

Motion Sheet #1: Austin Energy Additional Direction

I move to provide the following direction as a part of the adoption of the Fiscal Year 2022-23 Power Supply Adjustments (PSA), Community Benefit Charges, and Regulatory Charges for Austin Energy:

1. The City Manager is directed to explore and provide recommendations for Council's consideration sufficiently prior to consideration of Fiscal Year 2023-24 rates, charges or adjustments so as to allow Council action:
 - A. Options for how or when the PSA rates, tariffs or charges are re-set that may help reduce ratepayer price shocks, help smooth revenue volatility, or limit reserve depletion, which may include, without limitation, different or more frequent re-settings, or identifying different triggers for when the PSA might need to be re-set based on movements in energy costs or Austin Energy reserve levels;
 - B. Proposals for tiering of, or other devices associated with, the PSA rate, tariff or charge that would relate energy consumption levels with rate payer bills in such a way as to promote and incentivize energy conservation; and
 - C. New reserve policies that may help protect rate payers from market volatility, and which may include recommendations that differentiate between conditions resulting from rising versus lowering of energy prices and increasing versus decreasing reserves.
2. In order to mitigate the ratepayer shock associated with the anticipated substantial increase in ratepayer bills as a result of an increase in both the PSA charge and a Base Rate increase, the City Manager is directed to provide to the Council a budget amendment in December, 2022, that would direct payment to Austin Energy for deposit into its reserves, from the City general fund, any increase in the General Fund Transfer received by the City that follows from any Base Rate increase that Council may approve, for the next three years or until the Austin Energy reserves are replenished, whichever comes first.