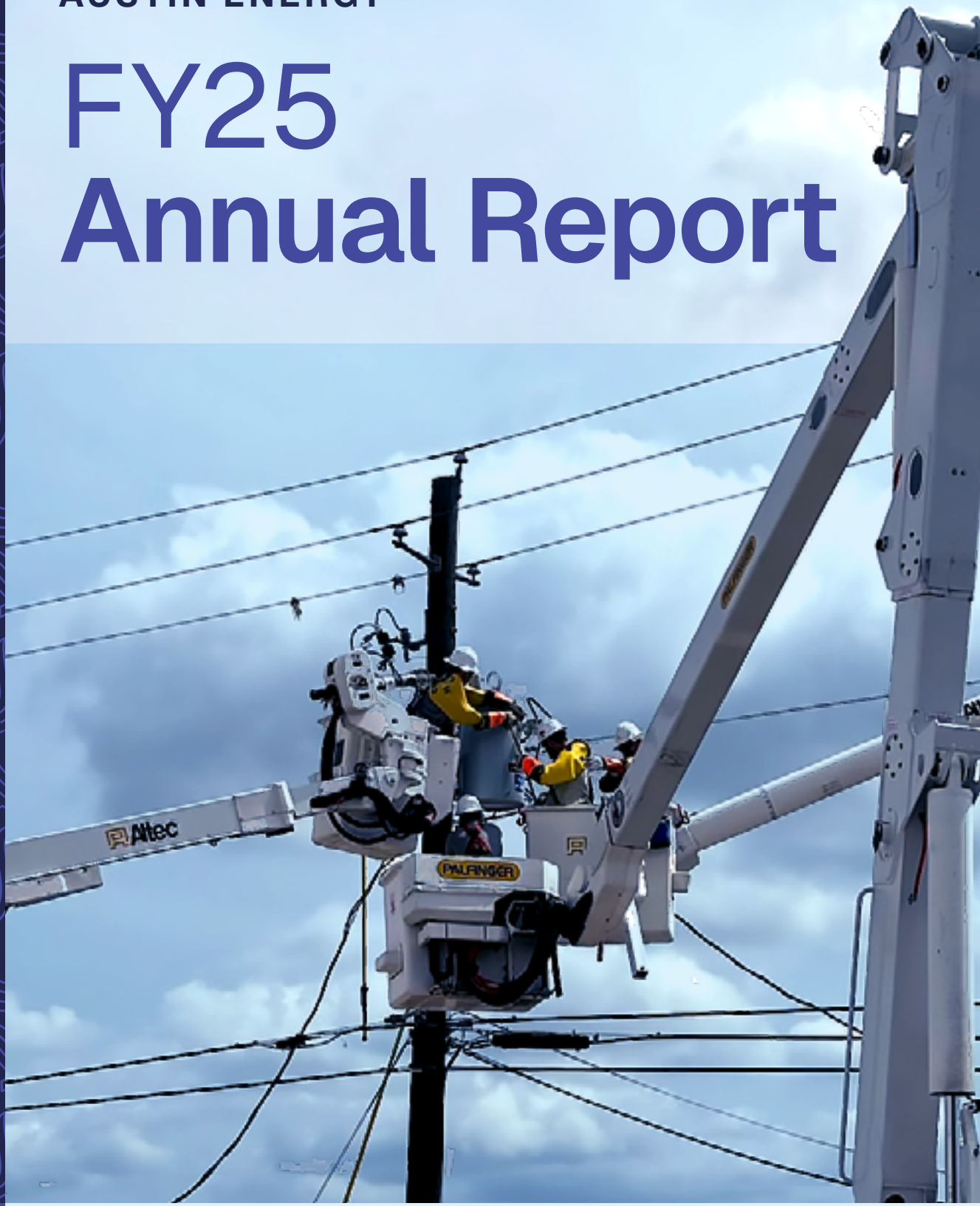
AUSTIN ENERGY

FY25 Annual Report



Austin Energy

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Message from the General Manager

Stuart Reilly
General Manager
AUSTIN ENERGY

Fiscal Year 2025 (FY25) was an important year for Austin Energy. We celebrated 130 years of providing electricity to Austin while serving more than 575,000 customers and delivering more than 14.5 billion kilowatt-hours of electricity across our service territory.

One of the year's most significant achievements was the adoption of the Resource, Generation and Climate Protection Plan to 2035. This plan provides a clear framework for meeting growing energy demand while balancing reliability, affordability and sustainability. We made steady progress toward its goals by expanding commercial demand response participation, adding a record 18.8 megawatts of local solar to the grid and securing a 4-hour utility-scale battery storage contract that will create the largest battery storage facility in Austin Energy's history.

The year also brought challenges, including a powerful microburst in late May—one of the most severe and destructive weather events in the utility's history. The storm swept through a concentrated area of densely populated neighborhoods, damaging buildings, trees and electric infrastructure, resulting in significant outages. Our team, supported by mutual aid partners, coordinated a multi-day restoration effort to restore service safely and efficiently under difficult conditions.

We also advanced long-term system resiliency planning by incorporating the results of independent undergrounding and overhead hardening studies into our Electric System Resiliency Plan (ESRP). This 10-year, $735 million strategy prioritizes targeted investments to harden infrastructure, improve reliability and enable two-way energy flows for distributed resources like solar and battery storage. The ESRP positions Austin Energy to recover quickly from outages, withstand extreme weather and adapt to future challenges.

Throughout the year, we continued investing in infrastructure, advancing clean energy initiatives and expanding programs designed to improve affordability, resilience and customer service.

We are proud of what was accomplished this year and the people who made it possible. Across Austin Energy, employees show up every day to serve our community, respond when it matters most and deliver for our customers. Their dedication is what brings our customer-focused, community-driven mission to life.

As we look ahead to 2026, the progress made in 2025 positions Austin Energy to continue delivering reliable service while building a resilient, modern electric system to serve Austin for generations to come.

