

**Resource Management Commission Resolution  
Fairness of Residential Electric Rates**

Whereas, progressive Residential utility rates structures that charge less per unit for less consumption and more per unit for greater consumption encourage conservation; and

Whereas progressive Residential rate structures also help save money for low-income customers, who generally use less energy; and

Whereas, Austin Energy defended raising these rates during the 2025 budget by explaining to City Council and the Electric Utility Commission that Residential bills would actually go down because of lower fuel costs, when in fact this was not the case; and

Whereas, Austin Energy's more regressive Residential rate structure harms some City Council Districts disproportionately, with Districts 3,4,6,7, and 9 seeing the average bill go up between 31 and 34% between 2022 and 2026, while District 10 will see its average bill go up only 20% (See Attachment 1); and

Whereas Austin Energy did not inform the City Council and the general public of this; and

Whereas, Austin Energy has claimed that low-income customers have had their bills lowered through the Customer Assistance Program, even though the percentage of CAP customers is less than one-third of Austin's population of low- and moderate-income citizens; and

Whereas, due to the increasingly regressive nature of the rate structure, the majority of Residential customers in every City Council District will see their rates rise above average (See Attachment 2); and

Whereas, the Resource Management Commission passed a resolution during the last Austin Energy rate case in 2022 that was on record against regressive rates ([Recommendation No. 20221018-004B](#)); and

Whereas, Austin Energy intentionally avoided bringing this issue to the RMC during the budget and rate review in 2025, making it impossible for the Commission to make a similar recommendation; and

Whereas, Austin Energy went on record during the settlement of the rate case in 2022 to raise Residential rates by a prescribed amount, but exceeded this in 2025, calling into question if the utility can abide by its commitments; and

Whereas, electric rates were raised through the budget process and not through an evidentiary rate hearing that Austin is accustomed to; and

Whereas rate cases were held in 2012, 2016, and 2022, but have since been completely eliminated; and

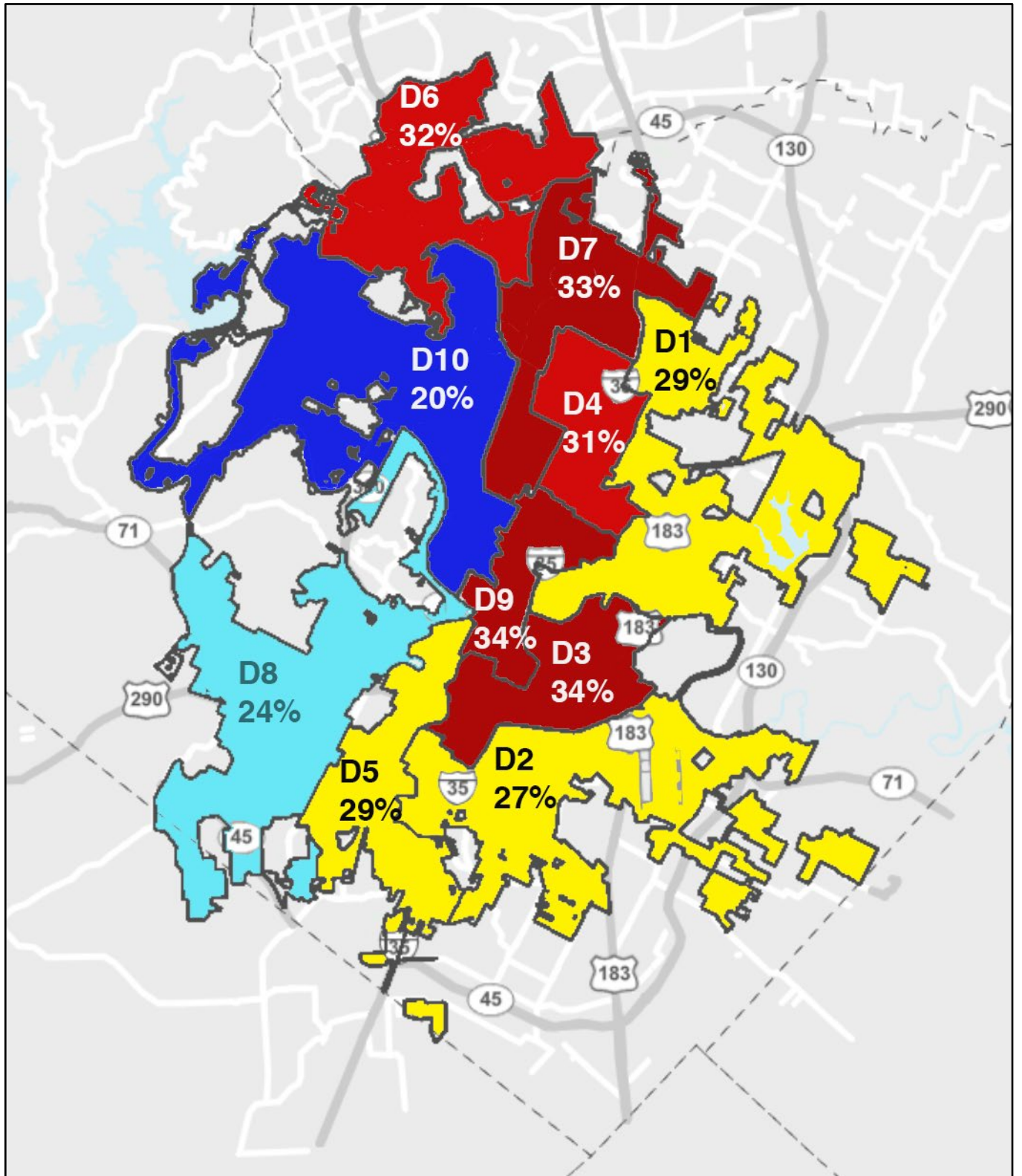
Whereas, Austin Energy has predicted a 5% per year overall rate increase each year for the next four years; and

