

# Austin Energy Utility Oversight Committee (AEUOC)

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>> Pool: Thank you, mayor. I'm Leslie pool, chair of the Austin energy utility overall sight committee. I am convening our regular

[2:10:51 PM]

meeting. It's Tuesday, June 7th, 2022, the time is 2:10 P.M. Looks like we have a full dais here, although a couple of folks may have checked out briefly, but I expect to have a full dais here. Welcome everyone. I want to take speakers up first. We have four people who want to speak to us remotely and one person in-person. And normally we take the in-person person first, but I wanted to check with Mr. Robbins to see if he wanted to go first or if your timing is such that you would like to go be fifth. So it's up to you. And everybody will have three minutes, although I will also note that we have such a packed agenda today that we'll be going back to our work session, if you are able to deplete your comments in less than three minutes that would also be a lovely things. Mr. Robbins, do you want to

[2:11:54 PM]

lead off? Welcome. Be sure to turn on your mic. And then if somebody could do some timerring for us at three minutes, please. Thank you.

>> Council. I spoke to you a month ago about the customer assistance program's continually poor record of giving money to the wrong customers. Slide. Slide. Slide. Yeah. ING this a mansion whose owner was receiving cpa in September of 2021 and was continuing to receive it in 2020. A month ago I showed you statistics which they're repeating -- which bear repeating. Both San Antonio and Sacramento, which have public utilities larger than Austin energy, have low income discount programs. Austin's flawed auto

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enrollment that continues to enroll people who own mansions like this, at least the last time I was allowed to see the data, they both income qualify their participants. Slide. And both utilities have higher numerical participation. Slide. And both utilities have a larger percentage of their customers who are enrolled. San Antonio is very slightly -- excuse me. Both utilities have a large percentage of their customers enrolled. San Antonio is very slightly lower because they have a threshold of 100% of the poverty level, whereas Austin has 200 percent of the poverty level. But Sacramento has twice the percentage of participation

[2:13:55 PM]

as Austin. Slide. I am asking -- slide. Slide.

>> Pool: I think we have a little bit of training going on so be patient and the slide will be up.

>> Okay. I'm asking again for you to ask the city auditor to investigate this. Specifically there are three things. First, check my math. Once you confirm my statistics, ask the auditor to investigate why these other utilities are doing a better job? Third, investigate why Austin energy never did their homework when they established this flawed automatic enrollment model in 2013. It is common practice in

[2:14:56 PM]

most professions to research what other companies and agencies are doing when you create a new program.

[Buzzer]. When I asked for this under open records, no information was provided. Council, Austin energy continues to fail here and the poor are losing money because of it.

>> Pool: Thank you, Mr. Robbins. The next four speakers are all remote. So if we could queue up in this order, kaiba white, Cecily Montgomery, Jordan middle brooks and Hannah hues. First is kaiba. Welcome and you have three minutes. Timer, please. And how -- I guess run that timer there and how are we bringing in the virtuals.

[2:16:00 PM]

>> Just a second.

>> Hello, can you hear me?

>> Sounds like we have a speaker. Is this kaiba? Is it kaiba?

>> Yes. This is kaiba white on behalf of public citizens Texas office. Can you hear me?

>> Pool: We can. You will have three minutes. We have a timer here. I don't know if you can see it, but you will hear the

[2:17:01 PM]

bell, of course. Go ahead, kaiba. Welcome.

>> Okay. Thank you, chair woman pool and council members. I appreciate the opportunity to speak. And thank you for holding these meetings on Austin energy matters. I wanted to touch on a couple of issues today. First, on the rate case, public citizen is participating in the rate case and we are grateful that there is a process who scrutinized and participate in rate-making for Austin energy.

[Indiscernible]. I do want to raise a couple of concerns which I think you V also received in written format from Sierra club. We share those concerns and I wanted to touch on that. First, the timeline has been very condensed and has made it a real challenge to get

[2:18:02 PM]

information and participate in meaningful ways. Some adjustment has been made there, but it is still a challenge. There is too an artificial limit on the number of questions a participant can ask and that is six questions. That -- 60 questions. That might sound like a lot, but when you're trying to get information to truly evaluate the validity of Austin energy's proposal and put forward alternate proposals, 50 questions is actually not that much at all. And we are at our limit and so we now are faced with not being able to ask anymore questions throughout the entire process. So I do encourage council to ask Austin energy to loosen up those restrictions. Also around the scope of the rate case in general, in this proceeding, unlike the last one in 2016, it's been limited to just base rates

[2:19:04 PM]

and the [indiscernible]. So that offers no opportunity at least in theory for us to

[indiscernible] The many programs that are so important to customers in terms of energy efficiency and support for solar and other energy services that do so much here and improve resilience and

affordability in our community. So I'm going to put that as another issue that I have proposed to city council and weigh in. And in particular because there is very little process currently around updating [indiscernible]. I'm sorry, there is somebody else talking. Can y'all hear me?