By The Numbers

Tracking Financial Health

Balance Sheet

$ IN MILLIONS	FISCAL YEAR ENDED SEPT. 30, 2025	SEPT. 30, 2024	CHANGE
Cash	$346	$286	$60
Account Receivable (net)	173	185	(12)
Power Supply Under Recovery	–	–	–
Other Under Recoveries	–	3	(3)
Debt Service	96	89	7
Contingency Reserve	149	125	24
Power Supply Stablization Reserve	149	114	35
Capital Reserve	78	75	3
Nuclear Decommissioning Reserve	296	278	18
Other Restricted Assets	224	269	(45)
Other Assets and Deferred Outflows	1,665	1,981	(316)
Capital Assets	3,487	3,220	267
Total Assets and Deferred Outflows	**$6,663**	**$6,625**	**$38**
Current Liabilities	306	300	6
Power Supply Over Recovery	109	62	47
Other Over Recoveries	58	40	18
Revenue Bonds	2,202	2,037	165
Commercial Paper	228	268	(40)
Other Long-Term Liabilities and Deferred Inflows	1,944	2,127	(183)
Retained Earnings	1,816	1,791	25
Total Liabilities, Deferred Inflows, and Fund Equity	**$6,663**	**$6,625**	**$38**

Tracking Financial Health

Income Statement

$ IN MILLIONS	FISCAL YEAR ENDED SEPT. 30, 2025	SEPT. 30, 2024
Operating Revenues	$1,194	$1,141
Power Supply Revenue	582	544
Power Supply Expense	490	481
Non-Fuel Expenses	679	802
Depreciation Expense	226	224
Operating Income/(Loss)	**383**	**178**
Other Revenue (Expense)	(231)	(38)
General Fund	(125)	(115)
Net Income/(Loss)	**$26**	**$25**
Debt Service Coverage	**2.4**	**2.4**
Debt to Capital Ratio	**58%**	**57%**

Standard and Poor's **Bond Rating FY25**

AA
TARGET

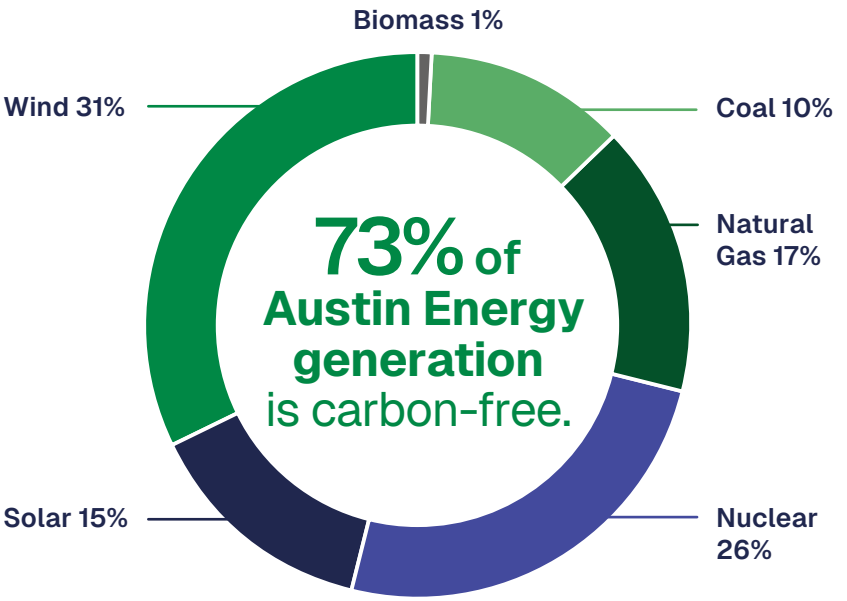
AA-
CURRENT

1.9 Billion
Approved **FY25 Budget**

1,934
Total FY25 **Employees**

Generating Power

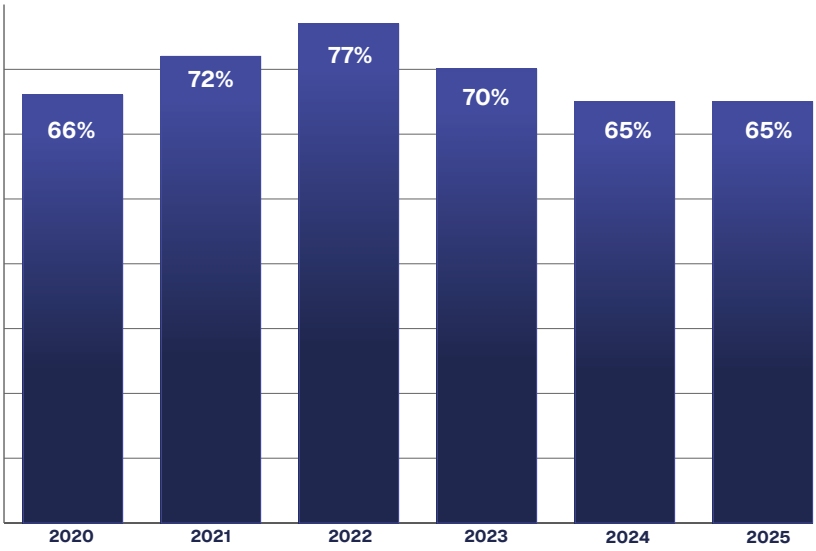
Percent of Energy Generated from Austin Energy Assets



Average Carbon-Free Generation in FY25 for:

- ERCOT — 46%
- U.S. — 42%

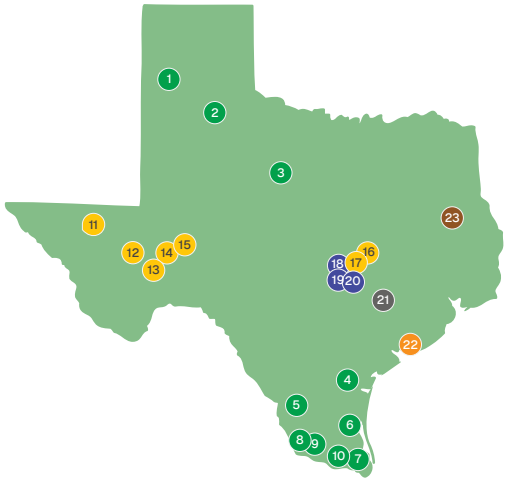
Carbon-Free Energy as a Percent of Load



Generating Power

Generation Details and Locations

	NAME	TYPE	INSTALLED CAPACITY (MW)
1	Jumbo Road	Wind	299.7
2	Whirlwind Energy Center	Wind	59.8
3	Hackberry Wind Project	Wind	165.6
4	Karankawa	Wind	206.6
5	Whitetail	Wind	92.3
6	Gulf Wind	Wind	170.0
7	Los Vientos 2	Wind	201.6
8	Los Vientos 3	Wind	200.0
9	Los Vientos 4	Wind	200.0
10	Raymond	Wind	200.0
11	Aragorn	Solar	180.0
12	Roserock	Solar	157.5
13	Waymark	Solar	178.5
14	East Pecos	Solar	118.5
15	Upton	Solar	157.5
16	East Blackland	Solar	144.0
17	Webberville Solar Project	Solar	30.0
18	Decker Creek Power Station	Natural Gas	200.0
19	Mueller Energy Center	Natural Gas	5.0
20	Sand Hill Energy Center	Natural Gas	595.0
21	Fayette Power Project	Coal	600.0
22	South Texas	Nuclear	430.0
23	Nacogdoches	Biomass	105.0