Whereas, the increased Austin Energy budget has been created without allowing ratepayers and stakeholders the power of discovery to gather evidence to determine if the rate increase was justified or equitable to consumers with low consumption;

NOW THEREFORE BE IT RESOLVED that the Resource Management Commission go on record asking the Austin City Council for the following remedies.

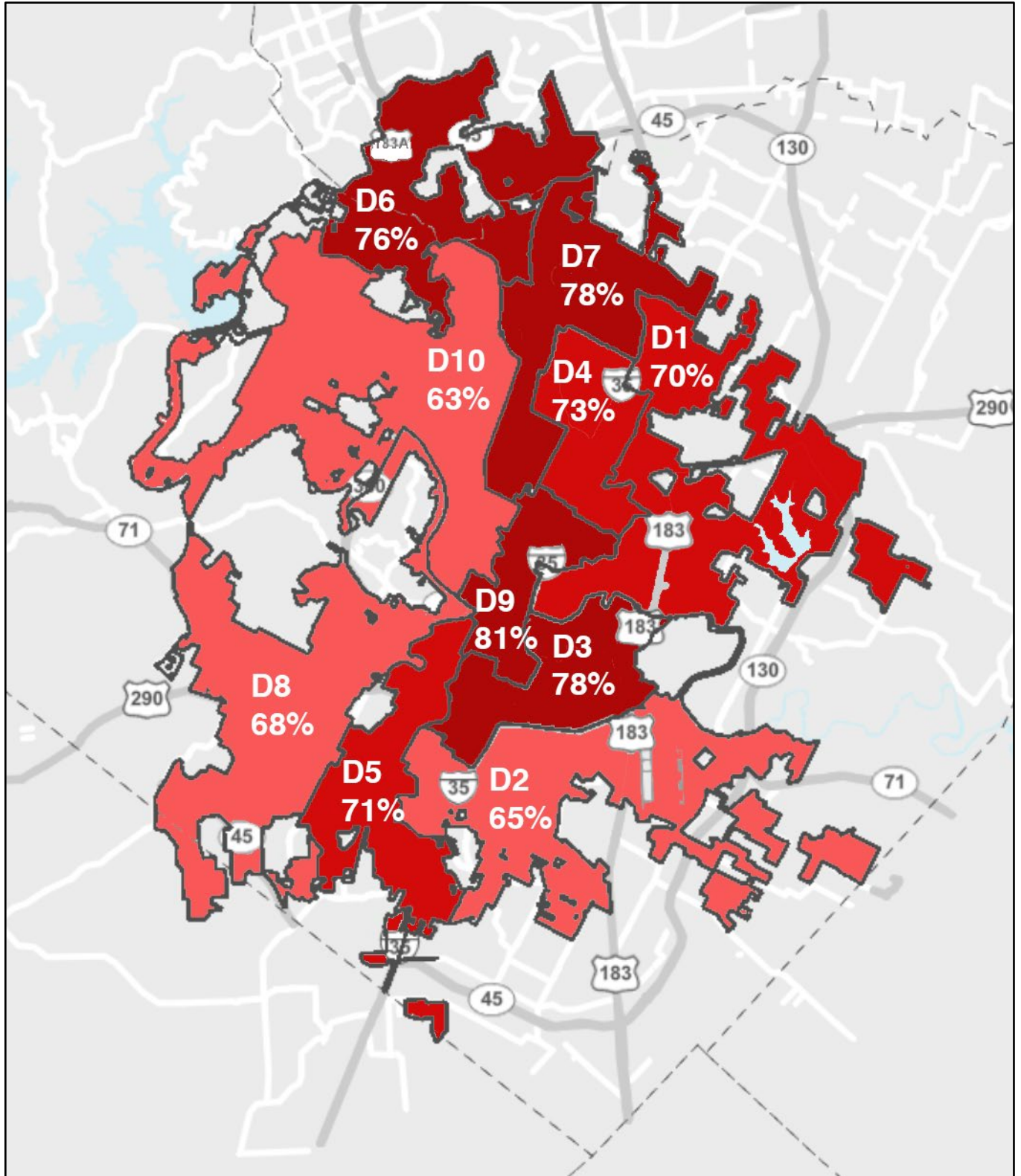
1. Reset the Residential rate structure to be more progressive and balanced between Council Districts to the extent that the rate increase between 2025 and 2026 differs by no more than 1% between Districts; and
2. Begin an evidentiary rate case in 2026 to allow stakeholders and citizens the power of discovery and testimony in accordance with City of Austin custom.

Attachment 1



*Austin Energy Residential rate increase by Council District between 2022 and 2026.*

Attachment 2



Percentage of Austin Energy Residential customers with above-average increases by Council District in 2026.