



Unlike Any Other

An introduction for the Electric Utility Commission

July 2015

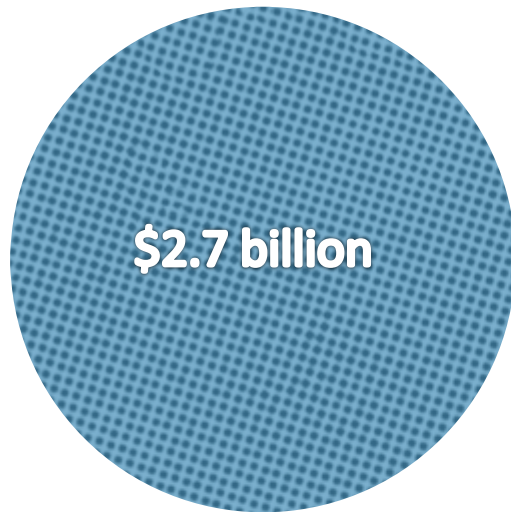


Overview

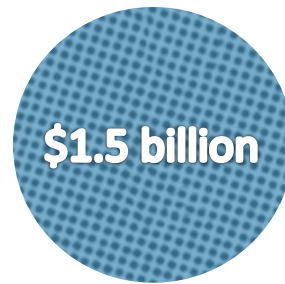
Robert Cullick, Director Communications and Marketing

2 large Texas cities control their electric utility

Unlike any other



CPS Energy
(San Antonio)



Austin Energy



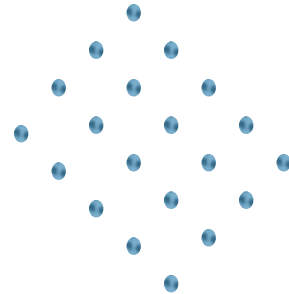
Garland

\$377 million



Brownsville

\$187 million





Only San Antonio and Austin have ...

- ❖ Exclusive right to serve retail customers
- ❖ City Council determines retail rates and policies
- ❖ Vertically integrated status

Unlike any other



Most Texans choose their provider

POWERCHOOSE

HOME | ABOUT SHOPPING

Shop. Compare. Choose.

77025 1-10 OF 288 1 2 3 ... SORT BY PRICE/kWh VIEW 10 PER ...

COMPARE	Company	Plan Details	Price/kWh	Pricing Details	Ordering Info
<input type="checkbox"/>	 TEXANS ENERGY No SCORECARD DATA HISTORY	<ul style="list-style-type: none">6 Month Texans ChoiceFixed Rate6 Months11% Renewable	1,000 kWh 4.3¢ 500 kWh 10.8¢ 2000 kWh 10.8¢	Minimum Usage Fees / Credits Cancellation Fee: \$150.00 Fact Sheet Terms of Service	Special Terms (855) 508-3926 OR SIGN UP
<input type="checkbox"/>	 TEXANS ENERGY No SCORECARD DATA HISTORY	<ul style="list-style-type: none">12 Month Texans ChoiceFixed Rate12 Months11% Renewable	1,000 kWh 4.3¢ 500 kWh 10.8¢ 2000 kWh 10.8¢	Minimum Usage Fees / Credits Cancellation Fee: \$150.00 Fact Sheet Terms of Service	Special Terms (855) 508-3926 OR SIGN UP
<input type="checkbox"/>	 GEXA ENERGY COMPLAINT SCORE HISTORY	<ul style="list-style-type: none">Gexa Choice 6Fixed Rate6 Months6% Renewable	1,000 kWh 4.3¢ 500 kWh 10.4¢ 2000 kWh 5.3¢	Minimum Usage Fees / Credits Cancellation Fee: \$150.00 Fact Sheet Terms of Service	Special Terms (866) 329-4392 OR SIGN UP
<input type="checkbox"/>	 PENNYWISE POWER COMPLAINT SCORE HISTORY	<ul style="list-style-type: none">Wise Buy Conserve 6 PlusFixed Rate6 Months5% Renewable	1,000 kWh 4.4¢ 500 kWh 8.5¢ 2000 kWh 4.9¢	Minimum Usage Fees / Credits Cancellation Fee: \$150.00 Fact Sheet Terms of Service	Special Terms (855) 265-9153 OR SIGN UP

Filters:

- TDU Area: CENTERPOINT ...
- Estimated Use: 1,001 - 2,000 kWh
- Price/kWh: ¢ to ¢
- Contract Length: to mo
- Plan Type:
 - ☒ Fixed Rate
 - ☐ Variable (Changing Rate)
 - ☐ Indexed (Market Rate)
- Prepaid Plans:
 - ☒ Show All Plans
 - ☐ Show Only Prepaid



Because we are owned by the public

- ❖ Austin City Council picks the rates, renewable content, and length of contract for the consumer
 - ❖ We want our customers' bills to be as low as possible, with affordable and competitive rates
 - ❖ All our proceeds build community
 - ❖ We are 2x and becoming 3-5x greener than the rest of the state

Community values, global benefits



Austin Energy helps consumers reduce their bill

❖ For renters

- ❖ Lowest 500 kWh cost, tiered rates
- ❖ Extraordinary, specific information about electric costs of rental units
- ❖ LEDs, appliance rebates and thermostats with quick payback
- ❖ 17,000* apartment units made more energy efficient
- ❖ Energy-saving building code
- ❖ Weatherization
- ❖ Green Building program
- ❖ Community solar with portable potential for long-term savings

* Rebates and Green Building Energy Code

918 kWh/month

❖ For owners

- ❖ Lowest 500 kWh cost, tiered rates
- ❖ Energy efficiency and appliance rebates
- ❖ Green Building
- ❖ Owned and leased solar payments and incentives
- ❖ Rooftop solar, community solar
- ❖ Weatherization



We help make paying bills more affordable

❖ Standard

- ❖ Budget payment plans
- ❖ Deadline extensions

Unlike any other

❖ Exceptional

- ❖ 20-30% discount for those enrolled in social welfare programs
- ❖ Most lenient deferred payment arrangement



All our proceeds build community

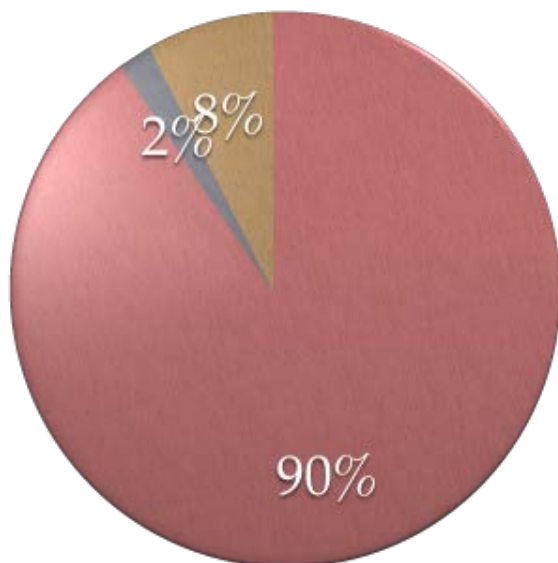
Unlike any other

- ❖ No profits paid to shareholders
- ❖ \$105 million current payment to General Fund, 3rd largest source of General Fund revenue
- ❖ \$50+ million more in shared services and payments
- ❖ Single billing system for all city fees and rates
- ❖ Superior reliability for high tech industries employing many of our customers
- ❖ Lake Austin, Lake Lady Bird and Decker Lake
- ❖ Streetlights, Moon Towers and Austin Energy Regional Science Fest

Greener power, cleaner world

● Wind ● Solar ● Biomass

Current renewable contracts



- ❖ The power we sell the market is 2x as renewable as power we buy
- ❖ We will soon be 3x more renewable
- ❖ 2014 Plan targets 5x renewable — 950 MWs solar, 1,575 MW wind, 900 MW energy efficiency and demand response; retiring coal and gas
- ❖ + 10,000 homes Green Building rated
- ❖ + Top 4 U.S. cities for electric vehicle charging; 55,000 sessions
- ❖ 2014 saw highest reduction in peak demand ever
- ❖ EPA: 2014 ENERGY STAR Partner of the Year - Sustained Excellence Award 10 years

