

# AFFORDABLE ENERGY POLICY SUMMIT

Tuesday, July 11, 2017



AT&T Executive Education & Conference Center  
1900 University Avenue  
9:00am - 4:30pm





# Affordability and the Austin Energy Strategic Plan



# Outline

- Strategic Planning
- Mission, Vision, Values
- Affordability as Key Driver
- Risk Analysis
- Benefits from a Vertically-Integrated\*  
Community-Owned Utility
- Programs and Services

\*Generation, transmission,  
distribution, customer  
relationship



AUSTIN ENERGY STRATEGIC PLAN  
**VISION**

Drive **CUSTOMER VALUE** in **ENERGY SERVICES**  
with **INNOVATIVE TECHNOLOGY**  
and **ENVIRONMENTAL LEADERSHIP**

**CUSTOMER VALUE**  
Austin Energy will be proactive in meeting customer needs and expectations by focusing on customer value as a key driver of business strategy.

**ENERGY SERVICES**  
Austin Energy will expand programs and service offerings such as demand-side management and rate offers so all customers have access to the energy products and services that best suit their needs and lifestyle.

**INNOVATIVE TECHNOLOGY**  
Austin Energy will modernize its grid, improving reliability, supporting technology integration, and providing data to customers as valuable and actionable information, when they need it and in the manner they want to receive it.

**ENVIRONMENTAL LEADERSHIP**  
Austin Energy will continue to be at the forefront in clean energy and conservation both inside and outside the utility, through internal sustainability efforts, generation planning and green program offerings.

See the **STRATEGIC PLANNING AND TECHNOLOGY INTRANET SITE** for the complete Enterprise Architecture Guiding Principles document which includes additional principles for Business, Data, Infrastructure, Applications, Security and Integration Domains.



# Objectives

- Attendees will have a better understanding of:
  - Challenges and opportunities addressed through strategic planning
  - Importance of affordability and customer satisfaction
  - Keeping overall rates down
  - Specific programs and services for low-income and vulnerable customers





## What is Strategic Planning and Why Do We Do It?



# Strategic Planning

- What is Strategic Planning?

- Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy.

- Why do we do it?

- Influence future of the organization
- Establish overarching direction
- Achieve organizational alignment
- Prioritize resources
- Deliver value



# Terminology

- **Vision:** who we want to be
  - to drive *customer value* in energy services with innovative technology and environmental leadership
- **Mission:** core purpose, what we do every day
  - to safely deliver clean, *affordable*, reliable energy and excellent customer service
- **Goals:** enable us to achieve Vision
  - Six goals
  - Affordability measures (2%/50%)
- **Initiatives:** work we do to achieve goals
  - Thirteen initiatives
  - Customer products and services
  - Operational efficiency



# Challenges and Opportunities

- Customer
  - Communication
  - Data
  - Diverse products and services
- Technology
  - Distributed resources
  - Generation
- Internal
  - Workforce
- Market
  - Deregulation
  - Nodal market
  - Commodity price



