

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
DEPARTMENT:
FUND:

9/29/22
Austin Energy
Austin Energy Operating

SUBJECT: Conduct a public hearing and consider an ordinance amending Ordinance No. 20220817-005 to set the Fiscal Year 2022-23 Power Supply Adjustments, Community Benefit Charges, and Regulatory Charges for Austin Energy, and make corresponding amendments to the Austin Energy Fiscal Year 2022-23 operating budget in Ordinance No. 20220817-004.

CURRENT YEAR IMPACT:

	2022-23 Approved	This Action	2022-23 Amended
Beginning Balance	204,907,486	0	204,907,486
Total Revenue	1,564,877,332	111,000,000	1,675,877,332
Total Transfers In	12,400,000	0	12,400,000
Total Appropriated Funds	1,577,277,332	111,000,000	1,688,277,332
Total Operating Requirements	1,146,333,617	111,000,000	1,257,333,617
Total Other Requirements	8,493,436	0	8,493,436
Total Debt Service Requirements	166,241,507	0	166,241,507
Total Transfers Out	264,635,043	0	264,635,043
Total Requirements	1,585,703,603	111,000,000	1,696,703,603
Excess (Deficiency) of Total Available Over Total Requirements	(8,426,271)	0	(8,426,271)
Ending Balance	196,481,215	0	196,481,215
FTEs	1,897.00	0.00	1,897.00

FIVE-YEAR ESTIMATED IMPACT:

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total Revenue	111,000,000	0	0	0	0
Total Requirements	111,000,000	0	0	0	0
Net Budget Impact	0	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: Austin Energy (AE) is seeking approval of a budget amendment to provide additional appropriations to cover anticipated power supply expenditures not originally budgeted in FY 2022-23. This item amends the FY2022-23 Power Supply Adjustment (PSA) revenue and expense and provides additional appropriations to cover power supply expenditures to correspond with the new PSA charge, effective November 1, 2022. Austin Energy budgets PSA revenue and expenses at the same levels annually and anticipates PSA requirements to increase by approximately \$111,000,000.

The PSA charge is a dollar-for-dollar, pass-through cost to electric utility customers for the recovery and crediting of Electric Reliability Council of Texas (ERCOT) settlements, fuel costs, and net purchased-power agreement costs. The PSA expense for FY 2022-23 is increasing because 1) natural gas prices were approximately 350% higher in FY 2021-22 than in FY 2020-21; and 2) Austin Energy incurred significantly higher congestion costs, which occur when Austin Energy generation produces power that cannot be safely delivered to Austin Energy's load because of the finite capacity of ERCOT transmission lines.