

From Austin's earliest days --our city's visionary leaders have linked low cost, renewable electricity to economic growth



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Consumers care about **BILLS** not **RATES**

While Austin's rates may be higher our bills are lower



Austin / San Antonio Residential Class Comparison

	<u>RATE</u>	<u>CONSUMPTION</u>	<u>BILL</u>
AUSTIN	9.9¢/Kwh	11,915 Kwh	\$1,108
SAN ANTONIO	9.2¢/Kwh	14,095 Kwh	\$1,302

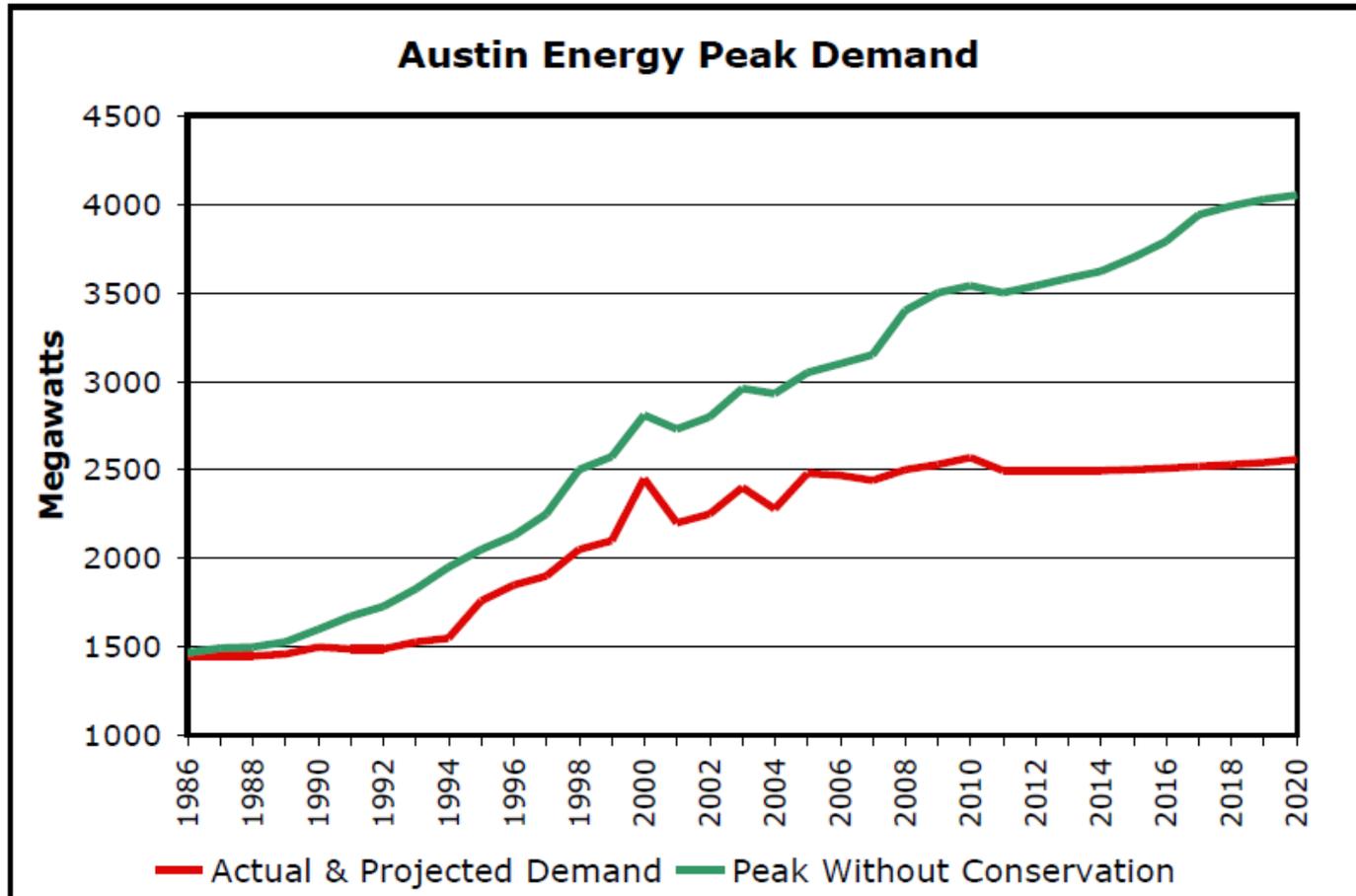
Why are our bills lower?

- Efficiency programs
- Building codes
- Peak shaving programs
- Wind and solar

2012 Data from forms EIA-861

Why are Austin's use and bills lower?

