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For Immediate Release

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Keep Austin Energy Accountable - Don't Give Control to a Board We Don't Elect

Consumer and environmental groups, business owners and local advocates came together today to voice opposition to a resolution by Mayor Leffingwell, Sheryl Cole and Bill Spelman which could open up control of Austin Energy to industry insiders and special interests. The resolution will be voted on Thursday, February 14th at City Council -item 46 on the agenda. It instructs the city manager to develop an ordinance by March 21st that would create a separate appointed utility board. Nominees would be chosen by corporate headhunters who may not share Austin's values or our commitment to having an outstanding green utility with affordable energy. We wouldn't get to vote for them.

“We oppose the City Council's resolution because it would give away the direct oversight we need to keep our city's \$1.9 billion asset on track, and relinquish control of Austin Energy to un-elected industry insiders,” said Tom “Smitty” Smith, Director of Public Citizen's Texas Office. “We, the people, are the owners of our public utility. We must watch over it, be able to vote for those who control it, hold them responsible – and vote them out when needed. Direct accountability would be compromised by the board structure proposed in this resolution.”

“Austin Energy has been an industry leader on energy efficiency and renewable energy, won dozens of awards, had great customer satisfaction, and has average bills that are lower than half of our state. Citizen pressure and demand for accountability are major factors in this success,” said Smith. “We must keep Austin Energy accountable by keeping control in the hands of those we elect.”

“The additional layer of bureaucracy would insulate an un-elected board from public scrutiny and City Council would likely end up rubberstamping their recommendations –whether good or bad,” said Lanetta Cooper, representing Gray Panthers of Austin.

“The separate board structure being proposed is a model that has created disaster in other utilities. The business leaders on San Antonio's un-elected utility board ignored City Council directives and public input, plunging headlong into a financially disastrous nuclear project. The utility had to write off a \$400 million loss,” said Karen Hadden, Director of SEED Coalition. “Austin was able to avoid similar losses because our City Council listened to the public, and voted twice not to get into the same nuclear expansion.”

“Customer Assistance Programs that are essential to helping people keep the lights on during tough financial times and crucial weatherization programs could be put at risk if a separate utility board is created,” said Carol Biedrzycki, executive director of Texas ROSE – Ratepayer's

Organization to Save Energy. “The door was slammed in our face early on when we were told that our ideas were outside the scope of the consultants report that would examine whether Austin should have a separate utility board.”

Perhaps the City Council is considering such a radical governance change because some ratepayers outside the City Limits were unhappy with the recent rate hike.

“People outside the city limits may have felt disenfranchised, but the answer is not to disenfranchise the whole City of Austin in order to level the playing field,” said Hadden. “The answer is to assure representation for all, and ensure utility accountability.”

One good solution would be to create an Austin Energy subcommittee, comprised of City Council members, who can be held responsible through the election process. A member could be included to represent the outlying utility service area, using a process determined by the Travis County Commissioners Court.

Ruby Roa addressed the importance of keeping our energy affordable, and Carey Ibrahim-Begovic, Co-owner of Greenbelt Solar, emphasized the need to keep solar programs in place.

Nelson Linder of NAACP, Susana Almanza, Director of PODER – People Organized to Defend Earth and Her Resources, Independent Businessman Jason Meeker shared their concerns about having a separate board and the need for democratic control of a public utility.

Cyrus Reed, Conservation Director for the Lone Star Chapter of the Sierra Club, relayed the importance of keeping energy efficiency and renewable energy programs strong and keeping utility goals in place. Texas Campaign for the Environment Board Member Brigid Shea discussed the need for the utility to get things done in a timely manner and not to have interference from the City Manager.

Stewart Snider, Co-President of the Austin League of Women Voters urged caution and called for continuation of cost-effective energy conservation programs, environmental protections and a lifeline rate for low-income consumers.

Participants included Austin Sierra Club Executive Committee member Roy Waley; Director of Clean Water Action David Foster; Solar Austin Executive Board member Kaiba White, Activate Austin representative Marion Mlotok, Greenpeace Director Ryan Rittenhouse, Texas Campaign for the Environment staff, Energy expert Paul Robbins, Consumer Advocate Bill Oakey, Environmentalist Colin Clark, Texans for Public Justice, Environment Texas and more.

Related materials can be found online at www.CleanEnergyforAustin.org.

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