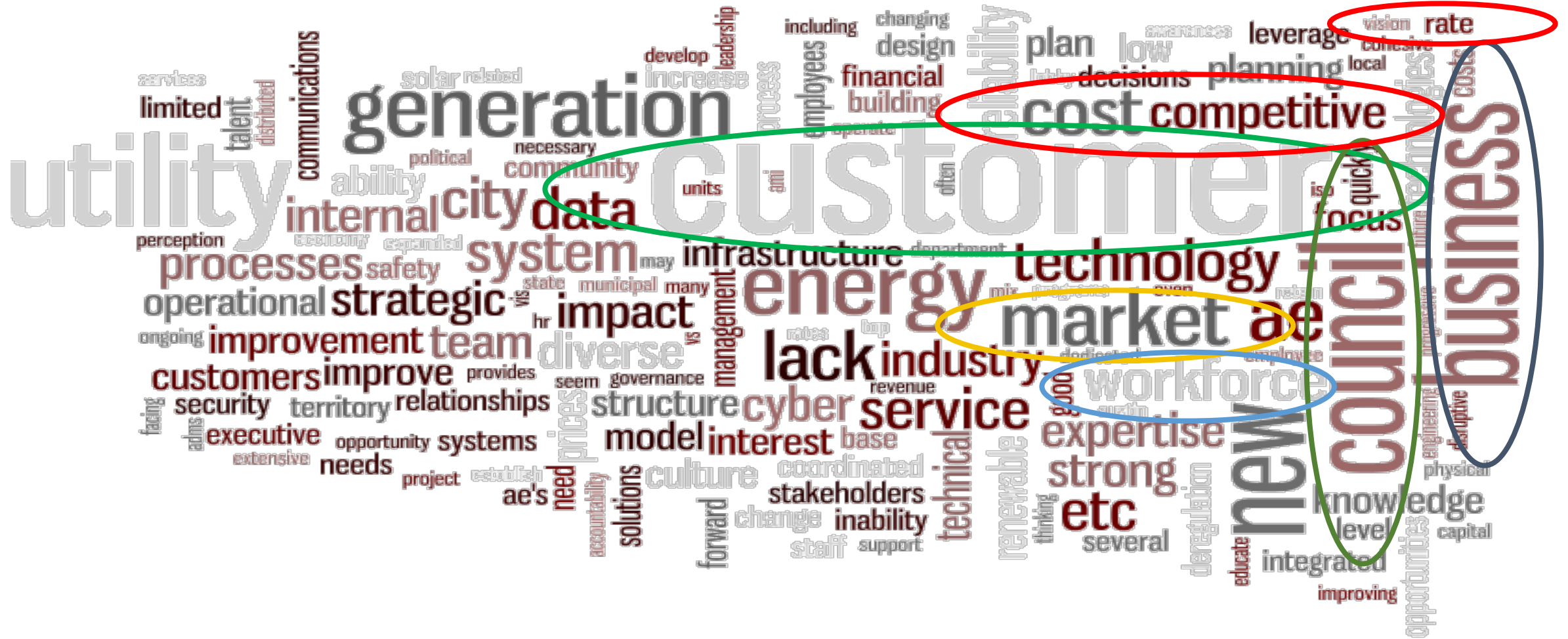




# Strategic Planning Exercises



# SWOT word map



# Megatrend Exercise

## MEGATRENDS

Customer choice

Customer operations excellence

Customer satisfaction

Commodity prices

Disruptive technologies

Talent management

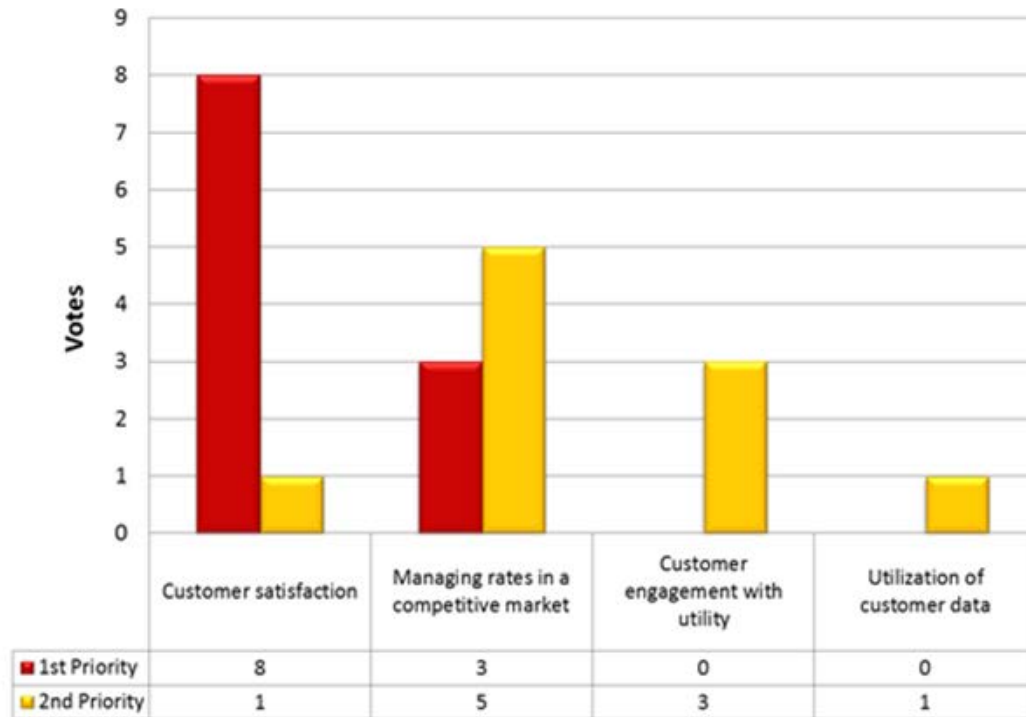
Sustainability / climate change goals

- Exercise to identify major industry trends
- Vote on highest priority in terms of impact to our business