>> Pool: Continue. We can hear you.

>> Okay, thank you. So we're pretty concerned about the -- I guess the

[2:20:07 PM]

medium and long-term health of those fees that go towards the programs that I think are most important to customers in terms of controlling their bill. So second topic I wanted to touch on is the fayette power project. I realize that there is a lot of challenges around what to do with fayette and how to maintain the goal of actually shutting down Austin's portion of that plant. I realize there's not a permanent solution, but my request is that this committee have a standing item for each meeting that addresses and updates and opportunities for public healths as well as regarding the phase II coal plant. I would be asking you to ask questions about budgets, expenditures, asking Austin energy to bring those proposed budgets and

[2:21:07 PM]

expenses to council for approval even if all that has to happen in an executive session so that you all can do your full job of providing financial oversight to the utility just as you do for all the other expenses throughout the city.

[Buzzer]. And that's not to say that Austin energy isn't trying to get out of the plant. It's just that it is complicated and you all are elected representatives and we're asking you to really step in and put it on those agendas each month so that you --

>> Pool: Thank you very much. Thank you very much, Ms. White your time has expired. Thank you so much. The next speaker for three minutes is Cecily Montgomery. Is she on the line?

>> Hey there. Can you all hear me?

>> Sure can. Go ahead, Ms. Montgomery. You have three minutes.

>> All right. My name is Cecily Montgomery and I'm here with sunrise

[2:22:07 PM]

Austin. We're a local environmental justice organization. Thank you so much for having me. I'm just here to talk real fast about the fayette power project. I know that and ask that city council takes steps -- take all actions within their powers to work to close the plant. I know that Austin energy was supposed to cease operating their portion of the plant last fall, but unfortunately could not reach an agreement with the lcra. And I am calling to ask that the Austin city council use the -- use the power that they have in terms of financial oversight overfayette to work towards closing the plant. I know that the city

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council's approval is required before Austin energy can sign off on fayette budget, and I believe that council should not approve most expenses for fayette as a means of holding the city to their commitment to shut down their part of the plant. And the reason I'm making this request is because Faye yet is one of the dirt -- fayette is one of the dirtiest plants, especially coal plants, in the united States. It has a high carbon footprint and is behind a huge amount of Austin energy's emissions. I believe that and my organization believes that closing this plant would be a key step in order to help Austin achieve their climate equity plans. This plant has been behind a number of E.P.A. Violations in the past as well as a waive of dying vegetation out in the hill country,

[2:24:09 PM]

including things that people sell for money, including pecan trees that was linked to carbon sulfide emissions from the plant and further water beneath the plant was found to contain unsafe levels of various toxins of various types. So yes, it is my ask that council use their power to not approve those expenses for fayette. Thank you so much for having me.

>> Pool: Thank you so much. The next speaker is Jordan middlebrookes. Is Ms. Middlebrookes on the line.

>> Can you hear me all right?

>> Pool: Yes. You have three minutes. Thanks for joining us.

>> All right. Thank you very much for having me today, council. My name is Jordan. I also am with the sunrise movement Austin just like Cecily. We are here to ask for specific Austin to be taken on the fayette power project. Like Cecily was mentioning,

[2:25:09 PM]

this coal plant is 80% of Austin energy's emissions and in order to meet the goals that Austin energy has communicated towards their 2035 climate goals as well as to achieve the climate equity plan that the city and the office of sustainability is working towards, this plant must be closed to make any of that achievable. But beyond that we are also here to ask for the city to work towards transition for the city of la grange. That is a longer term goal and strategy and is to require partnering with the city of la grange where most of their sources of jobs and income also come from this powerpoint. But that said, more specifically what we're asking for specific action on in the immediate term from you all is to really help us make climate justice possible in Austin. The specific ask regarding fayette is that the Austin city council has the responsibility to exercise

[2:26:11 PM]

financial oversight over fayette has it it is for her city expenditures. So we are asking for your approval of the city council be required before Austin energy can sign off on fayette budgets and any expenses over the limits established in the city charter, which in the city charter, article 7, section 15, says that the limit is \$43,000 annually which most expenses for fayette would likely exceed that amount. So you should have the authority to take action and oversee the budget and decline any budget request that go towards furthering operations or maintaining a plant. My organization thinks that council should not approve the expenses for fayette given that the city has committed to shutting down this plant by the end of the year. This is currently there's been no information shared by Austin energy, there's been no information shared by the city and we're also about to experience rate increases which is going to directly impact people's ability to live in the city and ultimately Gates displacement. So it is urgent that you all have the power to take

[2:27:12 PM]

control over the budget, oversee the budget and work with Austin energy to help get out of this plant and ultimately to also help provide a just transition to the folks of la grange who will need a source of income and we believe that could come from renewable energy or any good green jobs that could be created in the area. So that is our specific ask of you. Ultimately we are looking for you to take action and really help us make climate justice possible in the city of Austin. So thank you very much for having me. And I will waive the rest of my time.

