

Posting Language

Approve an ordinance amending the Fiscal Year 2024-2025 Austin Energy Fund Operating Budget (Ordinance 20240814-007) by increasing transfers out to the Austin Energy Power Supply Stabilization Reserve (Ordinance 20240814-007) in the amount of \$30,000,000; and amending the Fiscal Year 2024-2025 Austin Energy Power Supply Stabilization Reserve Fund by increasing transfers in for the same amount. Funding is available in the Austin Energy Operating Fund balance.

Lead Department

Austin Energy

Fiscal Note

A fiscal note is attached.

Prior Council Action:

For More Information:

Rusty Maenius, Chief Financial Officer, 512-322-6133; Stuart Reilly, Deputy General Manager, 512-322-6817

Council Committee, Boards and Commission Action:

January 13, 2025- To be reviewed by the Electric Utility Commission.

Additional Backup Information:

Austin Energy's financial policy No. 22 requires it to maintain 90 days of net power supply cost. These funds are maintained in the Power Supply Stabilization Reserve. In 2023, due to extreme high wholesale prices in the ERCOT market, Austin Energy transferred funds from its Power Supply Stabilization Reserve to working capital to pay the increased power supply costs. Austin Energy now seeks to come into compliance with this financial policy minimum by transferring funds to the Power Supply Stabilization Reserve to return to 90 days of net power supply costs. At fiscal year-end 2024, the Power Supply Stabilization Reserve is approximately \$27 million less than the 90-day minimum of \$140 million.

Maintaining 90 days of power supply reserves is calculated as part of, and is not separate from, Austin Energy's overall required policy minimum of 150 days cash on hand.

Austin Energy's Power Supply Adjustment (PSA) tariff authorizes the transfer of a PSA over-recovery to the Power Supply Stabilization reserve. The PSA over-recovery balance is now sufficient to transfer funds back to the reserve. Austin Energy seeks approval of an ordinance amending the FY 2024-2025 Austin Energy Power Supply Stabilization Reserve Fund budget by increasing transfers in from the Austin Energy Operating Fund in the amount of \$30,000,000 and amending the FY 2024-2025 Austin Energy Operating Budget to increase transfers to the Power Supply Stabilization Reserve Fund in the same amount in order to fund the reserve in accordance with FY 2024-2025 Austin Energy Financial Policies and as outlined in the Power Supply Adjustment tariff.