



Recommendation for Action

File #: 22-1031, **Agenda Item #:** 63.

1/27/2022

Posting Language

Conduct a public hearing and consider an ordinance regarding CenterPoint Energy's proposal to change customer natural gas rates and to adopt an Energy Efficiency Cost Recovery Rider.

Lead Department

Financial Services Department - Office of Telecommunications and Regulatory Affairs.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

February 12, 2015 - Council approved Ordinance No. 20150212-037 granting a franchise agreement to CenterPoint Energy Resources Corporation.

December 9, 2021 - Council approved setting a public hearing for January 27, 2022.

For More Information:

Rondella M. Hawkins, TARA Officer; (512) 974-2422.

Council Committee, Boards and Commission Action:

To be reviewed by the Resource Management Commission (RMC) on January 18, 2022. The RMC had no meeting in December of 2021.

Additional Backup Information:

On November 3, 2021, CenterPoint Energy, South Division, filed a proposed Pilot Energy Efficiency Program and corresponding rate increase for its customers in the City of Austin. CenterPoint is required to offer an energy-efficiency program to customers per their franchise agreement once they exceed 5,000 Austin customers. With currently less than 2,000 Austin customers, CenterPoint has proposed to design, implement, monitor, and evaluate a pilot energy efficiency program sooner than required.

CenterPoint seeks to recover program costs concurrently with implementation of the pilot through a fixed residential customer rate component, effective February 1, 2022, through December 31, 2022. The proposed monthly impact to residential customers will be \$.59 and \$8.73 to the general service-small customers.

The proposed tariff will require CenterPoint to true-up actual program costs and energy efficiency revenues to reconcile any over/under-collection. The Financial Services Department will work with CenterPoint to evaluate the projected budget, annual energy savings and net economic benefits that CenterPoint is planning to achieve in the first year of the program.

Article XI of the City Charter requires that City Council conduct a public hearing before taking action on the proposed rates. Staff recommends approval of the new Energy Efficiency Cost Recovery Rider tariff.

Strategic Outcome(s):

Government that Works for All.