>> Pool: Thank you so much, Ms. Middlebrooks. Thanks for coming. And our last speaker today with three minutes is Hannah hues. Ms. Hues, are you on the line? Hello, can you hear me?

>> We can. You have three minutes.

>> Hello, I'm Hannah Hughes, an original film creator in Austin with Texas rising. We're a non-profit organization dedicated to

[2:28:12 PM]

empowering young people to get involved in local governance. As myself and many of our Texas residents loved last year was the passing of that limit equity plan that so many folks before me have spoken about and that signals to me and

[indiscernible] Around Austin that the city council is truly invested in the future of all Austin its Ares, especially just young officers. And we believe that the council should not approve most of the expenses for the fayette coal plant given that you did commit to shutting part of it down last year to reach the climate equity goals. I understand that that process with the lcra has been long and very troublesome, but at least we should be able to expect that the fayette expenses are given the same scrutiny as other expenses by the city. As the Austin city council as well as the Austin energy oversight committee, y'all have not only the responsibility, but the power to direct financial oversight over Austin energy

[indiscernible] Of fayette coal plant. I hope the council to further commitment to the ties that Austin energy has

[2:29:13 PM]

to the fayette plant and thus recommitting to the changes needed to accomplish the goals laid out last year from the climate equity plan. Thank you.

>> Thank you for coming and thank you to all the speakers today. That is all. I believe there's no one else to speak. All right. The next item of business is the next order of business is approving the minutes. Council member Harper Madison, would you like to make the motion? Is there a second? Any comments? All in favor, please raise your hand. That looks unanimous across the board. Thank you all so much. General manager sergeant, ongoing are next to give us your general managers report. Welcome.

>> Thank you, and good afternoon. In addition to my report today, as the general manager, our director of budget, accounting,

[2:30:14 PM]

and risk John Davis is going to provide for you our financial report for the second quarter. And then deputy general manager and chief operating officer Sydney Jackson will provide an overview of the second quarter operations briefing, and they will be brief in those overviews since that information has been presented to the electric utility commission already. And then finally, our senior vice president of regulatory compliance and communications Tammy cooper will provide an update on the base rate review process and the community outreach that we have completed. I'll begin today with a briefing on four upcoming items, request for council action. The first item is to authorize negotiation and execution of a professional services agreement not to exceed \$6 million for the 2022 rotation list for inspection

and analysis of power generation facilities. The two recommended firms, inner tech aim and metallurgical

[2:31:16 PM]

engineering services will conduct inspections, testing, and engineering analysis at both power plants and also at our district cooling facilities. The next item is to authorize an amendment, and increase funding by \$850,000 to an existing contract with Mitsubishi electric power products for continued gas insulated switch gear and related services. The revised total contract would not exceed \$7.65 million. The proposed amendment will provide Austin energy additional funding required due to delays of the substation project. The covid-19 pandemic caused a temporary halt in construction and supply chain disruptions have affected the timeline. The next item negotiation of a five-year contract with techline inc. To provide remote street light monitoring. The asset management, or roam system, improves the performance

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of city street lights by communicating outages directly to Austin energy. This contract will replenish stock for construction, critical repairs, and maintenance. The final item is to authorize negotiation and execution of an \$18 million five-year contract with Tei construction services for power plant and district cooling specialized maintenance and repair services. I'm pleased to share that Austin energy was awarded energy star partner of the year for sustained excellence in energy efficiency program delivery. Austin energy increased participation in home performance with energy star by more than 10% over the previous year. Key 2021 accomplishments include more than 1 million in rebates for home performance with energy star customers, and investing nearly 3 million on weatherization, home performance

[2:33:18 PM]

with energy star program has now completed more than 25,000 projects to date. And I want to congratulate our Austin energy team for all of their hard work and focus on this. Next, I'm pleased to announce publication of Austin energy's 2021 annual report. It includes our financial performance and summarizes our achievement in areas such as energy resources, system reliability, customer service, energy efficiency, and community involvement. Comprehensive reporting helps us to meet our goal of being transparent. And to keep our community fully informed. Along those same lines, I'm pleased to announce that the 2021 customer energy solutions progress report is published and online as well. It's an analysis of the savings and rebate available to our customers in such areas as green buildings, and electric