District Energy & Cooling Systems

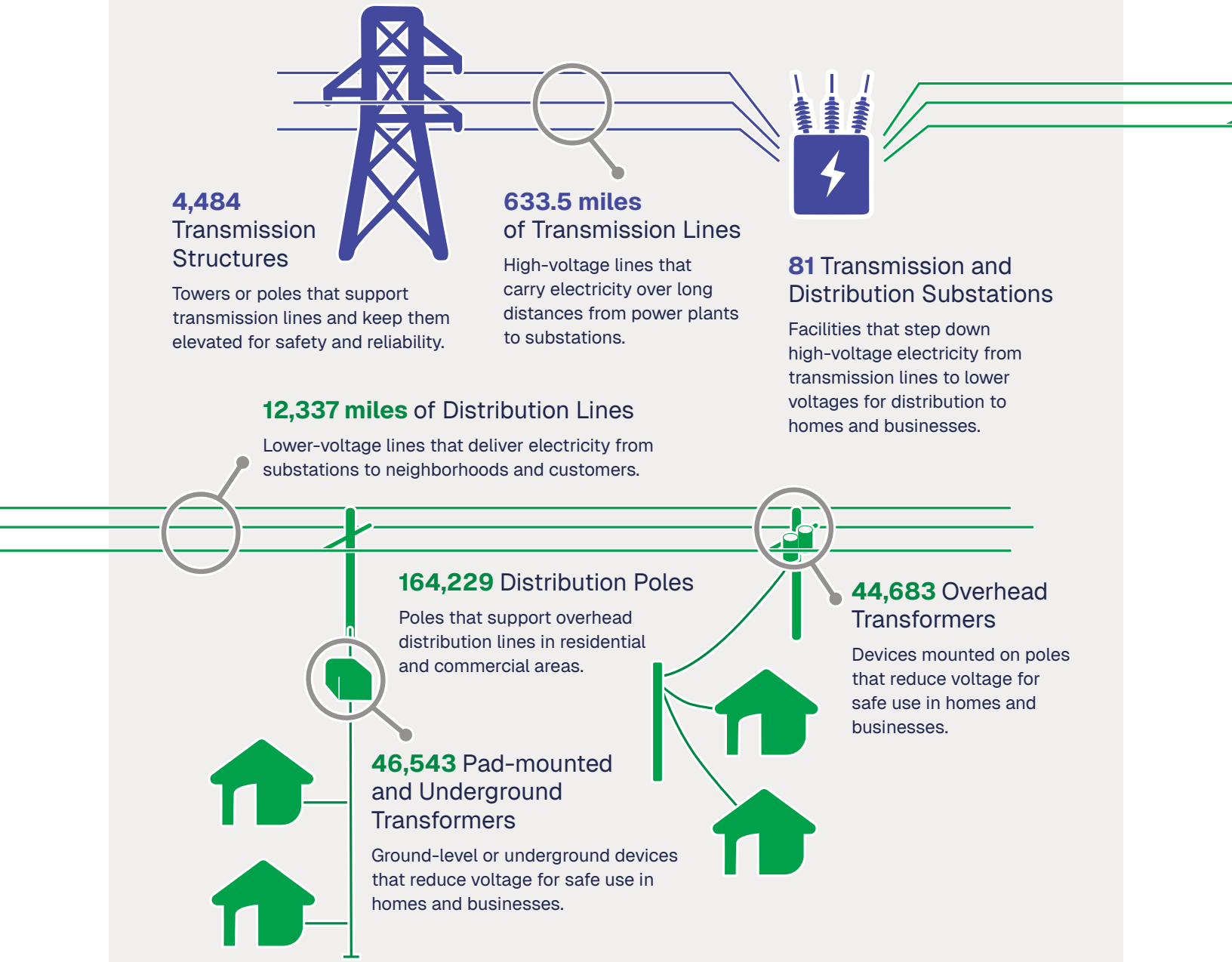
In addition to generating electricity, Austin Energy operates District Energy and Cooling systems that support efficient energy use across the city. Systems located in Downtown, The Domain, Mueller and the Austin Community College Highland Campus serve more than 28 million square feet of buildings and provide more than 64,000 tons of cooling capacity. Thermal energy storage at several facilities helps shift energy use away from peak demand periods, improving efficiency and supporting grid reliability.

FY25 Highlights:

- **Shifted 169 MW of electricity demand** to off-peak periods, lowering demand during peak hours.
- **Reduced carbon dioxide** emissions by **2,644 tons.**
- **100%** system reliability
- **73** customers served, including the City of Austin, Dell Children's Medical Center, major downtown hotels and Austin Community College

Maintaining a Reliable Electric System

Transmission + Distribution



4,484 Transmission Structures

Towers or poles that support transmission lines and keep them elevated for safety and reliability.

633.5 miles of Transmission Lines

High-voltage lines that carry electricity over long distances from power plants to substations.

81 Transmission and Distribution Substations

Facilities that step down high-voltage electricity from transmission lines to lower voltages for distribution to homes and businesses.

12,337 miles of Distribution Lines

Lower-voltage lines that deliver electricity from substations to neighborhoods and customers.

164,229 Distribution Poles

Poles that support overhead distribution lines in residential and commercial areas.

44,683 Overhead Transformers

Devices mounted on poles that reduce voltage for safe use in homes and businesses.

46,543 Pad-mounted and Underground Transformers

Ground-level or underground devices that reduce voltage for safe use in homes and businesses.

