power Supply Adjustment Components





# Customer Impact







# Power Supply Adjustment Formula



1. Over/Under (O/U) recovery from the latest closed month
  - Budget O/U includes estimate for June and July
  - Updated with actual O/U as of 7/31/2013
2. Use latest available rolling 12 months as the historical period
  - Budget 12 rolling months (June 2012 – May 2013)
  - Updated with actual 12 rolling months ended 7/31/2013
3. Normalized load forecast (kWh) period is 11/1/2013 - 10/31/2014

*\* Historical numbers may be adjusted for known and measurable*





# Power Supply Adjustment

	Current Rate (cents/kWh)	Rate Effective Nov. 1, 2013 (cents/kWh)	Increase (cents/kWh)
System Average	3.36	3.69	1/3 of a cent
Secondary Voltage	3.37	3.71	1/3 of a cent
Primary Voltage	3.30	3.62	1/3 of a cent
Transmission Voltage	3.25	3.58	1/3 of a cent



*Rounded to nearest hundredth*



# Revenue Highlights

## Average Residential Customer Bill Impact

Unbundled 5-Tier Inclining Block Energy Rate (Inside City of Austin Customer)

Average Monthly Bill	Energy kWh	FY 2012-13 Rate	FY 2013-14 Rate	\$ Change
Customer Charge		\$10.00	\$10.00	\$0.00
Base Electricity Charge	1,000	\$ 43.50	\$ 43.50	\$ 0.00
Power Supply Adjustment (PSA)*	1,000	\$ 33.72	\$ 37.09	\$ 3.37
Community Benefit Charge(CBC)	1,000	\$ 5.54	\$ 6.36	\$ 0.82
Regulatory Charge	1,000	\$ 7.28	\$ 7.94	\$ 0.66
Total Monthly Bill	1,000	\$100.04	\$104.89	\$4.85

\*The PSA reviewed in July 2013 and August 2013. Changes presented to City Council in August 2013 prior to the Utility public rate hearings.