[2:34:19 PM]

vehicles. Next slide. Now I would like to recognize those who helped bring electricity to families for the first time. Travis Helmick, Daniel mower, Robert Bartosh, Daniel Alvarez, Paul Peterson, William satchel, Rubin Mesa, and Daniel bovier. These Austin energy crew members worked alongside the navajo tribal utility authority to light up navajo nation homes. They also helped construct an eight-pull line extension to add needed infrastructure to the area. Their work is part of a partnership with the American public power association, the navajo tribal utility authority, and utilities from ten other states. After our crews brought one home online, the young son who lived there exclaimed to his mom, the first order of business was going to be to take a hot shower. And the second, play video

[2:35:19 PM]

games. Travis said this about the smeerns. What I didn't expect was the overall sense of gratification that came from bringing electricity to people who had never had power before. Had never been able to turn on a light. Turn on a stove. Or take a hot shower. It was a great experience, and one I'll always remember. With that, I'll pause and answer any questions you have.

>> Pool: Do we have any questions or comments from the manager? I wanted to mention the light up navajo really touched my heart. I will note that it's 21st century and it's 2022. In Texas, it was the rural electrification authority, and I think it was the efforts in the '30s to bring light and electricity to those communities who also didn't have it. But that was almost 100 years ago.

[2:36:20 PM]

I'm grateful to know that Arizona is moving forward with electrification for the navajo people and I am very grateful with the work that Austin energy participated in. That is super important work. Thank you all, and thank you to the staff for that. Anything else for the general manager?

>> Tovo: I also wanted to extend my thanks, and ask that you do is with your employees. And I wondered -- and I really appreciate the staff member who wrote about his experience. I wondered if it might be appropriate, colleagues, to provide those individuals with distinguished service awards. Those are the kinds of things that I think we should recognize in that format.

>> Pool: I think that's a great idea. We shall do that. We'll move on now to the next item. John Davis is our director of finance for Austin energy. Mr. Davis, you are up.

[2:37:30 PM]

>> I'm here to present the quarterly results. This report contained forecasted as well as unaudited information and is subject to change. Our audits were published in March of this year and can be found at the link noted. Next. In addition, the rest of the presentation you have in your materials contains further details about Austin energy's financial results year-to-date for the period ending March 31st. This report concludes with a special focus section, and for this quarter, we chose to include an overview of the relationship between Austin energy and Austin energy's operations and its credit rating agencies. Which you can read when you have a chance. At the end of the second quarter, fiscal year 22, we're generally compliant with all financial policies. Although our contingency and

[2:38:31 PM]

capital reserve balances are still sitting below the minimums, once we considered the additional working capital available in the form of cash. We exceed the minimum required reserves of 480 million. Our operating revenue through the second quarter was 707 million or 6% more than budget, while our operating expenses with transfers were 786 million or 7% more than budget. This increase in revenues was mostly do to weather increases in usage for the six-month period ending March 31st. Included are transfers to support our operations and transfers to cover debt service as well as to fund the cash portion of our construction expenditures. All of which nets to an actual deficiency of 79 million versus a budgets deficiency of 69 million. At the end of March, our cash balance was 234 million, which was a decrease of 226 million from a year ago. Primarily due to cip funding

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needs, decreased margins, and the power supply rate reduction attributable to winter storm uri. Austin energy continues to meet the standard rating of double-a. However, as we discussed last quarter, we do continue to see declines in key metrics, which is why the rate change is currently under consideration. This will give the utility the best opportunity to maintain that aa rating. That concludes my presentation.

>> Pool: Thanks, Mr. Davis. Any questions on the quarterly financial? Very good. Sydney Jackson is next, the chief operating officer, to give us the second quarter operations briefing. Mr. Jackson, always good to see you. Thank you for being here today. You have the floor.

>> Good afternoon. I am Sydney Jackson, deputy general manager and chief operations manager at Austin

[2:40:35 PM]

energy. The Q2 timeframe represents operations performance for the months of January, February, and March, from a utility operations perspective, these months are vital as we typically experience winter peak loads during this timeframe. Can we move to slide number 3, please? In an effort to aid our expediency, I have added this one-page executive summary, which conveys the key performance attributes across the major operational areas, and I will focus on this singular summary versus going through the submitted report page by page. Just looking at the upper left-hand corner, generation availability is on target for the quarter at nearly 100% for key generation facilities, except where we had planned generation outages. Looking at the lower left, key reliability benchmarks were negatively impacted for the quarter, just due to winter storms, to include the recent February winter storm Landon.