Maintaining a Reliable Electric System

$424 Million

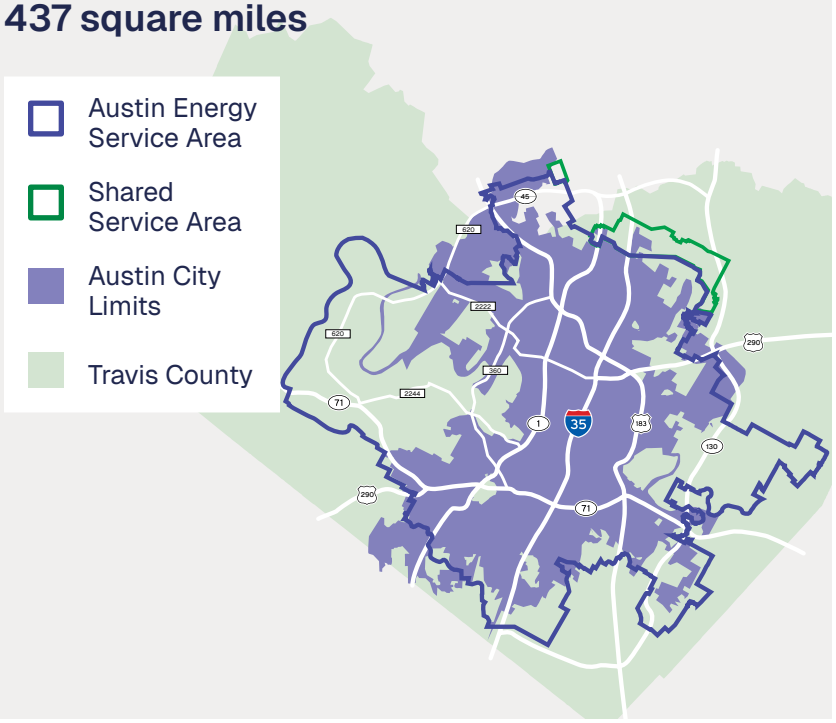
FY25 Capital Improvement Budget

Safety Supports Reliability

Austin Energy's commitment to safety helps ensure employees can safely operate and maintain the electric system that powers our community. By identifying hazards and addressing risks across the organization, Austin Energy supports safe operations and reliable electric service.

- **208** safety findings identified
- **133** corrective actions
- **78** preventative actions

Service Area: 437 square miles

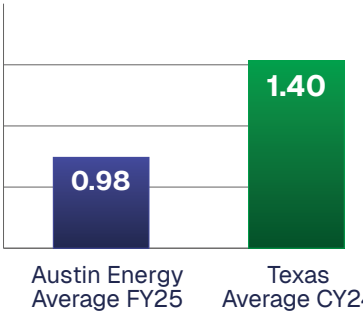


Maintaining a Reliable Electric System

System Reliability

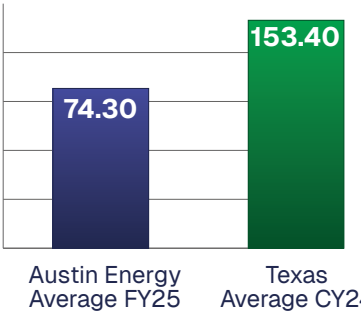
Reliability means customers have the power they need, when they need it. Austin Energy works 24/7 to keep the lights on and the power flowing for Central Texas residents. Austin Energy customers experience significantly fewer outages and quicker restoration times than the average customer in Texas. These numbers do not include major outage events.

Average Number of Outages per Customer



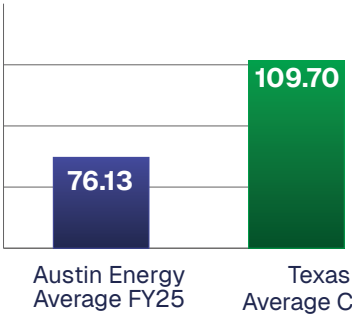
System Average Interruption Frequency Index (SAIFI)

Average Duration of Outages in Minutes



System Average Interruption Duration Index (SAIDI)

Average Time to Restore Service to Affected Customers in Minutes



Customer Average Interruption Duration Index (CAIDI)

Serving our Customers

Customers, Consumption and Sales by Class

CUSTOMER CLASS	MWh	REVENUE ($)	CUSTOMER COUNT
Residential	5,210,904	$671,573,973	519,798
Commercial	5,985,663	$641,988,635	55,154
Industrial	3,303,806	$230,606,194	135
FY Total	**14,501,373**	**$1,544,168,802**	**575,087**

2,938 MW
FY25 Summer Peak
(August)

2,722 MW
FY25 Winter Peak
(February)

Customer Assistance Calls

1,238,439

Utility Contact Center
customer service calls

941,266

Austin 3-1-1
support service calls

*Austin 3-1-1 is part of Austin Energy's customer care family, serving as the City's 24/7 information center for all services, including Austin Energy inquiries.

Supporting our Community

State, Military and School Districts Discounts and Rebates

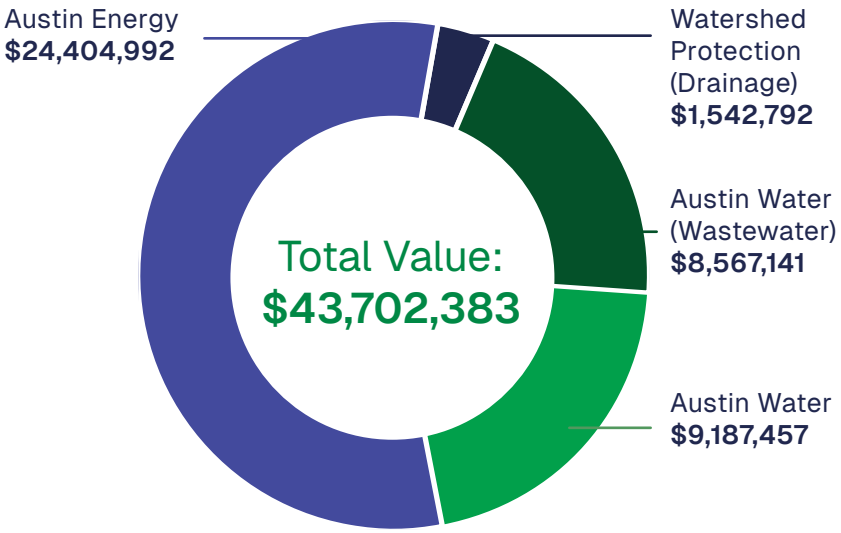
- **$2.9 Million in discounts** to Austin area school districts
- **$94 Thousand in rebates** to Austin area school districts
- **$3 Million in discounts** to state facilities and military bases
- **$32 Thousand in rebates** to state facilities and military bases

Community Engagement and Educational Outreach Numbers

- **20,086** attendees
- **286** presentations
- **108** events attended

Supporting our Community

Customer Assistance Program Discount



80,371

Customer Assistance Program participants in FY25.

