

Austin Energy Workshop #1 Workshop Feedback Summary

Austin Energy Headquarters (4815 Mueller Blvd. Austin, TX 78723)

Friday, June 7, 2024 | 11:30 a.m. to 1:30 p.m.

Workshop Overview

Austin Energy hosted their first in a series of monthly workshops on Friday, June 7, 2024, from 11:30 a.m. to 1:30 p.m. at the Austin Energy Headquarters (4815 Mueller Blvd. Austin, TX 78723). The purpose of Workshop #1 was to gather initial feedback and input from local stakeholders to begin identifying community values, priorities, and metrics for Austin Energy's Generation Resource Plan 2035. Stakeholders representing local organizations who provided a voice to Austin Energy's mission pillars of clean/sustainability, affordability and reliability attended along with members of the public and those who joined online via a Webex link.

Workshop participants were shown a series of introductory presentations reviewing the basics of energy supply and demand, the Texas and Austin-area energy market, Austin Energy's mission pillars and what a resource generation plan is and its purpose as a tool for future utility resource planning. Stakeholders were broken into four breakout groups and engaged in small group discussion with a set of questions. Workshop participants were encouraged to ask questions and provide feedback through the workshop, including during the presentations and small group discussions.

Each breakout group had an assigned facilitator who took notes on a flip chart. The notes on the flip chart were recorded and referenced to provide this summary. The meeting concluded with Austin Energy polling workshop participants on the best day of the week and time folks would like to host future workshops. There were 31 stakeholder participants and 21 members of the public who attended in person.

An engagement summary for this workshop was provided to members of the Electric Utility Commission (EUC) who met on the following Monday, June 10, 2024. Takeaways from the EUC meeting are included in the next section.

Top Themes & Takeaways

Additions to the Mission Pillars: Workshop participants felt good about Austin Energy's mission. Participants mentioned the complexity of the market and the difficulty of balancing the three mission pillars. Workshop participants suggested adding equity and transparency to Austin Energy's mission. Equity was defined as ensuring services to those who need them the most. Transparency, specifically easy accessibility regarding residential customers' fees and rates. Participants noted wanting to see more proactive communication from Austin Energy regarding outages and disaster response. Workshop participants urged Austin Energy to prioritize collecting community feedback and to foster more coordination with local organizations and groups.

Sustainability & Innovation: Overall, workshop participants would like to see flexibility versus specificity prioritized in the Generation Resource Plan. The mission should be holistic, including restorative energy practices, innovative solutions, and demand management. Workshop participants focused on cradle-to-grave or life cycle assessments regarding sustainability. Some mentioned wanting to explore new nuclear options, geothermal, and green hydrogen. The need to expand on-site/home renewable generation was mentioned as well.

Customer Rates & Affordability: Workshop participants continued the equity theme when discussing affordability. Austin Energy must consider the populations that need energy the most, including the medically vulnerable and those who are low-income or on fixed incomes. and addressing the energy burden for affordability. Energy burden was discussed as a measure instead of a percentage increase. There was no specific discussion of affordability with commercial customers. *Note: The Resource Generation Plan is separate from the rate case. Austin Energy may want to discuss the differences at a future meeting to manage the expectations of the workshop participants.*

Reliable vs Predictability: Workshop participants recognized that 100% reliability cannot be attained and that some outages are inevitable. However, they encourage Austin Energy to be predictable – this includes the number of hours of impact when outages occur and to receive notifications ahead of time. There are some groups where 100% reliability is very important, including those that are medically compromised and fragile. The plan may want to include resilience hubs to have water, food, and stored clean energy. One group suggested comparing Austin Energy to ERCOT's numbers or there are other resources to analyze frequency and duration compared to Houston or Dallas.

Suggestions for Resource Generation Discussions for Future Meetings:

- Hyperlocal and on-site energy generation,
- Battery storage, energy storage outside of batteries,
- Demand management,
- Locally sourced energy options to reduce cost of transmission,
- Cradle-to-grave or life cycle assessments of resources,
- Reliability and affordability by energy source,
- Update on the Fayette Power Plan.
- New energy generation technologies,
- Nuclear energy
- Geothermal energy
- Green hydrogen
- Transmission lines statewide

Electric Utility Commission (EUC) Input

- Equity is important – we should identify where equity plays a role in the plan
- Predictability is great, but is it feasible?
- Risk is going to be part of our work. We need to ensure Austin Energy is financially stable – the example of the Brazos Electric Cooperative was mentioned. We don't want to have those same issues.
- Keep Austin Energy public. It is a dividend to the community. It is important that we do not lose it.