[2:41:35 PM]

As you can recall, sleet, freezing rain, precipitation, ice, and associated temperatures in that February winter storm. But overall, and on a yearly basis, reliability benchmarks remain statistically consistent with top industry quartile benchmarks. Looking at the top right, renewable performance and renewable output for the quarter is on target at 59% for the collective quarter or 1.87 million megawatt hours, and this represents the single largest generation segment of our portfolio. At the bottom right, carbon-free production for the quarter remains on target with a month of March facing 100% as a percentage of load. Meaning 100% carbon-free production during the month of March as a percentage of load. Or 88% carbon-free production as a percentage of load for the collective quarter. In summary, the Austin energy operational indexes are on track, and with that high level

[2:42:36 PM]

summary, that concludes the Austin energy Q2 operations update.

>> Pool: Thanks, Mr. Jackson. Any questions? Yes, mayor pro tem.

>> Alter: At one point, we were talking about a 62% target for renewable, but now we're saying we're at 59%.

>> So when we look at carbon-free goals 2035, the hundred percent goal, 2030, 93% goal. 2025 would be 86% goal. Those are the three goals that we have in our generation resource plan. If you look at production in 2021, the statistics we're reporting for carbon-free performance during the year of 2021 I believe is 73%.

>> It says 59%.

>> Thank you.

[2:43:41 PM]

>> Vice president, energy market operations and resource planning. Could you repeat your question?

>> Alter: So I had in my head that we were doing 62% renewable, and this is saying 59%. And I believe at some point, that was either an interim target or when we were doing our power purchase agreement, that was the number that was provided, and I'm just trying to understand that deviation. And that was just the number I had in my head.

>> That's a good question, or at least a point that you're making. So the renewable generation is going to fluctuate from year to year. I think that's expected, right? I think it depends how much renewable generation, how much wind is blowing. We also have market design that allows these renewable assets to generate as much as they can until there's constraints on the

[2:44:43 PM]

grid. So let me just give you an example. Four years ago, three or four years ago, we used to have two or three gtcs. These are generation transmission constraints due to intermittent resources. And now, ercot has on the order of 12 or 14 of those. As more assets are added to the grid, it's more of a challenge for us to manage those assets. So there are times that our assets are constrained. So, the point of that is that this percentage that you see will fluctuate from year to year, and we're always looking for ways to be able to improve that percentage. So we have those percentages as goals and targets that are in our resource plan, and we also have a renewable percentage of 55% by 2025 and 65% by 2027. And we feel very confident that

[2:45:43 PM]

we'll be meeting all of those goals.

>> Alter: Thank you.

>> Pool: Thanks. Anything else? Yes, council member vela.

>> Vela: So the constraints on the intermittent generation, are those still the transmission bottlenecks from the panhandle in west Texas?

>> There's several of them throughout the state. Right now, there are transmission upgrades that are occurring in the valley. So a lot of those assets down there are exhibiting some mitigation flags. And so that transmission upgrade is happening over the next two to three years. And it will free up a lot of that capacity to come through.

>> Vela: Is that the coastal wind farms that are going up, the capacity, the generation from there is not being able to get to, you know, Houston, Austin?

>> Some of them are on the coast, and a lot of them are

[2:46:45 PM]

southwest.

>> Vela: Thank you.

>> Pool: Anything else? Great. Thanks to both of you. Tammy cooper is up for item number 5, which is our base rate review process and community outreach update. And I think we have a handout from Ms. Cooper.

>> Yes. I will be speaking to that. I'm here today to provide you an update in where we are in the base rate review and share some details about the community outreach that we have engaged in over the last month or so. Next slide, please. This provides a more detailed timeline of where we are in the process. Following our last briefing to you in April, we sub prettied the base rate filing filing package on April 18th.mitted the base rate filing filing package on April 18th. There are a lot of activities taking place over the next couple of months as we continue

[2:47:45 PM]

the process. It is a busy time for Austin energy and the participants. And also, you can see that the formal participants are engaging in discovery and we'll be filing position statements in the next two weeks. And an extension was requested by several parliaments, and a revised schedule was filed on June 3rd, and that is the handout that you have before you. And I'm going to speak briefly to those updates. Those updates were not included in this slide, because this slide had to be posted, per the open meetings requirements, prior to the changes in the schedule that were just filed on last Friday. And so the key message is that the integrity of the -- -- have not changed. Many of the dates cannot be moved due to preexisting commitments. The schedule of the impartial hearing examiner was something that needed to be considered as

[2:48:46 PM]

well. And so this schedule was discussed with the participants, and you will see the key upcoming dates include that June 22nd is now the date for participant position statements. Then Austin energy will have the ability to conduct discovery on those position statements from June 22nd to July 1st. Austin energy

then on July 7th will file rebuttal. On July 11th, we will have a settlement discussion conference. And then July 13th through the 15th, again, we will have that final conference or the hearing on the merits. Participants will file closing briefs July 22nd, on August 1st Austin energy will file its closing brief, and by all 31st, the impartial hearing examiner will submit his recommendation. And then finally the euc will consider the hearing examiner's recommendation in October, and in early November, council will set a public hearing for November 17th. Next slide, please.