This milestone supports Council's objective to reach 90% of eligible residents and demonstrates Austin Energy's commitment to affordability and equity.

Delivering Customer Energy Solutions

Green Building

Residential single family homes
332 in Austin Energy service area
275 in extended area

Multifamily projects
25 in Austin Energy service area
1 in extended area

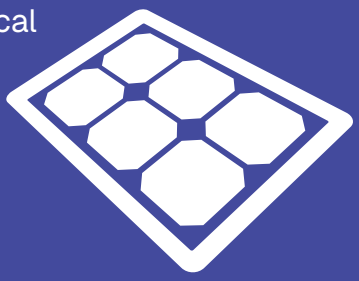
Commercial projects
19 in Austin Energy service area

Solar

Community Solar
488 participants

Customer Sited Solar
529 rebated solar installations
220 unincentivized solar

18.8 MW of local solar added

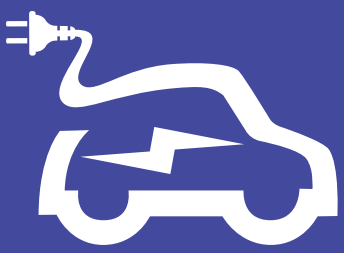


Electric Vehicles

Registered Vehicles
75,847 registered electric vehicles

Charging Ports
1,429 Plug-In charging ports in Austin

Incentives issued
672 residential
18 commercial
1,351 e-ride



GreenChoice®

Commercial
371 participants

Residential
20,057 participants

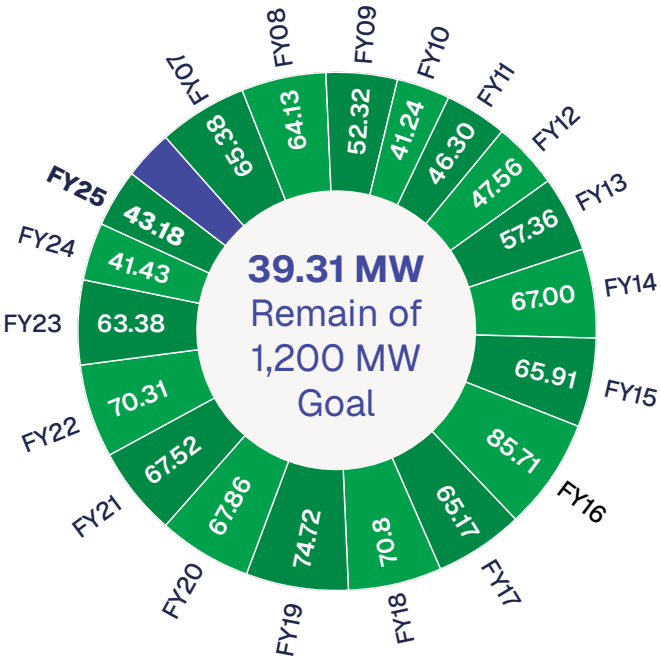
Delivering Customer Energy Solutions

Renewable Program Performance

Program	Participant Count	MW	MWh	Incentive ($)
CRS PROGRAM DATA FY2025				
GreenChoice Commercial	371	-	629,086	-
GreenChoice Residential	20,057	-	200,397	-
Total Green Choice	20,428	1795.6	829,483	-
Community Solar CAP	239	-	2,194	-
Community Solar Market Rate	249	-	2,251	-
Total Community Solar	488	4.4	4,444	-
CUSTOMER SITED SOLAR				
Residential Rebate	480	3.9	6,730	$1,497,393
Commercial Incentives	49	13.5	23,424	$7,393,466
Total Rebated Solar	529	17.4	30,154	$8,890,859
Unincentivized Residential Solar	210	1.4	2,336	$-
Unincentivized Commercial Solar	10	0.1	173	$-
Total Unincentivized Solar	220	1.5	2,509	$-
Total Customer-Owned Solar	749	18.88	32,662	$8,890,859

Delivering Customer Energy Solutions

Energy Efficiency Program Savings



Energy Efficiency Results FY25.

Customer Energy Solutions originally set a goal to save **1,200 Megawatts (MW)** through its programs by **2030**. As part of the updated Resource, Generation, and Climate Protection Plan to 2035, that goal has been **accelerated to 2027**. The focus has also shifted from simply measuring MW reductions to tracking Greenhouse Gas (GHG) emissions reductions across the entire program portfolio.