- To keep Austin Energy public, we must balance affordability, reliability and sustainability.
- When we measure sustainability, we need to look at externalities including water use, air quality and effects on non-attainment.
- When it comes to transparency, we need to tell people the costs associated with ERCOT and the costs from Austin Energy.

Small Breakout Group Discussion Feedback & Questions

Group 1 Notes

How well is Austin Energy doing in relation to its mission? Is there anything missing?

- Overall, Austin Energy's mission is good. Our group would add "sustainable" since it's not inherent in "clean" or reliable".

What comes to mind when you think of "clean"?

- Avoiding human impacts. Human health is important. This correlates to carbon emission percentages and particulate matter.
- Concerns were raised about "unclean" energy sources when sustaining services for the medically vulnerable.
- "Cradle to Grave" or Life Cycle Assessment concerns including:
 - What are the lifetime costs of clean energy infrastructure?
 - Energy ROI concerns such as wind turbines
 - Where can credible studies be found?
- There were general questions about solar energy and how residents can obtain personal supplies for home solar panels.

What comes to mind when you think of "affordable"?

- The group requested that Austin Energy track customers' usage overall versus over 65 customers.
- What median income is considered "affordable"? This is important from district to district and neighborhood to neighborhood.
- Concerns were expressed for customers on fixed incomes. Their usage isn't comparable since their living conditions and buildings could contain old infrastructure, which would make them less efficient and use more energy.
- There's a preference for gradual rate increases compared to sudden or no increases. It's important for customers to be able to plan for these increases.

What comes to mind when you think of "reliable"?

- Ice storms and their impact on customers
- There were questions about the impact of the urban canopy:
 - How often trees are trimmed? What is the maintenance schedule? For wires and poles specifically, we should recognize the impact of climate change and the risks it poses.
- Instead of an aspirational goal of reliability, what about predictability?
- Recognition that 100% reliability cannot be attained:

- Some outages are inevitable
- The community wants predictability – this includes the number of hours of impact when outages occur and to receive notifications ahead of time. Austin Energy is doing a better job than before.
- The group expressed their desire for 100% reliability for those who are medically compromised and fragile – everyone else can absorb more risk. This would include informing the broader customer base that there is a medical vulnerable list and how to get on it.
- What are Austin Energy numbers compared to ERCOT’s numbers? Is ERCOT’s goal to only have one failure every 10 years?
 - SAIDI, CAIDI, SAIFI – look at these resources to analyze frequency and duration compared to Houston or Dallas
- Communication is key (text, mass email) – need to do a better job of informing customers
 - Utilize community groups to market Austin Energy’s affordability programs

Group 2 Notes

How well is Austin Energy doing as it relates to their mission? Is there anything missing?

- There historically have been good programs at Austin Energy, but there have been no recent changes. Exploring distributing small batteries could be helpful.
- One participant hasn’t seen recent customer report data and requests this for future workshops. Austin Energy combines residential and commercial customer data – there is a request to have this data separated.
- There’s a need for increased community involvement.
- Specifically on affordability – affordability for who? Homeowners benefit from Austin Energy, but it’s uncertain if renters benefit equally.
- Equity – prioritizing providing services to people who need it
- Ensuring information is available to everyone
- Community resilience – ensuring communication with the City of Austin during outages
- Ensuring resources for renters during emergencies – this was discussed for the resilience hubs to have water, food, and stored clean energy
- There’s a need to plan to incorporate new technology as it comes
- Local government coordination

What comes to mind when you think of “clean”?

- Converting coal to renewable facilities sources
- Achieving zero carbon emissions, air pollution, and water pollution
- Exploring technologies that enhance fossil fuel regeneration
- Conservation efforts – conserving water, materials, fuel, and land
- Increasing battery use – participants noted that Austin is three years behind
- Maintaining affordability, cleanliness, and reliability
- Restoring previously polluted areas

What comes to mind when you think of “affordable”?

- In addition to the 2% over “x” number of years timeline, set annual increase goals
- Energy burden – addressing the impact of energy costs on consumers

- Exploring locally sourced energy options
- Maintaining affordability for employers who are providing services for Austin Energy

Group 3 Notes

How well is Austin Energy doing as it relates to their mission? Is there anything missing?

- Austin Energy is doing a good job considering the complexity of the market and the difficulty in balancing the three mission pillars.
- Austin Energy could be more proactive in their outage communication

What comes to mind when you think of “clean”?

- More opportunities and incentives need to be put in place for residents to generate local, on-site energy. Right now, there aren’t robust incentives to do so.
- Incentivize battery usage
- Biomass is not actually clean
- We should consider carbon emissions along with air and water pollution
 - This also includes better water consumption monitoring
- How do nuclear facilities affect nearby water sources?