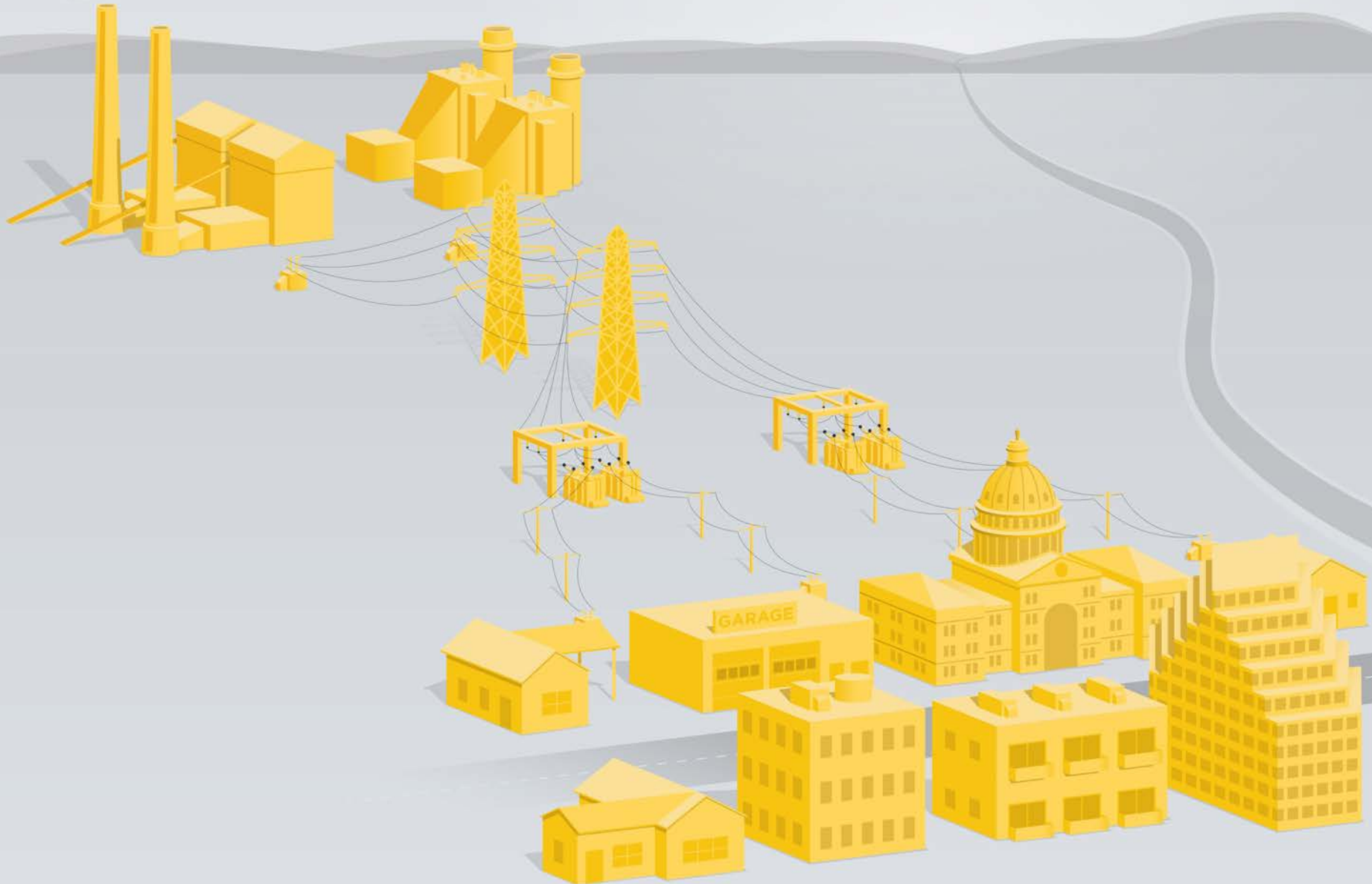


Myths, great and small

- ❖ We sell the power we make to our customers
- ❖ Our customers pay all of our bills
- ❖ We are immune to competitive pressures
- ❖ What happens in Austin, stays in Austin
- ❖ We serve Austin
- ❖ Energy efficiency and solar measures reduce or eliminate the need for Austin Energy to build new power plants
- ❖ Renewable power saves money today