Demand Response

Power Partner Devices
8,214 enrolled devices

Power Saver Residential Customers
49,998 customers

Commerical Demand Response
237 accounts

Energy Efficiency Services

Home Energy Savings
332 customers

Appliance Efficiency Program
2,440 customers

Weatherization Assistance
889 customers

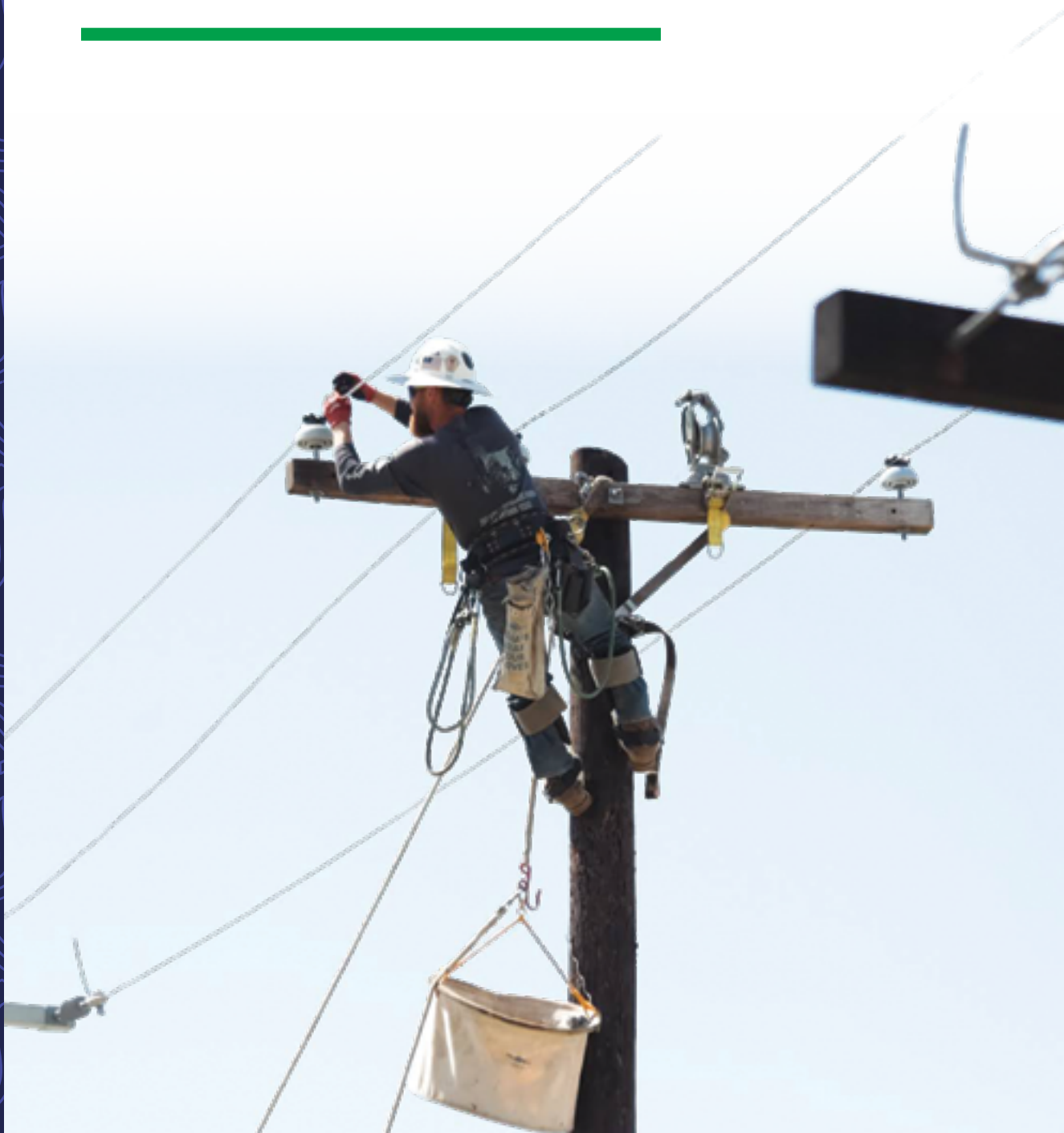
Delivering Customer Energy Solutions

Conservation Program Performance

	PROGRAM	TYPE	PARTICIPANT COUNT	ENERGY SAVINGS (MWH)	DEMAND SAVINGS (MW)	REBATES ($)
RESIDENTIAL						
Energy Efficiency Services	Appliance Efficiency Program	Customers	2,440	3,428	1.7	$1,018,952
	Home Energy Savings	Customers	332	480	0.34	$889,246
	Weatherization Assistance & CAP WX	Customers	889	1,344	0.71	$8,118,489
	School Based Education	Participants	3,085	566	0.13	$152,849
	Strategic Partnership with Utilities and Retailers	Products Sold	165,169	9,365	1.23	$690,013
	Multifamily Standard	Apartment Homes	4,780	5,681	2.66	$2,005,965
	Multifamily Income Qualified	Apartment Homes	4,228	4,130	1.52	$2,370,684
Green Building	Residential Ratings	Dwelings	332	302	0.26	$0
	Residential Energy Code	Dwelings	1,904	2,049	1.48	$0
	Subtotal Residential		17,990	27,345	10.03	$15,246,198
COMMERCIAL						
Energy Efficiency Services	Commercial Rebate	Customers	115	9,050	2.61	$1,234,128
	Small Business	Customers	72	1,690	0.93	$595,170
Green Building	Multifamily Ratings	Dwelings	5,802	4,133	2.05	$0
	Multifamily Energy Code	Dwelings	8,691	5,186	4.41	$0
	Commercial Ratings	1,000 sf	4,552	6,590	2.49	$7,420
	Commercial Energy Code	1,000 sf	5,996	5,630	1.71	$0
	Subtotal Commercial		25,228	32,279	14.2	$1,836,718
DEMAND RESPONSE (DR) - ANNUAL INCREMENTAL						
Demand Response	Power Partner	Devices	8,214	0	11.17	$1,287,910
	Power Saver	Customers	49,998	0	1.84	$0
	Commercial Demand Response (Load CO-OP)	Accounts	237	0	7.78	$1,028,235
	Subtotal Demand Response		58,449	0	20.79	$2,316,145
	Total DSM		101,667	59,624	45.02	$19,399,061

POWERING AUSTIN'S FUTURE:

A Year in Review



130 Years of Austin Energy

In 2025, Austin Energy marked 130 years of powering Austin, building on a history that began in 1895 with the lighting of the city's iconic moonlight towers.

Over the past 130 years, Austin Energy has grown alongside the city, evolving to meet changing technologies, customer needs and an expanding service territory. Today, Austin Energy is one of the largest municipally owned electric utilities in the nation.

As Austin expanded from a small community into a major metropolitan area, Austin Energy adapted its electric system to support that growth while maintaining reliable service. Decades of development, investment and operational experience have shaped a modern system that supports daily life, economic activity and long-term community growth across Greater Austin.

Austin Energy's legacy is reflected not only in the scale of its electric system, but also in its long-standing commitment to serving the community.

Over time, the utility has expanded programs and services that support affordability, energy efficiency, clean energy adoption and customer assistance to meet the evolving needs of the customers it serves. The utility's workforce has been central to sustaining this legacy. Generations of employees have built, operated and maintained the electric system, carrying forward institutional knowledge and experience that supports reliable operations today. In FY25, several employees marked more than 35 years of service, representing decades of continuity and dedication.