What comes to mind when you think of “affordable”?

- Rather than seeing the data aggregated on averages for both residential and commercial, we’d like to see Austin Energy’s tiered rates compared with similar programs – this includes comparing our market and commercial rates with others.
- There’s a partnership opportunity to use AISD real estate assets to create hyperlocal sources of energy production, including those facilities having the ability to use the energy they produce rather than it all going to the grid system.
 - Austin energy needs to be creative in providing ways for local demand management.
- With the increase in large tech companies and data centers coming to Austin, this results in an increased demand in energy consumption. Is there a way to offset the cost onto those entities rather than it potentially affecting the rates of residential customers?
 - This could also include developing more ways to offer credits for efficiency.
- Instead of just looking at energy consumption, consider energy burden when determining rates.

What comes to mind when you think of “reliable”?

- For example, with our current Electric Vehicle (EV) management, we should consider not only peak travel times but determine peak load or charging times.
- When it comes to renewables, we should be conducting full lifetime analysis of that energy generation
- Participants encouraged Austin Energy to have a more holistic energy strategy

Group 4 Notes

How well is Austin Energy doing as it relates to their mission? Is there anything missing?

- Reliability and affordability per energy source, resource availability specifically

- For Austin’s new solar program, what are the projected effects on the percentage input changes?
- Coal plant – how does its removal affect the system?
- There is a complexity with relationships with other entities like LCRA:
 - What about percentages/shares owned by Austin Energy/City of Austin – what will be the process of transitioning out of coal plants usage? Decommission or selling outright?
- What’s the difference between fees versus rates? There needs to be better visibility and transparency between the two.
- How well is the CAP Program working? The community needs to see the data to see its efficiency. How can it be improved? We need to raise greater awareness and usage for qualifying populations.
- Worker protection protocols
- Safe delivery of the product/energy
- Transparency in communication – this should be added to the mission statement in some form

What comes to mind when you think of “clean”?

- There needs to be a discussion about nuclear energy, specifically about the technological advances that make it a viable option.
- Has geothermal ever been considered? Is that on the table?
- What about green hydrogen?

What comes to mind when you think of “affordable”?

- Fees versus rates – is 2% an appropriate goal?
- For affordability, what about the percentage of a customer’s income?

What comes to mind when you think of “reliable”?

- When the power comes on – group consensus
- If there’s an issue, the solutions need to come quickly

General Session Feedback & Questions

Q: Are municipally owned facilities under the Public Utility Commission (PUC)?

A: Yes – Austin Energy works with municipal facilities to install transmission lines and determine cost-of-service in those areas. We also have the ability to go to them for rate appeals. Also, if Austin Energy is building transmission lines outside of city limits, we work with municipal entities to do that. This includes any weatherization work as well.

Q: If people find themselves in an emergency situation related to a power outage, is there a number to call?

A: Austin Energy does keep a medically vulnerable registry to proactively reach out to community members. Our goal is to prepare the community to stay in place during disasters and to have emergency preparedness plans.

Q: On the “Sustainability Goal” slide, what happened from 2022 to 2023 for it to drop from 77% to 70%?

A: Our load is increasing. The renewable and carbon-free energy we’re generating isn’t close to us. It’s getting more and more difficult to transmit the energy where we need it to be.

Q: Does the data account for changes in peak seasons or peak hours of the day?

A: The data presented today represents annual numbers, but with the time of day and seasons it does change. The public can access real-time data on the website.

Q: Would these charts look different if we weren’t on the ERCOT grid?

A: That would require significant analysis to determine.

Q: How much wiggle room do we have with the 2% metric since we’ve been below it for so long?

A: The 2% affordability goal was set by the Austin City Council. There isn’t much room to adjust that metric.

Q: Are the rates affected by the increase in natural gas prices?

A: To a degree. The rate shown is an all-in rate.

Q: For the 2% affordability goal, does that factor in low-income or fixed-income people?

A: This is looking at our average rate. Austin Energy does have programs in place to ease the cost burden on low-income customers.

Q: Do the rates run parallel between commercial and residential? Is this the average across the board?

A: Yes, this is the average including commercial and residential.

Q: Can we have a breakdown of the cost drivers? A breakdown of what drives those rates would be helpful.

A: Yes, that’s something we can provide in a future workshop.

Q: Is the goal itself actually 2% a year or is it 20% over ten years?

A: The goal is to have rates increase by only 2% a year, if needed. We don’t like to have larger increases – rate shock is real. Situations like increased costs in the ERCOT market or inflation can cause the rates to increase.

Q: Is the affordability metric only for residential or is it system wide?

A: It’s system wide.