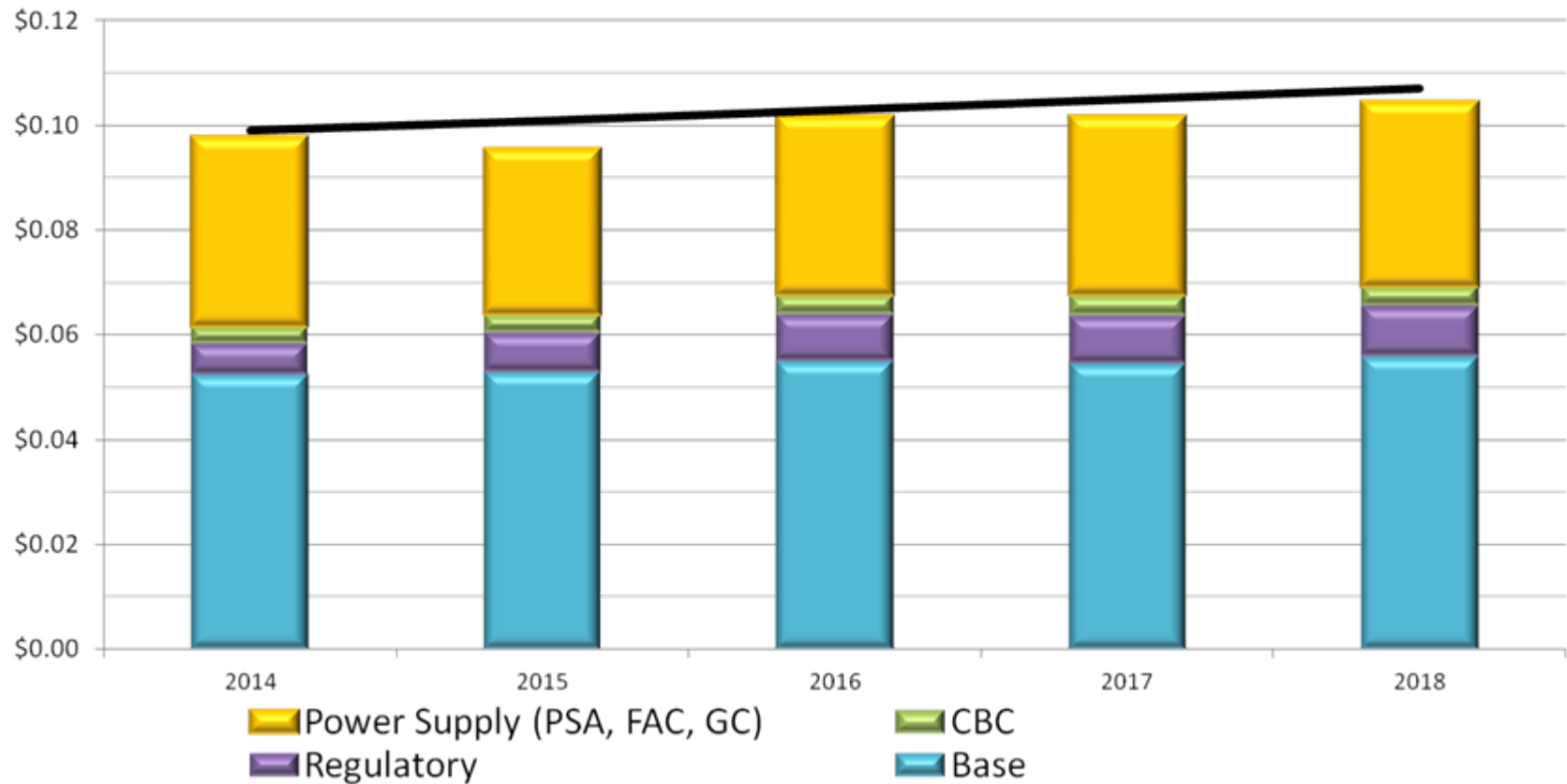






# AFFORDABILITY FORECAST FY 2014-2018

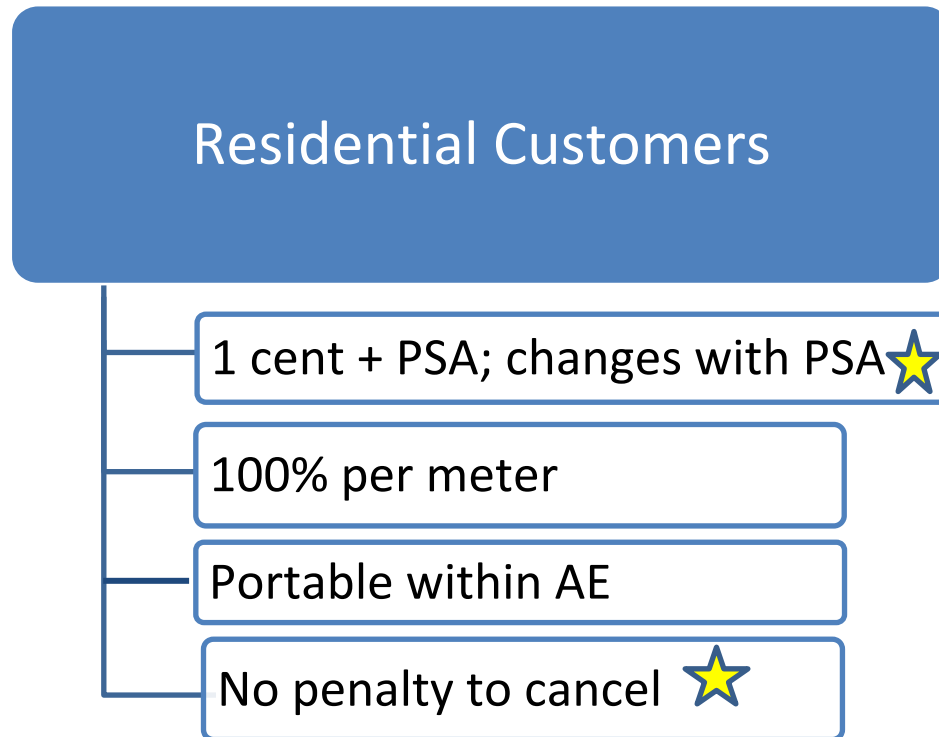
System average rate





# New Residential GreenChoice®

- FY 2014 GreenChoice Pricing Effective January 2014:



New or modified for FY14



# New Commercial GreenChoice®

- FY 2014 GreenChoice Pricing Effective January 2014:

## Commercial Customers

1 cent + PSA; changes with PSA ★

100% per meter

Portable within AE

No penalty to cancel; can elect binding 12 month contract for award (EPA, etc.) purposes ★

## Large Commercial Option Minimum of 1.2 Million Annual kWh

Fixed price with expiration date every 3 years ★

**4.90** cents per kWh ★

100% or kWh Block Purchase

Non-Cancellable



New or modified for FY14



# FY 2014 Budget (Posted) Other Rate Changes

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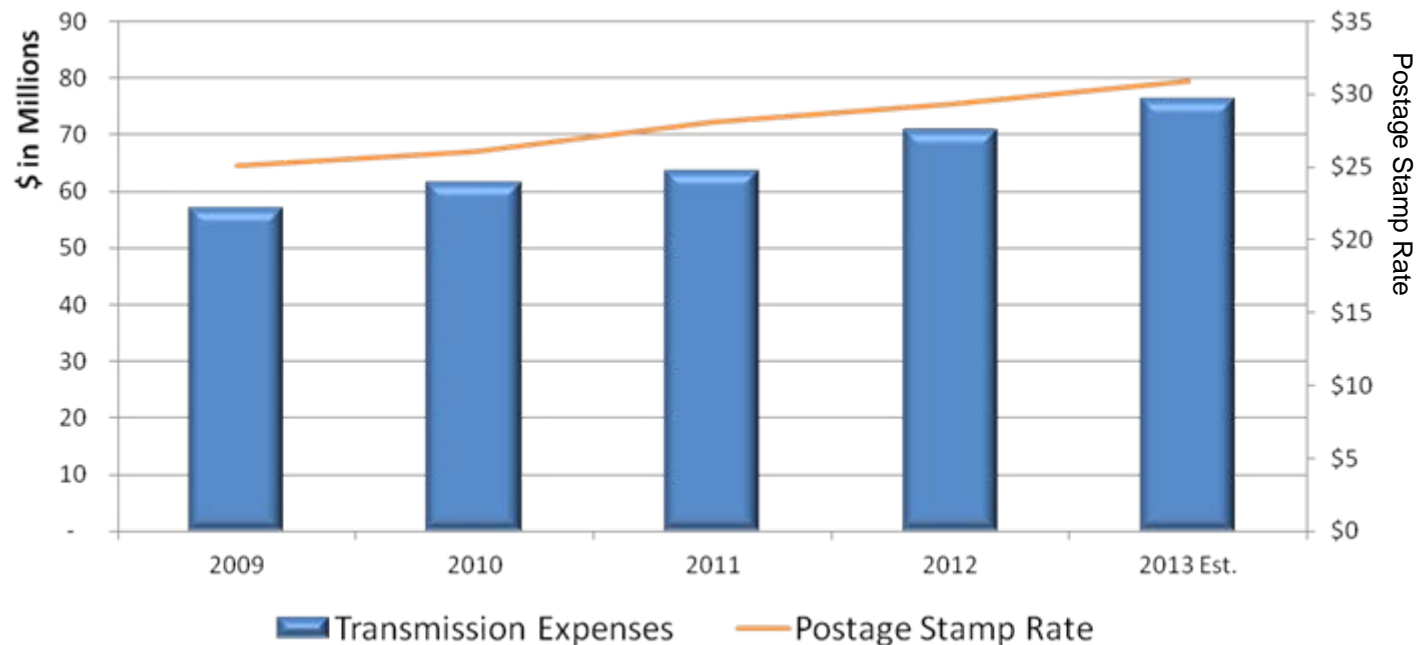
- Regulatory Charge Increase
  - State-wide Transmission Expense Continues to Increase
- Community Benefit Charge Increase
  - Re-align Energy Efficiency Programs with Strategic Goals