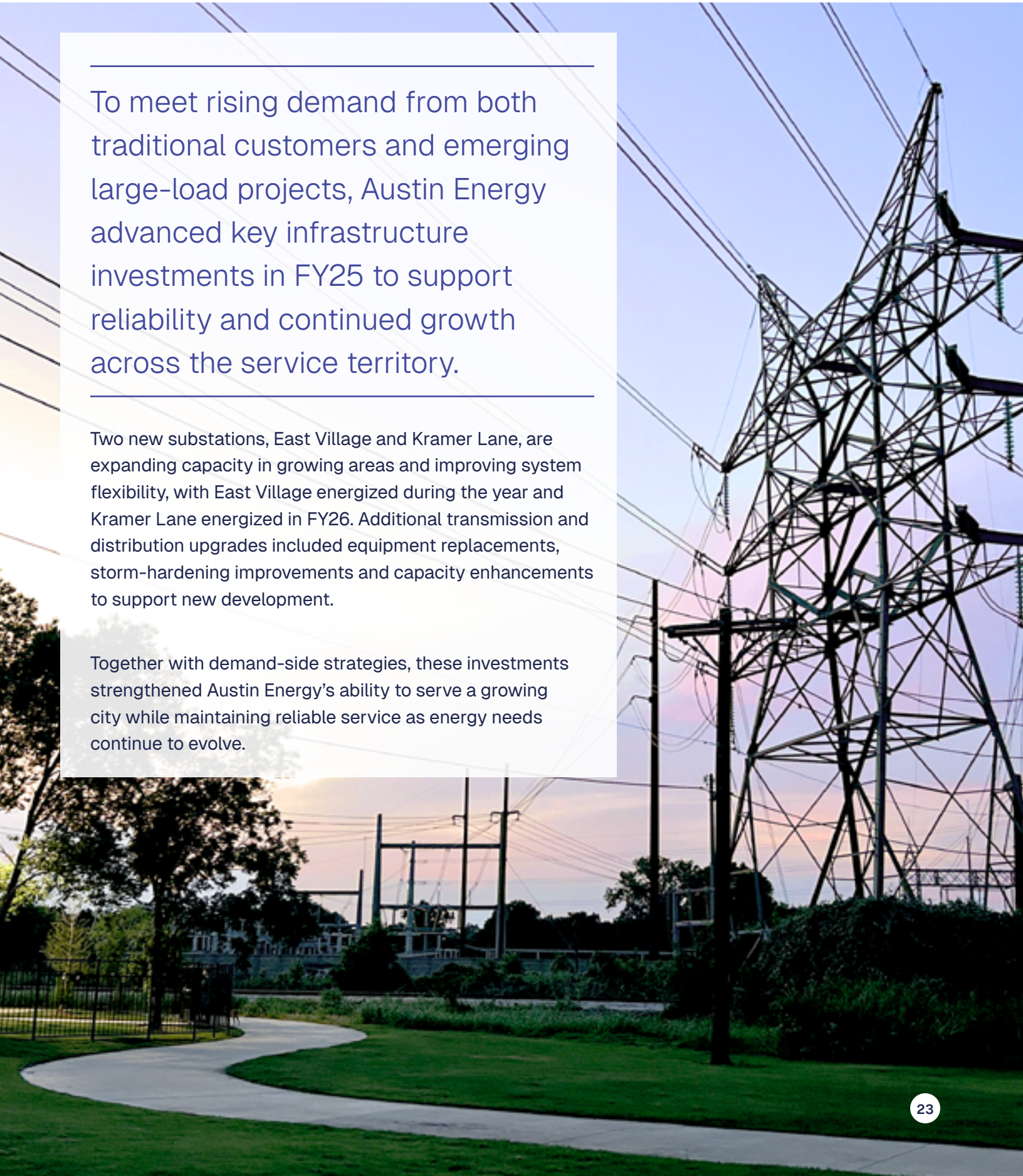
As Austin Energy begins its next 130 years of service, the utility continues building on its legacy through long-term planning, infrastructure investment and system resiliency efforts advanced during FY25.

GROWING STRONGER:

Customer Growth and Energy Demand

In FY25 Austin Energy powered more than 575,000 homes and businesses, reflecting Austin's rapid population growth and rising demand for electricity. Energy use continued its upward trend, with total consumption increasing from FY24 and seasonal peaks remaining high during both summer and winter months. Residential and commercial customers drove most of this growth, fueled by new housing developments, expanding business activity and the electrification of homes and transportation.

Beyond residential and commercial growth, FY25 underscored a new dimension of demand: large-load customers like data centers and advanced industrial facilities. These projects can create increased electric demand and new infrastructure needs. Austin Energy will continue to ensure the system remains reliable and affordable as these new customers come online.



To meet rising demand from both traditional customers and emerging large-load projects, Austin Energy advanced key infrastructure investments in FY25 to support reliability and continued growth across the service territory.

Two new substations, East Village and Kramer Lane, are expanding capacity in growing areas and improving system flexibility, with East Village energized during the year and Kramer Lane energized in FY26. Additional transmission and distribution upgrades included equipment replacements, storm-hardening improvements and capacity enhancements to support new development.

Together with demand-side strategies, these investments strengthened Austin Energy's ability to serve a growing city while maintaining reliable service as energy needs continue to evolve.

Implementing the Resource, Generation and Climate Protection Plan

The Resource, Generation and Climate Protection Plan to 2035 guides how Austin Energy advances clean energy goals while keeping power reliable and affordable as Austin grows. In FY25, implementation focused on turning that framework into action through targeted investments, expanded customer energy programs and infrastructure improvements.

A central benchmark of the plan is achieving 100% carbon-free energy as a percentage of load by 2035. In FY25, Austin Energy remained at approximately 65% carbon-free load, reflecting continued progress alongside operational challenges such as congestion, renewable curtailments and changing system conditions.

FY25 marked major progress on clean energy initiatives. Austin Energy signed its largest battery storage agreement to date, an agreement with Jupiter Power for up to 100 megawatts of dispatchable capacity. Battery storage allows energy to be stored when supply is high and delivered during periods of peak demand, helping stabilize the grid during extreme heat and other high-stress conditions.

Local solar also reached a new milestone. In FY25, Austin Energy added a record 18.8 megawatts of new local solar, bringing total supported capacity to 188 megawatts, just 17 megawatts short of the 2027 goal.

