



Electric Utility Commission

RECOMMENDATION 20240318-12

Date: March 18, 2024

Subject: Budget Recommendations on the Austin Energy FY 2025 Budget

Motioned By: Commissioner Chapman

Seconded By: Commissioner Reed

Recommendations on the FY 24-25 Budget

Description of Recommendation to Council

1. **Low-Income Bill Discounts:** Low-income residents are struggling with the lack of affordability in Austin and Austin Energy has increased customer bills three times in the past year and a half. Utility bill discounts are one of the limited tools that the City of Austin has available to address affordability. Austin Energy customers pay a dedicated Customer Assistance Program fee for this purpose. The Electric Utility Commission recommends that:
 - a. The default bill discount for customers eligible for the Customer Assistance Program be increased, as it was during the height of the COVID-19 pandemic; and
 - b. All bill discounts for lower-income residents be paid from the Customer Assistance Program fund, including bill discounts for low-income Community Solar subscribers.
2. **Transmission Improvements:** Improvements to Austin Energy's transmission system are essential for mitigating local congestion that increases costs to the utility and customers and for enabling the transition from fossil fuels to clean energy. Austin Energy commissioned a study that identified five recommended types of transmission upgrades. The Electric Utility Commission recommends that these recommended upgrades be implemented as quickly as possible and that sufficient funding be allocated to this need to ensure that that of funds is not a source of delay.
3. **Fayette Coal Plant:** Austin Energy and the Austin City Council have established that shutting down Austin Energy's portion of the Fayette coal plant is a top priority. Investing

in an asset that the utility is actively trying to shut down is not a prudent use of ratepayer or utility funds. The Electric Utility Commission recommends that the budget not include any capital investments in Fayette.

Vote: 7-0-1

For: Chair Dave Tuttle; Vice Chair Kaiba White, Commissioner Raul Alvarez; Commissioner Jonathon Blackburn; Commissioner Randy Chapman; Commissioner Mick Long; Commissioner Cyrus Reed

Against: None

Abstentions: Commissioner Cesar Benavides

Off Dais: None

Absences: None

Vacancies: District 1; District 6; District 8

Attest:

Robin Otto

Robin Otto, Staff Liaison