We invested in energy efficiency while others were building coal plants and we saved a over \$ 1 billion since the 1980's. This helped AE go 17 years without a rate increase.



----- Reducing the most expensive power - peak energy -----

Renewable Costs Have Dropped



Austin Energy (Feb. 2014)

	(¢/kWh)
• Wind	2.6-3.6
• Solar	4.8
• Gas	6.1
• Coal	9.2
• Biomass	10.2
• Nukes	12

The price of solar is now so low that:

“Austin Energy predicts the solar deal will lower rates slightly”

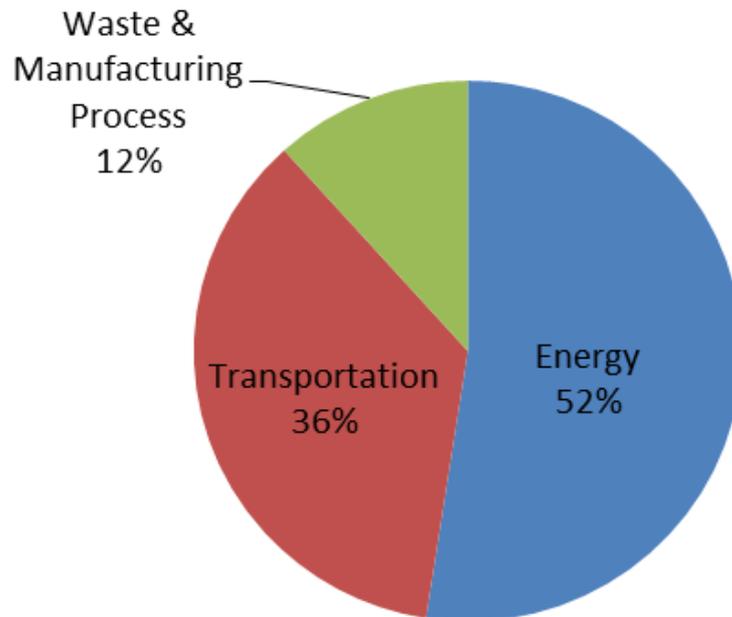
Austin American Statesman **Austin Energy close to signing ‘cheapest’ solar power deal experts have seen**

March 7, 2014 by [Marty Toohey](#) -

Reducing electricity usage also reduces the largest local source of greenhouse gasses of citizens



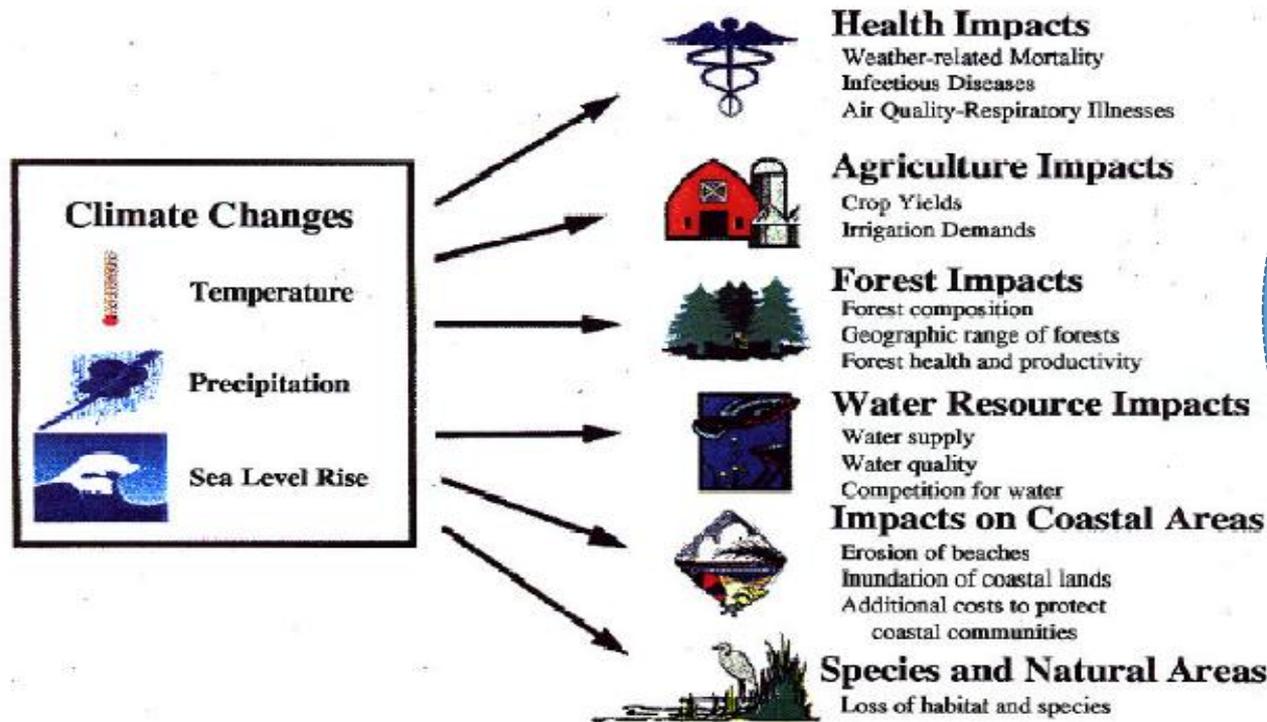
2010 Travis County Community GHG Inventory - est. 15.2 Million mt CO₂e