[2:49:47 PM]

And as I mentioned, there are several participants in the rate review. Here's a list of the formal participants in the process. Next slide. And I want to speak just briefly to community outreach efforts. Next slide, please. To promote community awareness, we engaged in a series of community meetings, and we specifically used a variety of mediums to communicate to customers about these upcoming meetings. We use the Austin energy website customer emails, social media, local press, and other means to alert the community about the base rate review and the opportunities to provide feedback. We also posted fliers, posters, and paper feedback forms in the public libraries, and in our utility customer service centers. We also relied on bill inserts and on bill messaging. And issued news releases and provided news interviews in both English and Spanish. Next slide, please.

[2:50:50 PM]

Here's a sample of a residential customer email. I realize this is a bit difficult to read, but it shows that the customer outreach, both educated customers about the base rate review and informed them on how they could participate in the virtual and in-person community outreach meetings. Next slide. Here's an example of the insert that was provided to customers. This slide also shows the city clerk's website where there is detailed information on the base rate review and where the public can access all filings made by Austin energy and the formal parliaments. Next slide. We also established a speak-up Austin page, which provided multiple language translations for our customers, including English, Spanish, simplified Chinese, arabic, Vietnamese, and Korean. We also had interpreters available at each in-person and community meeting. Next slide. We held five virtual and three in-person community meetings, 45% of the people that registered attended those meetings. We varied the times and

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locations to provide multiple options for customers to attend. Next slide. We are also still accepting customer feedback through speak up Austin. As of the date of this slide, you can see that we have received feedback from 306 commenters. This feedback will be provided to the impartial hearing examiner and the independent consumer advocate along with all of the other participants by filing it

with the city clerk. Next slide. In addition to community meetings, we conducted additional outreach to many different stakeholder groups, including officials in surrounding communities we serve. We also engaged in outreach to our customer assistance program, community partners, the equity office, and attended other community events. Next slide. And for customers and organizations who may not have time for a formal meeting, there's a wealth of information on our website, including on-demand videos explaining the process and the proposal. Next slide.

[2:52:52 PM]

Here we have an email address where customers can submit questions, and we appreciate all the outreach that your offices have provided. If you need additional information, please let us know and we'll be happy to provide that to you. That's it, and I'm happy to take questions.

>> Pool: Thanks, Ms. Cooper. Real quick question. You mentioned hearing in front of the euc. Is that part of the public hearings at city hall? Is that the October 27th to November 3 timeframe? I just don't see euc specifically mentioned.

>> It may not be on that handout that we provided, but I believe it's scheduled for October 17th is the euc meeting where they will have the ability to have public comment.

>> Pool: And will you be presenting -- is that a special called?

>> That's their regularly scheduled meeting.

>> Pool: Okay, thanks. Questions for Ms. Cooper. Yes, council member Renteria.

[2:53:52 PM]

>> Renteria: Thank you. And my question is, you know, where you're going for a rate increase, I'm just wondering if all these rebates that are given to these commercial companies, you know, for them to install solar, would they have done it without the rebate?

>> You know, that's something we'll have to check on with our customer energy solutions team. I will note that energy efficiency is covered through a separate program and not necessarily in the base rate review process.

>> Renteria: But it is costing us money, though?

>> It is a cost, but then I know that it is also balanced against energy savings, as well. And it keeps our demand to the system low and can reduce some of the ercot fees that we pay.

>> Renteria: That's the other question I have. With that incentive, without that incentive, would it have done that anyway? Because now you're saving money anyway.

[2:54:52 PM]

You're not paying a huge amount. All these buildings that are being built now are energy efficient. Right across the street. We've got a big hotel apartment complex, and even the mayor said last year, or been saying a couple years that he pays a lot less energy because of the energy efficiency it has. So it's really a cost savings. I believe these corporations now know that it's a cost savings. But we're still giving them rebates. And I have a lot of problem with giving these corporations rebates.

>> Pool: Great, thank you. Council member Fuentes.

>> Fuentes: Thank you. I just wanted to ask about some of the community participation. I'm not sure I caught that.

[2:55:53 PM]

How did those meetings go?

>> We held in-person and virtual. We have found that based on people's experience during the pandemic, they really prefer the virtual option. They really like having the convenience to just be able to participate from either their home or office, and so we saw a much greater participation online than we did in person.

