

Summary of City Council Decisions

2023 Base Rate Changes

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Summary of City Council's Decisions on Base Rates

Base Revenue Requirement

\$29.5M base revenue requirement increase for bills rendered on or after March 1, 2023

Residential Base Rates

- Phased in residential rate design
- Monthly customer charge set to \$13 / \$14 / \$15 over 3 years
- Corresponding decreases to kWh charges
- 4 tiers by kWh: 0-300, 301-900, 901-2000, 2000+
- Maintained inside city/outside city differential

Primary 2 Rate

- Set High Load Factor Primary 2 Rate
- Opt-in contract
 - 85% average load factor
 - Customer Assistance Program charges not to exceed \$200k per year
 - Energy Efficiency Services rate does not apply

Commercial Base Rates

Decrease rates for nearly all commercial classes

Value of Solar

Increased residential Value of Solar (VoS) rate from 9.70¢/kWh to 9.91¢/kWh

Customer Assistance Programs

- Double the enrollment of CAP by 2025
- Increase outreach and expand eligibility through programs such as school lunch



Other Issues

- Conduct a line loss study prior to the next base rate review
- Develop a primary substation tariff to be considered in the next base rate review
- Provide a pathway for P4 customers to potentially move to transmission service
- **Modify Value of Solar (VoS)**
 - Approved VoS rate and methodology except that societal benefits will be collected through Power Supply Adjustment
 - Avoided cost will be based on a rolling 5-year average with any rate changes every 3 years
 - Engage in a public process
 - to evaluate costs beginning no later than January 2025
 - to develop a standard offer for local distributed community solar
- **Commit to working with interested parties on additional solar and storage issues**



Typical Inside City Non-CAP Residential Bill Impact

860 kWh per month

	Prior Rates	March 1 Rates	Change
Customer Charge	\$ 10.00	\$ 13.00	\$3.00
Energy Charge			
Tier 1	\$ 14.01	\$ 12.30	\$ -1.71
Tier 2	\$ 21.00	\$ 28.56	\$ 7.56
Base Revenue	\$ 45.01	\$ 53.86	\$ 8.85
Power Supply Adjustment	\$ 37.59	\$ 37.59	\$ 0.00
Customer Benefit Charge	\$ 4.44	\$ 4.44	\$ 0.00
Regulatory Charge	\$ 12.82	\$12.82	\$ 0.00
Pass-throughs	\$ 54.85	\$ 54.85	\$ 0.00
Total Bill	\$ 99.86	\$ 108.71	\$ 8.85
¢ per kWh	11.6¢/kWh	12.6¢/kWh	



Average residential rates for competitive retailers in ERCOT: **14.83¢/ kWh to 16.93¢/ kWh**

Source: Public Utility Commission's Biennial Agency Report to the 88th Legislature

Additional Information

austinenergy.com

Approved
Tariffs

austinenergy.com/rates/approved-rates-schedules

2022
Base Rate
Review

austinenergy.com/rates/2022-base-rate-review



Questions?



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