What's at Stake in Texas?



Potential Climate Change Impacts



LCRA study predicts 35% less water in our lakes--we may not be able to cool our plants

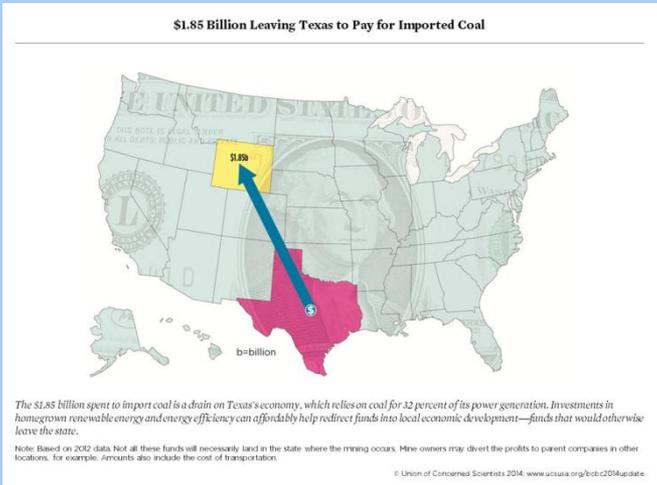
Austin spends about \$233 million a year on fuel from out of the city.

Wouldn't it be better to create jobs in renewable and energy efficiency and spend it locally ?



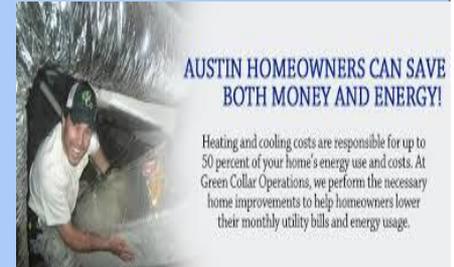
Fuel dollars spent by Austin Energy go elsewhere

- \$233 m fuel
 - ✦ \$85 m for Wyoming coal



Jobs created by efficiency in Austin

- Every \$1 spent on efficiency creates 8X the jobs that a gas plant would generate.



Austin solar jobs

- January of 2012, Solar Austin counted at least 615 full time sustained jobs in the solar industry
- Solar industry is #40 on the list of Austin's top 50 employers
- With an average annual investment of just \$3.5 an **annual** payroll well in excess of \$20 million has been created.



ACEEE ranks City of Austin #6 in Efficiency

(American Council for an Energy-Efficient Economy)



How the Ranking Breaks Down

- **Great:**
 - Community Initiatives #2
 - Buildings #3
 - Local Government # 12
- **Needs work:**
 - **Public Benefits Program #14**
 - **Transportation #16**

BEST PRACTICES

- On track to meet energy savings goal of **1500** megawatts by 2020
- High use of combined heat and power and efficient district energy systems.
- Energy Conservation Audit and Disclosure law requires all large buildings to rate and report energy use and make improvements to the worst performers.

Areas for Improvement

- Improve coordination between transportation and land use planning.
- Increase investment in natural gas efficiency programs.

Why is Austin a leader in renewable energy and in keeping costs low?



- Austin City Council has weighed the options and made choices that balance costs, jobs and the environment
- They have made choices
- They have done so a result of citizen input
- They have put a cap of 2% annually on future rate increases to assure affordability



AE governance has been debated for years

- This City Council and the last Texas legislature took no action
- Statesman opposes change
- Why? AE is our largest asset; creating an unelected board might threaten our ability to control AE
- Our experience with an unelected board in San Antonio shows that an appointed board can be unresponsive, uninformed and isolated, leading to a rogue utility
- Been there- done that –
 - ✦ **City Council wrested control back from a board a century ago**