>> Fuentes: Okay. Has there been any limitations set on the amount of questions that can be asked? I thought I saw something that said there was an amendment that limited the questions to the first 55.

>> Yes. In the procedural guidelines that kind of govern how the process will be conducted, there was a limit of 50 questions initially. Based on an amendment, we added an additional five for those questions for a total of 55. We did have that limitation, but yet something new that we did this year wuss that we held two technical conferences where we

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put our experts up in a panel format for all of the participants to come in and ask questions, any questions they had. And that was not counted against the limit. So participants actually had an opportunity to ask a lot of additional questions, and many parties did come prepared to do that.

>> Fuentes: And these technical sessions have already been held?

>> They have. We held them in may. Yes, we held two of them.

>> Fuentes: Okay, thank you.



>> Pool: That's a really interesting question and point. I wanted to follow up with asking if it's the technical piece, is that phase over, or could similarity kind of session also be scheduled?

>> Currently, we don't have any more of those scheduled at this point. I think our goal was to try to do it earlier in the process so that the parties would have the opportunity to ask those questions earlier rather than later.

>> Pool: Right. And you said you had good sign-ups, good participation by

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the various groups?

>> Yes. There were several parties who did come well-prepared and ask quite a lot of questions.

>> Pool: And they understood that this was an opportunity that had no limits on the amount of dialogue and questioning.

>> Yes, we did communicate that to the parties.

>> Pool: Okay, that's great. Anybody else? Yes, council member tovo.

>> Tovo: Yeah, I'd like to request that we have some time as a council to go over some elements of the rate review, of the rate proposal. Some of the things that I'd really like to talk about as a group, because I think they're important policy considerations, is the increase to the bait rate that's being proposed. Also the collapsing of the tiers. They tend to shift a lot more of the burden to our lower use customers. I'm not sure how that really aligns with our goals of encouraging conservation. And then I'm also interested in talking in particular about some of what's contemplated for our highest use customers, which I

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think is going to result in a decrease for their bills. So, what I don't want to do is wait to the very end to start having some of these conversations. As I mentioned last time, I think these are important policy considerations for the city council and it does require some time as a group going through just the basic elements of how

-- what the test year means and why it's been excluded and why having a really fuller conversation about -- especially those elements of the proposal, which I think are the ones that concern me and that I'm hearing concerns about among our consumer advocates. Some of whom may or may not be involved as formal participants. I don't necessarily recognize some of those on there.

>> Pool: I think we could probably have a conversation with the general manager and the vice chair and me to see if they're spacing in the schedule,

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and how that might play out to see what might be possible.

>> Tovo: Yeah, I would request that it be either at a council work session when we're back from our break, or -- when is our August Austin energy meeting?

>> Pool: August 28th, I think.

>> Tovo: August 28th would be a little later -- I might suggest having that pulled into one of our work session days.

>> Pool: I think we can work out a date.

>> Tovo: Okay. But my request is that it be earlier in the month than August.

>> Pool: I was actually thinking July, but I want to talk with the staff who would be involved who would be making those presentations to find out what their availability is. That I understand the need to do it sooner rather than later. That's very apparent. And I think we will all work toward that end.

[3:01:02 PM]

>> Mayor Adler: Very end of July, I think. Depends on what this is. Is this executive session to talk about issues that are arising in the negotiations or the process?

>> Tovo: It could be both, but I think we need to have a public conversation about the staff's proposal, especially on those two fronts, the collapsing of the tiers from 5 to 3, and the increase in the base rate. Those are conversations we should have in public.

>> Pool: Mayor pro tem.

>> Alter: Thank you. So I agree with the need to have a conversation earlier, and I know that council member tovo has been through this process several times. This will be my first, I think.

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I know those of us going through it for the first time would benefit from some of those questions. I would also ask staff, though, that I understand that there were some changes made by council towards the end of the process last time, which are leading to some of the things that are out of whack at this point in time. And I think we need some sort of analysis of that, because choices that get made at the last minute do have an impact on rates and do compound over time, and I don't fully -- I'd like to better

understand how those choices played out and what their impact was, which is another reason why I think it's important that we have these conversations earlier, so that we have clear analyses of what any implications might be.

>> Pool: I agree with that and I agree with how you were characterizing making changes at the last minute. It does then tend to throw things sort of out of kilter. This will be my second rate case experience, and it is a lot of

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information. I'm preferring that we try to find some time in July, maybe early August to do this. We will get our heads together and look at calendars. In the meantime, I guess people can participate remotely as well. So we will see what we can put together. Mayor?