# REGULATORY CHARGE

\$ in Millions	(Over) Under Recovery	FY2014 Budget	Non Recoverable (some recovered through TSAR)	Total Recoverable
Regulatory Charge (kWh and kW basis)	\$ 2	\$ 84	(\$ 11)	\$ 75





# COMMUNITY BENEFIT CHARGE (CBC)

<b>\$ in Millions</b>						
<b>CBC components</b>	<b>(Over) Under Recovery</b>	<b>FY2014 Budget</b>	<b>Non Recoverable (until contract expiration)</b>	<b>Total Recoverable</b>	<b>kWh Recoverable</b>	<b>System Average Cents/kWh</b>
<b>Energy Efficiency</b>	<b>\$ 5</b>	<b>\$ 34</b>	<b>\$ (6)</b>	<b>\$ 33</b>	<b>10,102,530,293</b>	<b>.33 cents</b>
<b>Customer Assistance</b>	<b>\$ (5)</b>	<b>\$ 10</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Street &amp; Traffic Lighting</b>	<b>\$ .5</b>	<b>\$ 9</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>



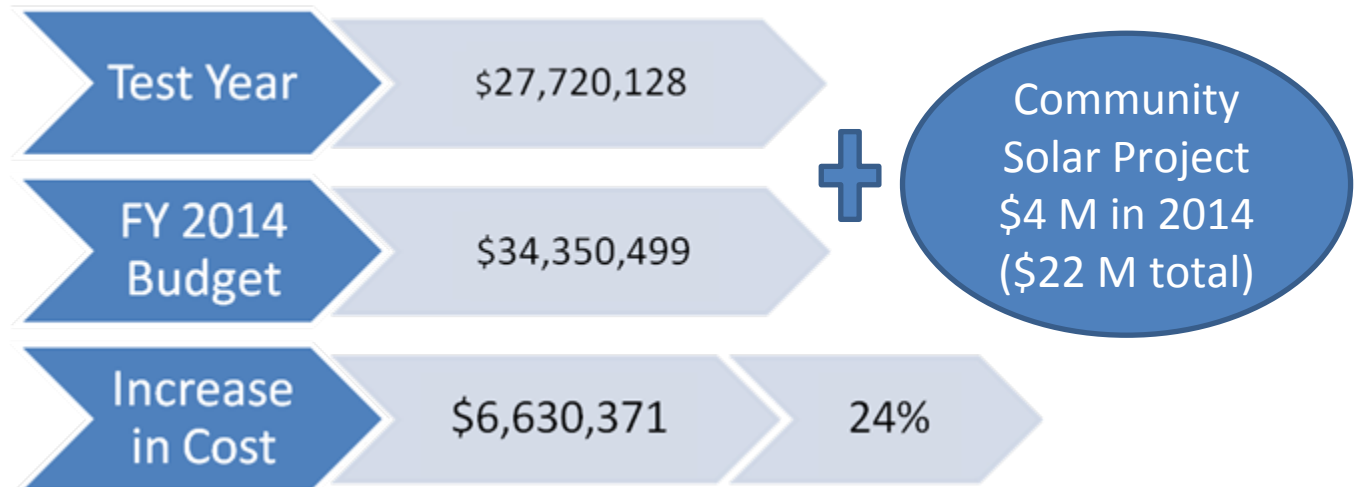




# ENERGY EFFICIENCY PROGRAM COST

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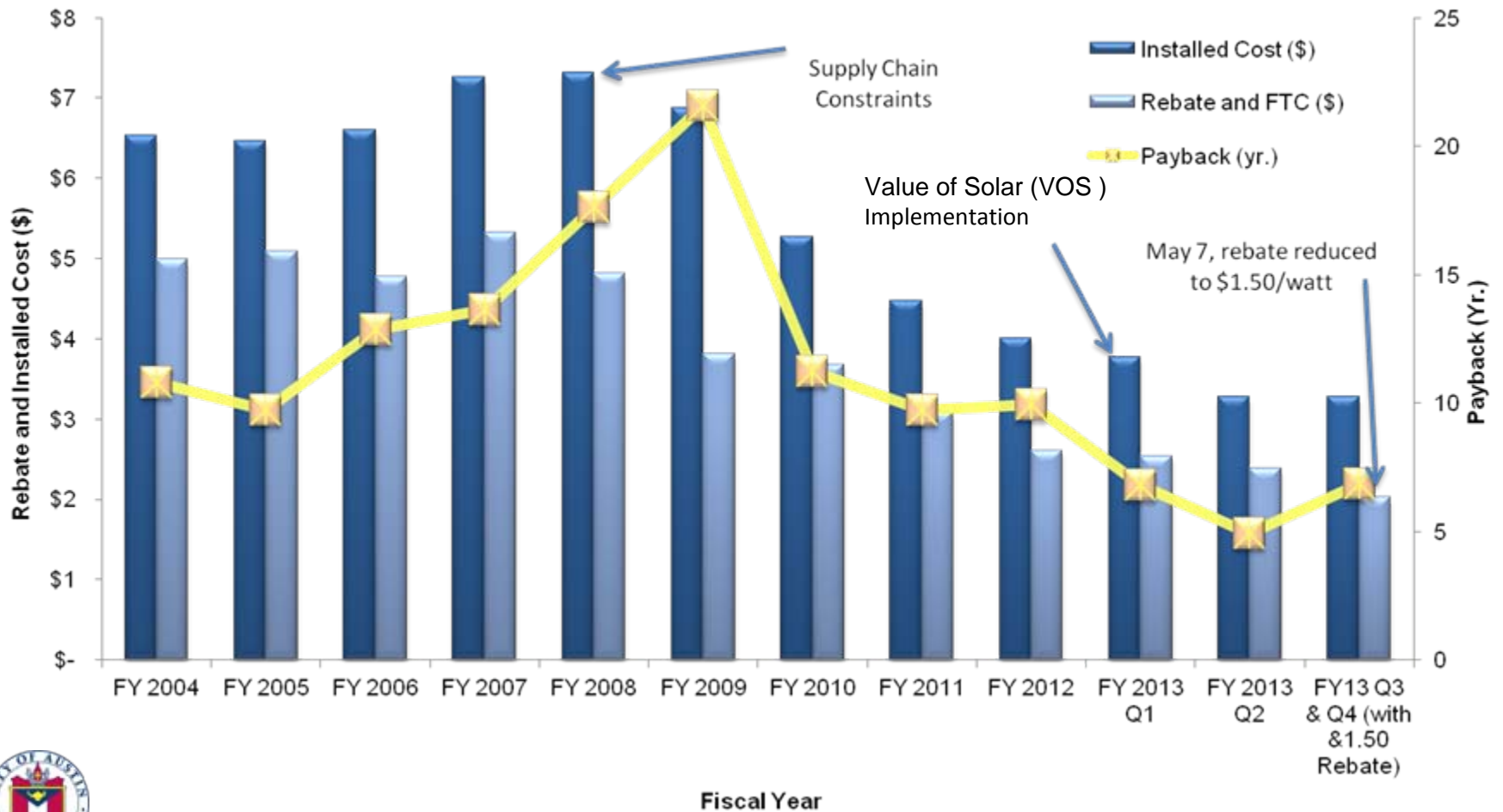
Cost Categories	FY 2012 Amended Budget	FY 2013 Amended Budget	FY 2014 Proposed Budget
Conservation Rebates & Incentives	\$ 14,749,199	\$ 14,364,230	\$ 17,934,598
Solar Rebates & Incentives	4,630,000	7,500,000	4,400,000
Education and Outreach	<u>11,143,999</u>	<u>12,370,125</u>	<u>12,015,901</u>
Total	\$ 30,523,198	\$ 34,234,355	\$ 34,350,499