The additions came from 749 new projects across the city, including residential and

commercial installations. Programs such as Solar Standard Offer helped support this growth by providing a clear, scalable pathway for businesses and developers to invest in local solar.

Customer participation continued to play a key role in managing peak demand. Through expanded demand response programs, Austin Energy reduced peak load by more than 57 megawatts during periods of high system use. Increased participation across commercial customers and public-sector facilities, including City of Austin buildings, reinforced demand response as an effective customer energy solution that helps limit strain on the grid and supports more efficient system planning over time.

Customer energy solutions more broadly continued to deliver measurable results. Record solar growth, ongoing energy efficiency savings and expanded demand response programs, including managed electric vehicle charging, helped reduce peak demand while giving customers more options to manage energy use and costs.

FY25 marked a shift from planning to delivery. Through investments in battery storage, record local solar additions and increased customer participation, Austin Energy advanced the goals of the Resource, Generation and Climate Protection Plan while strengthening the electric system for the years ahead.

THE MAY MICROBURST:

Emergency Response and System Reliability

On May 28, 2025, a powerful supercell thunderstorm moved through the Austin area, bringing wind gusts of up to 90 miles per hour and hail as large as 1.5 inches. The event, known as the May Microburst, swept through a concentrated area of densely populated neighborhoods, damaging buildings, trees and electric infrastructure as high winds broke poles, downed power lines and destroyed transformers.

More than 72,000 customers lost power at the peak of the storm, with approximately 124,000 customers affected and restored over the course of the event, making it the second most destructive weather event in Austin Energy's history.

Austin Energy activated its emergency response structure and quickly mobilized crews with support from more than 300 mutual aid workers. Crews worked around the clock to replace 91 poles, 52 transformers and more than 32,000 feet of overhead cable. All customers who could safely receive power were restored within four days, reflecting the scale and coordination required to respond to a fast-moving, high-impact weather event.

The May Microburst was a significant operational event for Austin Energy in 2025, placing simultaneous demands on damage assessment, restoration coordination, mutual aid integration, customer communications and more. The scope of infrastructure damage and the number of customers affected highlighted the complexity of restoring service following severe weather events in a rapidly growing city.

As severe weather events become more frequent and intense, Austin Energy is applying lessons from the May Microburst to strengthen future readiness. Insights from the event are informing ongoing efforts to enhance coordination, improve restoration effectiveness and support continued investments in system reliability and resilience.

A detailed review of the event, response and lessons learned is documented in Austin Energy's May 2025 Microburst After-Action Report.

PLANNING FOR THE FUTURE:

Austin Energy is Strengthening System Resiliency

In FY25, Austin Energy advanced a comprehensive, long-term approach to strengthening the electric system in response to increasing climate risk, aging infrastructure and growing customer expectations. These efforts culminated in the development of the Electric System Resiliency Plan (ESRP), a 10-year framework that guides how the utility will reduce outage risk, improve recovery and prepare the system to support a more distributed and electrified future.

The ESRP builds on extensive analysis of Austin Energy's distribution system, informed by independent studies and community feedback. In 2024, the utility completed both an Underground Feasibility Study and an Overhead Resiliency Study. The studies evaluated the costs, benefits and performance impacts of potential system upgrades, confirming that system-wide undergrounding would be cost-prohibitive while identifying targeted strategies that could deliver the greatest resiliency benefits.

Using these findings, Austin Energy identified eight core initiatives that form the foundation of the ESRP:

Circuit Hardening
Strategic upgrades to existing infrastructure with modern materials for fewer outages and better storm resilience.

Wildfire Mitigation
Fire-resistant upgrades in high-risk areas for enhanced safety.

Vegetation Management
Risk-based trimming that focuses resources to make the most impact for fewer vegetation outages and continued prioritization of wildfire mitigation.

Pole Inspection
Drone and thermal scans of poles for early risk detection and fewer emergency repairs.

Sectionalization and Automation
Expansion of grid monitoring and control systems as well as smart devices to segment the grid for faster fault detection and restoration.

Intelligent Systems
Modernization of field sensor devices, like advanced metering infrastructure (AMI) systems, for enhanced situational awareness and response.

Grid Analytics
Real-time and predictive data to support better asset management and smarter investments.

Progress Dashboard
Public-facing updates on resiliency work to demonstrate transparency, trust and accountability.

Each initiative is designed to strengthen the system's ability to withstand disruptions, recover more quickly from outages and prioritize improvements where they will have the greatest impact.

Community input played a central role in shaping the plan. Through in-person engagement and a virtual open house, customers shared priorities related to reliability, resiliency, cost, environmental conditions and equity.

Feedback reinforced support for a strategic, data-driven approach to system upgrades rather than uniform, end-to-end infrastructure replacement, and emphasized the importance of transparency and clear communication as resiliency investments are implemented.

The ESRP establishes a phased implementation strategy spanning FY26 through FY35, allowing Austin Energy to launch foundational programs, scale successful initiatives and adapt over time as conditions and technologies evolve. Over the 10-year period, the utility is forecast to invest approximately $735 million in resiliency initiatives focused on reducing outage frequency and duration, improving safety and strengthening performance during extreme weather events.

By advancing the Electric System Resiliency Plan in FY25, Austin Energy established a clear, data-driven roadmap for long-term system improvement. The plan reflects a shift toward targeted investments, operational flexibility and transparency, positioning the utility to respond more effectively to future challenges while continuing to deliver reliable electric service to the community.

Closing

FY25 was a defining year for Austin Energy, showcasing the strength of its 130-year legacy and the scale of challenges ahead. Rapid customer growth, evolving energy demands and increasingly severe weather reinforced the need for long-term planning, operational readiness and strategic investment.

Key milestones included implementation of the Resource, Generation and Climate Protection Plan to 2035, expanded demand response participation and development of the Electric System Resiliency Plan. Together, these initiatives advanced a clear roadmap for meeting Austin's future energy needs. At the same time, the May Microburst highlighted the critical role of preparation, coordination and skilled field crews in restoring service safely and efficiently during extreme weather events.

As a publicly owned utility, Austin Energy remains committed to delivering reliable electric service while balancing affordability, sustainability and resilience.

Investments made in FY25 reflect a focus on targeted, data-driven solutions that strengthen the system, support customer needs and protect the community. Austin Energy enters FY26 with a strong foundation for continued progress.

Austin Energy

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