# Priorities

## Trend Prioritization Exercise - Customer



- Exercise to identify priorities
- Vote on highest priority trend in key business areas



# Mission and Vision

- Mission
  - Add “safely”
- Vision
  - Utility vision statements
  - COA departmental vision statements
  - Survey executive team for key themes

Highest Ranked Themes	Score
Customer satisfaction	5
Environmental leadership	5
Competitive	5
Community commitment	5
Affordable rates	5
Publicly-owned	5

5=“very important”, 1=“not important”

**Mission:** *to safely deliver clean, **affordable**, reliable energy and excellent customer service*

**Vision:** *to drive **customer value** in energy services with innovative technology and environmental leadership*



# Scenario Planning and Risk Analysis

- Future Worlds Process (PA Consulting)
- Define current state business model
- Scenario Planning, Modeling and Analysis
- Potential future state
- Impacts to customers
- Assess strategic goals and initiatives

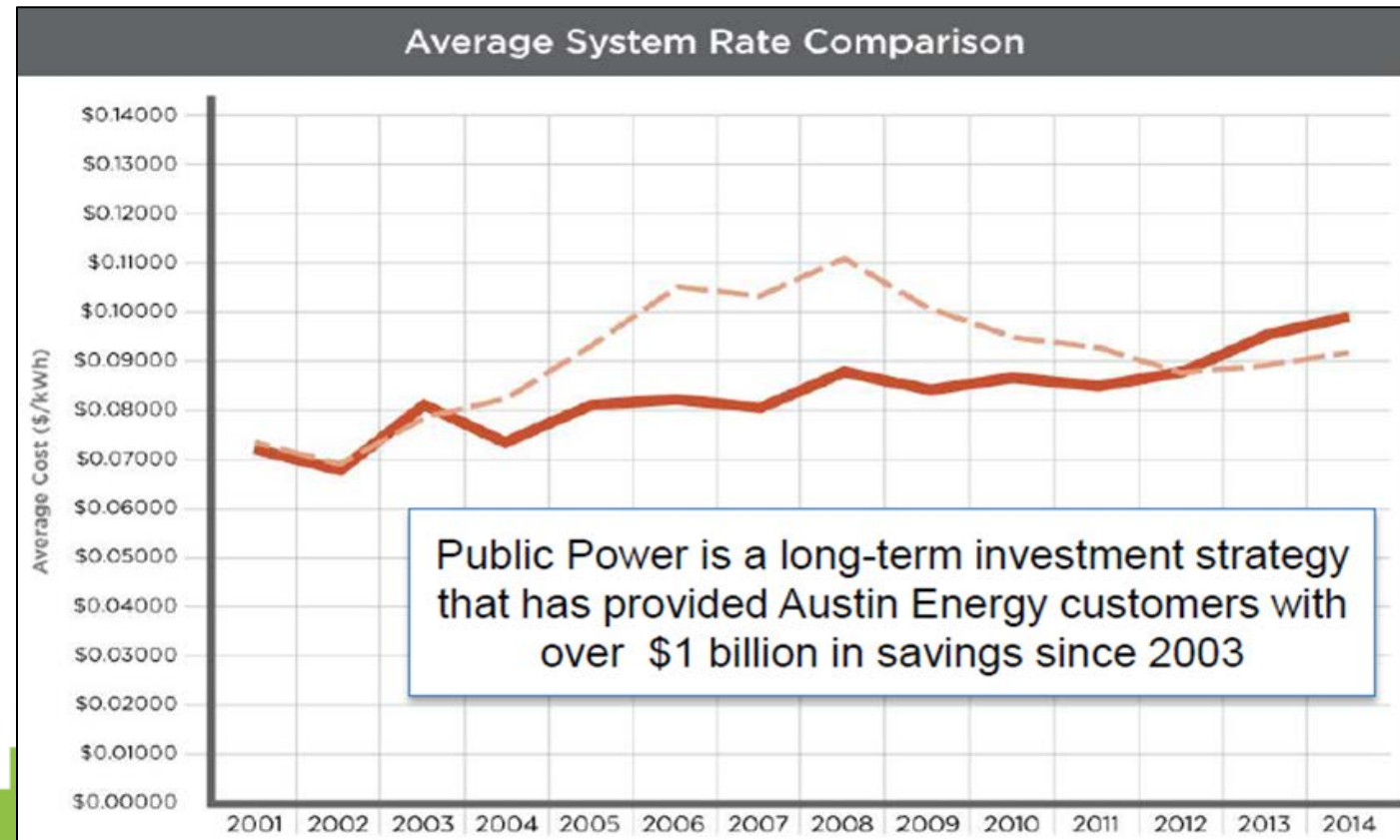


# Rate Stability

- As a community-owned utility, Austin Energy provides:
  - Rate stability
  - Community benefits
  - Long-term value
  - Higher rates, but lower bills

Average Austin Energy rate (solid line) compared to Texas average system rate (dotted line)

Source: EIA Form 861 data (2001-2014)





## Ensure Alignment





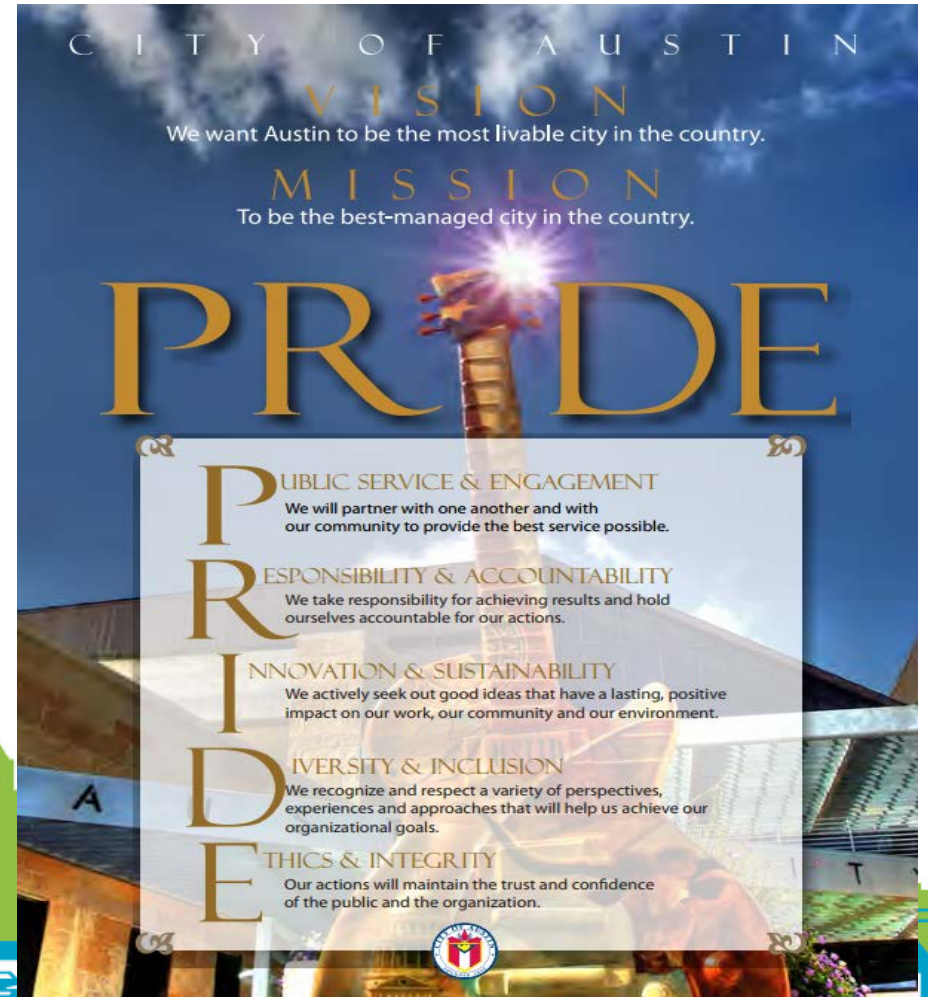
# Alignment with ImagineAustin

## **Austin Energy VISION**

Drive **customer value** in energy services with innovative technology and environmental leadership

## **Austin Energy MISSION**

To safely deliver clean, **affordable**, reliable energy and **excellent customer service**



• **Priority Programs**

- Compact and Connected
- Sustainable Water
- Workforce and Education
- Green Infrastructure
- Creative Economy
- Household Affordability
- Healthy Austin
- CodeNEXT