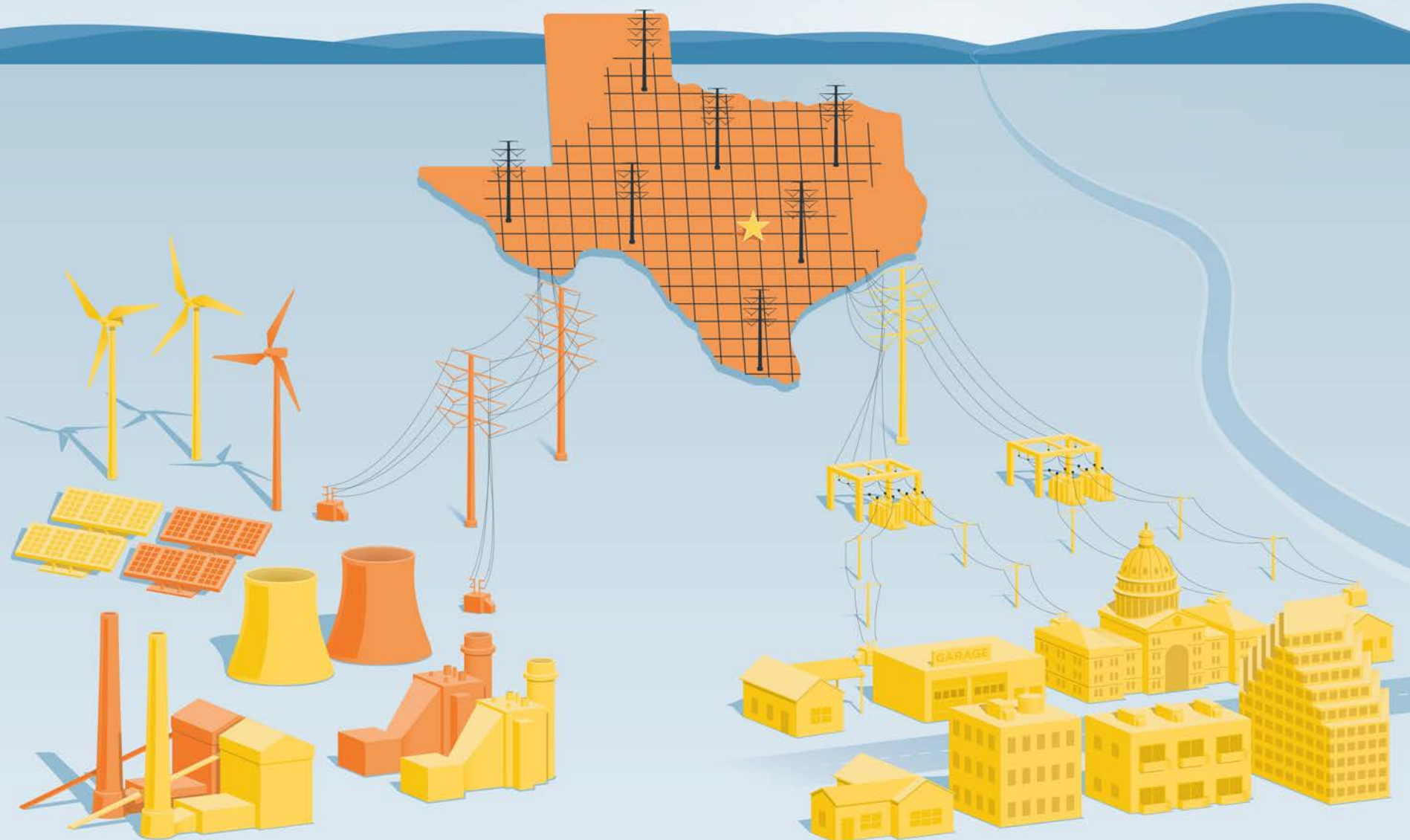
HOW IT IS ALL CONNECTED: THE OLD WAY

Austin Energy Serves the Community



HOW IT IS ALL CONNECTED: THE NEW WAY

Austin Energy Serves the Community





Current challenges

- ❖ Cost of service study possibly leading to rate change
- ❖ Large industrials and others, with legislative scrutiny, want long-term price reductions
- ❖ Council-adopted 500+ Generation Plan calls for investment in natural gas, solar and wind, disinvestment in old gas and coal
- ❖ Low and falling prices for our energy output



Austin Energy by the numbers

- ❖ FY 2015 Budget — \$1.51 billion
- ❖ # of employees — 1673
- ❖ Distribution lines — 11,429 miles
- ❖ Reliability better than industry average
- ❖ All-time summer peak — 2,714 MW
- ❖ All-time winter peak — 2,195 MW



Strengths

- ❖ Very reliable grid
- ❖ Very reliable power plants
- ❖ Diverse portfolio for production
- ❖ Well-placed if environmental rules tighten and early efforts are grandfathered
- ❖ Good people