>> Mayor Adler: Yeah, I think that would be helpful, just because it does have that impact. Understanding not only the cost of service, but the incidents, and how that is impacting people's bills across income classes, I think would be helpful, too.

>> Alter: There are multiple pieces that impact people. And so we have to have a better understanding of those on the lower income scales, what amount of energy they're using because the rate change affects both pieces and it's a combination and interaction of them, which is the take-home bill, and gives

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you their final impact. Hopefully that can also -- it's not just the base rate piece that we need to see teased out.

>> Pool: Specifically, though, this is looking at the base rate. But that would be additional information that would inform how we deal with the base rate, is what you're saying, right?

>> Alter: Right, but -- I remember when I had my briefing, and I don't have all the details here, because I wasn't prepared to talk about the base rate today, but there is an interactive process. Obviously we don't set the prices in advance for the energy, but there is an interactive effect that we're trying to adjust for with these different charges. Yes, this is a change to the base rate.

>> Pool: And are you talking about electric utility fees or other fees?

>> Alter: I would have to go back and look at my notes. But I just wanted to point out that there's an interactive effect about how these things come together and the

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assumptions that we make. It is not always true that those who are lowest income use the least amount of energy because they are also using there buildings that are not energy efficient. So when we try to assess how the overall impact plays out, we have to factor all of that in.

>> Pool: Right. Mayor?

>> Mayor Adler: And we went over that a lot the last time, so I don't think we need to reinvent the forms, because we didn't quite hit it the first couple times. But we ended up exactly with what the mayor pro tem is describing. So if you could go back and find that presentation, I think that that -- it was dynamic and it addressed the question that we didn't know, what's the relationship between energy usage and income. Because we didn't flow the answer to that. But they brought data back to discuss that question as well.

>> Pool: And that could be

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updated with new information, so that we're not making any assumptions on who's using the most and who's using the least. Anything else? Council member tovo.

>> Tovo: I said this, but I just want to be sure that it got captured. That is an important question, how is this impacting our low income users. It's also a question of how the rate proposal is impacting our lowest use customers. And that has to do with the tiers. So I just want to be sure we're not just talking about the base rate or the base customer charge, I should say. We're also talking about the tiers and how that impacts different levels of users. And with all of that in mind, sometimes there's a correspondence with low-income customers and sometimes there isn't, because of the reasons you said. But I think those are all the conversations I think we need to have.

>> Pool: I think this might be the closest the council gets to three-dimensional chess. Is there anything else for Ms. Cooper? Yes, council member Ellis, there

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you are.

>> Ellis: Thank you. I'm really glad council member tovo brought that up, because I've just been thinking about wanting more information on individuals who have taken steps to make sure that they're able to conserve energy, whether that's physically making improvements to their home or their office, orb just through usage. I really want to Mach sure that folks who have taken that step and been proactive about making sure that they're really efficient customers with low usage, that they're not feeling like that for nothing. You know, when you change rates later on, there has to be the incentive to conserve energy.

You think this is true of energy utilities and water utilities. We need to make sure that folks are doing the right thing and modifying their behavior to be responsible users, aren't being disproportionately impacted down the line later on.

>> Pool: I think that's great. Totally agree.

[3:08:14 PM]

Anything else? All right. Thank you so much, Ms. Cooper. That brings us to our last item, which is future items. We know that we will have additional information coming forward and likely a special called meeting sometime late July/early August in order to take up an overview of base rate process and the impacts and any additional information that council may need to have that will inform that decision-making and also educate the public. I think it would be useful if y'all are thinking about the kinds of questions or information you would like to see. Please send that over. Yes, council member Vela.

>> Vela: And chair, I just wanted to mention an issue that I've been trying to daylight a bit, which as-the project connect investment, the light rail along north Lamar, I would like to look at the potential

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for burying the electric lines that are basically between 51st street and 183 on the north Lamar corridor. They're very large electric lines. I think transmission lines, 100-foot metal poles. Layperson perspective here. I don't know their actual height or purpose. But as we develop that project, there's going to be two light rail tracks in the middle of the corridor, and then four lanes of automobile traffic, bike lanes, and sidewalks along the north Lamar avenue. And we're going to really need every inch of right of way.

>> Pool: Well, I'll tell you what. Because we don't have that item on our agenda to have a discussion about it, I understand you want to have an agenda item with Austin energy to talk about the potential of burying the transmission lines in a segment of the project

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connect area. I would suggest expanding that so that it's not just the area on north Lamar that is in your district. There may be other districts who would like to have that same attention addressed. So that will be an item we can have on a future agenda. And I see the general manager nodding her head.

>> Vela: Thank you so much, chair.

>> Pool: Anything else? All right. I think we're done here. I will call this meeting adjourned at 3:10. Thank you so much.