# CONSUMER SOLAR PROGRAMS - RESIDENTIAL

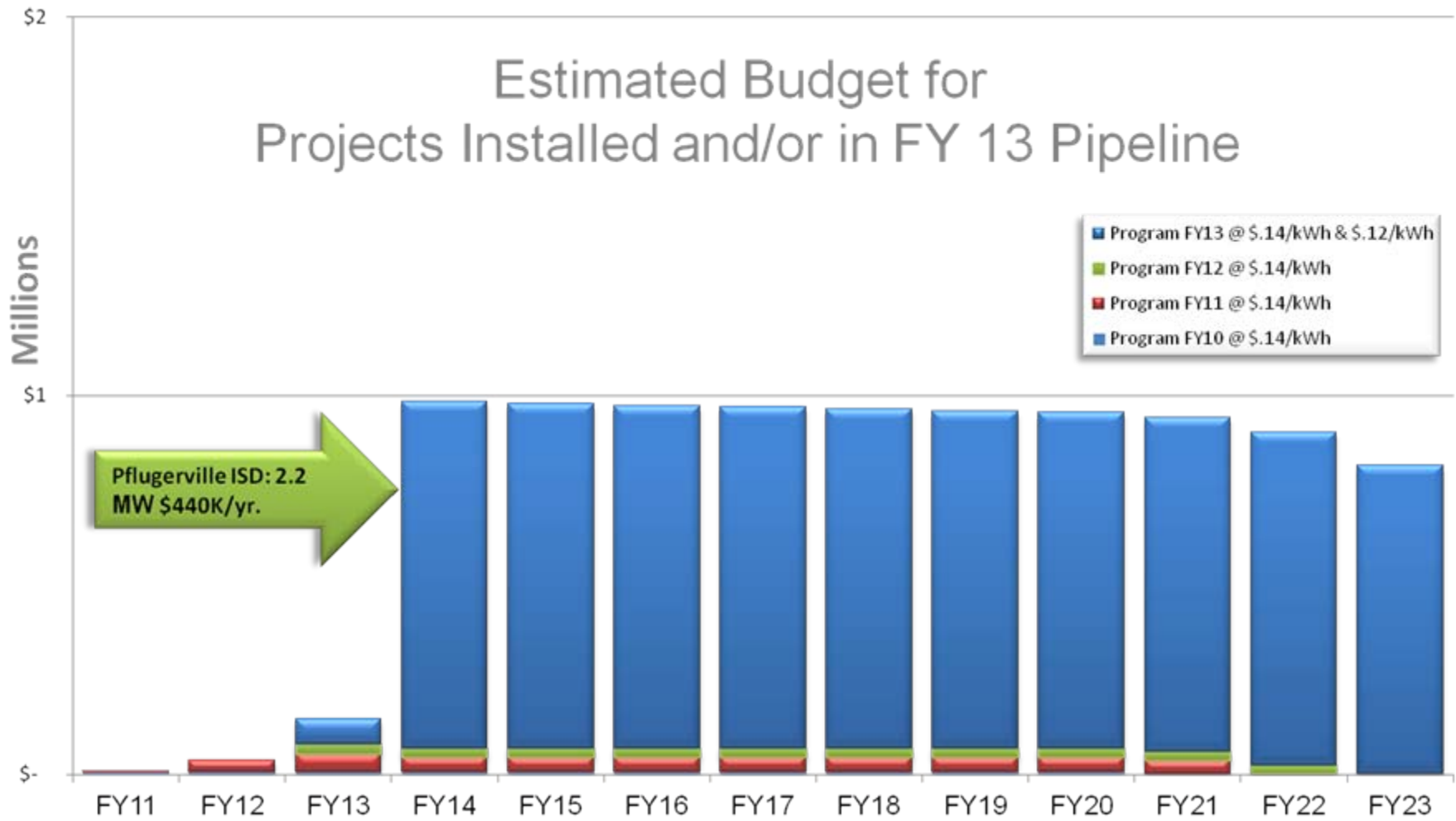
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# CONSUMER SOLAR PROGRAMS - COMMERCIAL

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Excludes impacts from future program year applications





# QUESTIONS?



*Sand Hill  
Energy Center*<sup>18</sup>