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Customer Assistance Discount Program
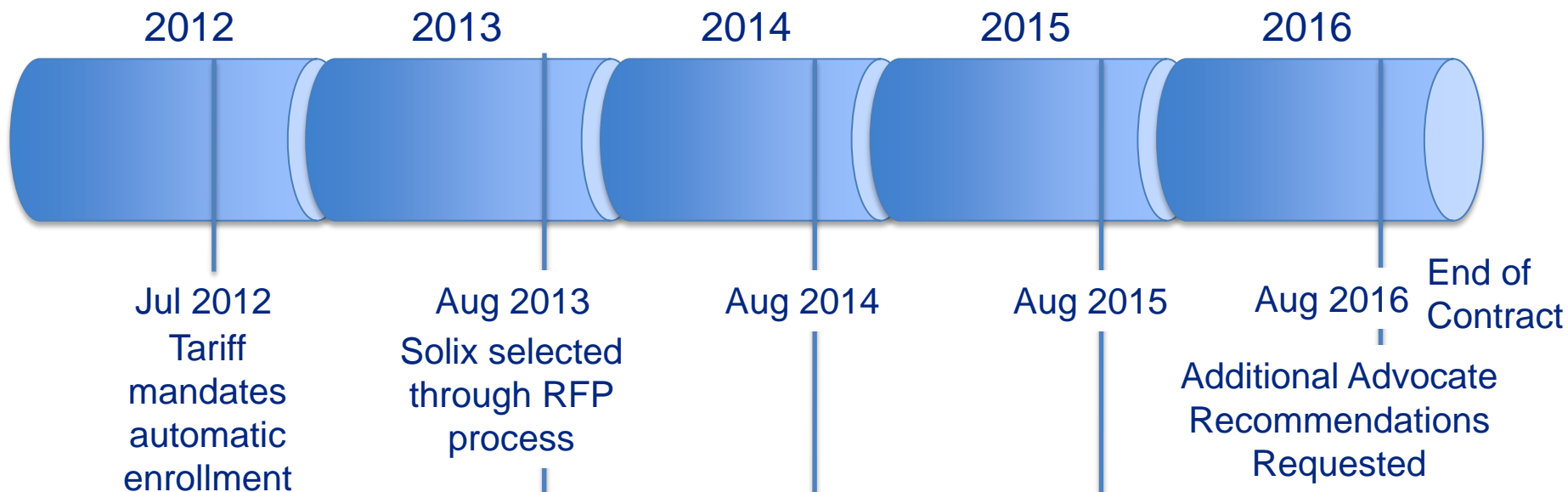## Solix Contract Update

Austin Energy Utility Oversight Committee

August 8, 2016

CLEAN, AFFORDABLE, RELIABLE ENERGY AND EXCELLENT CUSTOMER SERVICE

Automatic Enrollment History

2012   2013   2014   2015   2016

Jul 2012
Tariff mandates automatic enrollment

Aug 2013
Solix selected through RFP process

Aug 2014

Aug 2015

Aug 2016

End of Contract

Additional Advocate Recommendations Requested

Enhancements	Contract Yr 1	Contract Yr 2	Contract Yr 3
Base Scope	$500,000	$500,000	$500,000
Opt Out	$10,000		
Override	$10,000		
Home Value Screening		$55,000	
Veterans Assistance (VASH)			$20,000
Waitlist Removal			$4,000

The first recommendation has been added to the current contract. The remaining enhancements are included in an RCA for a new 5-year contract

Recommendation	Scope Change	Status
Quick Action	Modify the automatic enrollment process to send all opt-out letters at once for high value homes.	To be implemented in August 2016
Eliminate Double Payments	Update screening algorithm to eliminate duplicate discounts.	Implement under new contract
More Than One Property	Perform an annual audit to identify owners of multiple properties.	Implement under new contract
Income Verify Participants	Perform income verification for customers whose home values are over the $250,000 threshold.	Wait for further analysis
Dual Enrollment System	Eliminate automatic enrollment for when the beneficiary is not the account holder	Wait for further analysis
Eliminate 10% Discount for Top Two Tiers	Staff does not recommend implementation because it reduces benefit for low income customers	Not recommended

Cost Benefit Analysis

Recommendation	Scope Change	Cost	Savings	Staff Agrees?
TCAD Screening	Modify the automatic enrollment process to screen for high value homes.	$55,000 (one time)	$125,000	Yes
	Send all opt-out letters at once	$5,000 (one time)		
Stop Double Payments	Update screening algorithm to eliminate duplicate discounts.	$10,000 (one time)	$90,000	Yes
More Than One Property	Perform an annual audit to identify owners of multiple properties.	$50,000	$140,000	Yes
Income Verify Participants	Perform income verification for customers who's home values are over the $250,000 threshold.	$33,000 (one time)	$20,000	No
Dual Enrollment System	Eliminate automatic enrollment for when the beneficiary is not the account holder	$10,000 (one time) $24,000	$1,800,000 (7,000 participants dropped)	No
Eliminate 10% Discount for Top Two Tiers	This recommendation takes benefits away from low income participants, as a result staff does not recommend implementation	$10,000 (one time)	$2,200,000	No

Note: Costs and impacts are shown annually unless otherwise specified.

Contract Comparison

The new contract will include the all of the scope items from the original contract plus additional scope items.

*Costs are in thousands

Scope Item	Current 2016	Year 1	Year 2	Year 3	Year 4	Year 5
Base Contract	$500	$713	$783	$785	$785	$790
Recommendations[1]	$24	$142	$74	$74	$74	$74
Case Management[2]	--	$123	$126	$130	$135	$137
IT Security Audit[3]	--	$43	$43	$43	$0	$0
Annual Total	$524	$1,021	$1,026	$1,032	$994	$1,001
Annual Total without staff approved recommendations		$944	$1,002	$1,008	$970	$977

Increase to Base Contract cost is due to:
- Higher enrollment levels (previous contract was based upon enrollment level of 25,000)
- Increased complexity in system maintenance, interface maintenance, and reporting

New Scope Items
1 – New contract costs include all 6 advocate recommendations
2 - Case Management will be performed for the Weatherization and Medical Vulnerable programs.
3 - New requirement to protect customer's personal information:

EUC review of RCA for new automatic enrollment contract

EUC passed contingent on cost benefit analysis, June 29, 2016

RCA for 5-Year Automatic Enrollment Contract

RCA to Council on August 18, 2016

Thank you