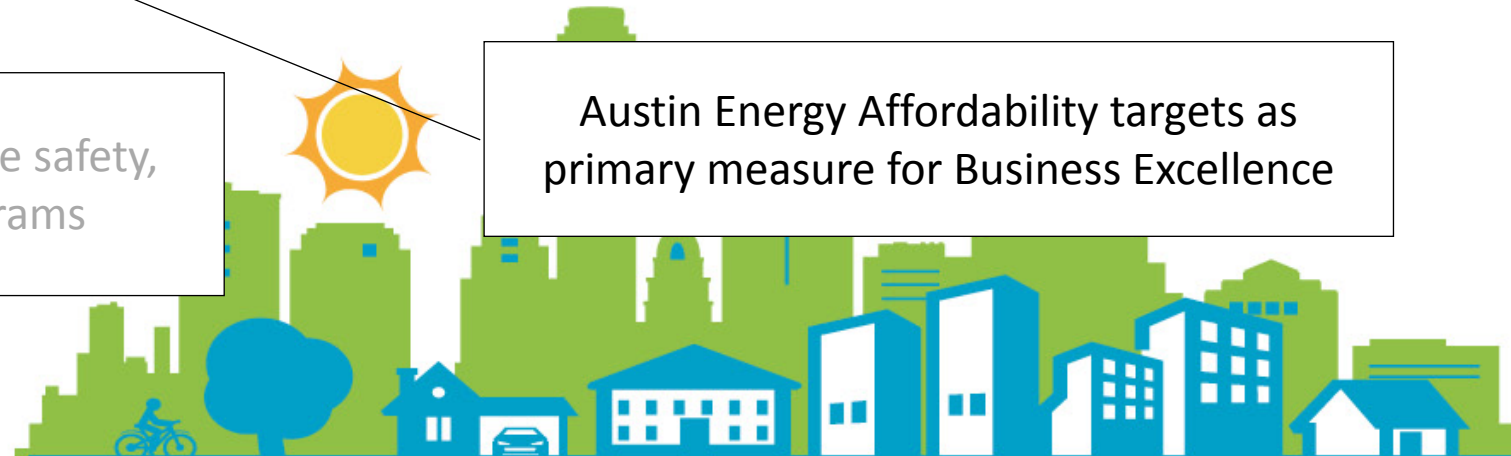
Austin Energy Goals support reliability of downtown network and district cooling that enable compact growth

Austin Energy Environment Goal includes reduced water use across AE Operations

Austin Energy Employee Goal includes workforce development

Austin Energy Goals include employee safety, health, participation in COA programs

Austin Energy Affordability targets as primary measure for Business Excellence





## Programs and Services



# Programs Supporting Organizations

- Incentives
  - solar installations at Community First Village, LifeWorks, Foundation Communities, Habitat for Humanity offices and ReStore, and Jeremiah house
  - 30% bonus incentives for Houses of Worship and non-profits
- Consulting and green building ratings for SMART housing projects and organizations, e.g. Capital Area Food Bank
- Education and outreach to reduce energy usage and costs to organizations providing assistance with housing, e.g. Housing Repair Coalition, Neighborhood Housing
- Efficient lighting
  - Austin Energy provided 13,000 LED lights to COA Housing Authority to install with improvements at ten housing facilities, serving residents in nearly 1,000 dwelling units

Goodness  
has a building code:  
**everyone**  
**sleeps inside.**

Community First Village  
[mlf.org/community-first](http://mlf.org/community-first)



# Customer Assistance Program (CAP)

- Financial and non-financial support
  - Discounts
  - Emergency assistance
  - Education
  - Weatherization
  - Outreach
- 2016 statistics:
  - 37,226 customers received support
  - \$10 million in electric bill discounts
  - 368 medically vulnerable customers served on average each month
- July: Launching Arrearage Management match program estimated to impact 577 accounts in 2017



# Programs and Services

- Low income and weatherization programs
  - over 17,000 homes weatherized
- Multifamily Low Income Pilot
  - 29 properties have participated, 26 in progress
- LEDs for low-income households
  - nearly 300 households served in 2017
- Select Your Due Date (SYDD)
  - January rolled out to CAP customers
  - July roll out to 65 and older
  - Available to all residential customers EOY 2017
- Austin Energy employee events





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## Questions? Comments?

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