



**AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE
MINUTES**

**REGULAR MEETING
AUGUST 15, 2016**

The Austin Energy Utility Oversight Committee convened in a regular meeting on Monday, August 15, 2016 at 301 W. 2nd Street in Austin, Texas.

Chair Sheri Gallo called the committee meeting to order at 11:22 a.m.

Committee Members in attendance:

Chair Sheri Gallo
Vice Chair Leslie Pool
Mayor Steve Adler
Council Member Gregorio Casar
Council Member Delia Garza
Council Member Ora Houston
Council Member Ann Kitchen
Council Member Sabino “Pio” Renteria
Mayor Pro Tem Kathie Tovo
Council Member Don Zimmerman

Committee Members absent:

Council Member Ellen Troxclair

APPROVAL OF MINUTES

- 1. Approve the minutes of the Austin Energy Utility Oversight Committee meeting of August 8, 2016.**

The minutes of the August 8, 2016 meeting were approved on Mayor Adler’s motion, and Council Member Houston’s second, on a 6-0 vote. Vice Chair Pool and Council Members Casar, Garza, Troxclair, and Zimmerman were off the dais.

CITIZEN COMMUNICATION: GENERAL

- 2. The first five speakers signed up before the meeting is called to order will each be allowed three minutes to speak.**

There were four speakers:

- Richard Halpin spoke about his concerns with how Austin Energy’s rate proposal would affect houses of worship and those who use the least energy.
- Randy Chapman spoke on behalf of the Texas Legal Services Center in favor of the impartial hearing examiner’s recommendation regarding late fees for those in the Customer Assistance Program (CAP).

- Paul Robbins spoke about changes that should be made to the upcoming contract for the CAP automatic enrollment administrator.
- Rebecca Melançon spoke on behalf of the Austin Independent Business Alliance and suggested changes to the demand charge for small commercial customers.

The Committee members recessed the meeting at 11:35 a.m. and reconvened the meeting at 1:14 p.m.

BRIEFINGS

3. Staff update and briefings from each Party to the rate review process regarding the impartial hearing examiner's recommendations.

(Notes: SPONSOR: Council Member Sheri Gallo, CO 1: Council Member Leslie Pool, CO 2: Mayor Steve Adler)

Mark Dombroski, Austin Energy Interim General Manager, introduced Jackie Sargent, the new Austin Energy General Manager.

Thomas Brocato, Lloyd Gosselink Attorneys at Law, provided terms of a settlement agreement in principle that had been reached with 18 of the 26 parties.

Following the update, intervenors were called up to provide their briefings:

- John Coffman, Independent Consumer Advocate, spoke about points of compromise for residents, small businesses, and churches as part of the settlement agreement and how it would affect their bills
- Trey Salinas spoke on behalf of Applied Materials, Building Owners and Managers Association of Austin Energy (BOMA), Cypress Semiconductor, Coalition for Clean Affordable Reliable Energy (CCARE), Seton Healthcare, and St. David's Healthcare. He stated their support for the agreement was due to the cuts also going to the residential class; that this was the first real step getting the utility back to the lower 50th percentile of rates in the state; and added that staff had acted respectfully and responsibly throughout the process.
- Randy Chapman spoke on behalf of Austin Energy Low Income Customers and stated the CAP was one of the best discount programs in the country, and the "choose your due date" program would help customers avoid late fees.
- Cliff Wells spoke on behalf of Bethany United Methodist Church and provided a description of the houses of worship (HoW) accounts and stated smaller HoW accounts would be most affected by the proposal.
- Scott McCollough spoke on behalf of Data Foundry and stated that rates should be cut a lot more; that the Primary 2 rate class needed to be cut closer to the impartial hearing examiner's recommendation; and they could not accept the settlement.
- Roger Borgelt spoke on behalf of Homeowners United for Rate Fairness and stated the rates process was much better compared to 2012, and they support the proposed agreement as it maintains the settlement reached from the 2012 rate case in regards to out of city customers.
- Jose Carrillo spoke on behalf of the Greater Austin Chamber of Commerce and stated they were supportive of the settlement and how it will get the city closer to the affordability goal.
- Chris Hughes spoke on behalf of NXP Semiconductor and Samsung and stated their support of the settlement agreement, and that the coalition of parties to the agreement had been important.
- Paul Robbins stated the out of city rate discount was not cost-based and was too expensive; the current residential structure should be left unchanged; and the CAP should be fixed before it is increased.
- Kaiba White spoke on behalf of Public Citizen and Sierra Club and stated that financial planning to retire the Fayette power plant is needed; current rate tiers with seasonality should be maintained; value of solar should be expanded to commercial customers; and full and fair funding was needed for energy efficiency and solar programs.

Mark Dreyfus, Vice President, Regulatory Affairs and Corporate Communications, provided the next steps in the rate review process.

Discussion included points brought up by the intervenors in their briefings and how the terms of the proposed settlement agreement would affect customers. Council Members made the following requests: a list of the terms of the proposed settlement agreement, rate impacts for the different customer categories and residential tiers based on the proposed settlement, an update on discussions between the Lower Colorado River Authority (LCRA) and Fayette County regarding effects of retiring the Fayette Power Project, and more detail about the “pick your own due date” pilot.

FUTURE ITEMS

4. Discussion of future agenda items.

This item was not addressed.

ADJOURN

Chair Gallo adjourned the meeting at 3:10 p.m. without objection.

The minutes were approved on this the 22nd day of August 2016 on Vice Chair Pool’s motion, Council Member Houston’s second on a 6-0 vote. Council Members Garza, Kitchen, Renteria, Troxclair, and Zimmerman were off the dais.