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
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**

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<thead>
<tr>
<th>MEGATRENDS</th>
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<tbody>
<tr>
<td>Customer choice</td>
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<td>Customer operations excellence</td>
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<td>Customer satisfaction</td>
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<td>Commodity prices</td>
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<td>Disruptive technologies</td>
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<td>Talent management</td>
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<td>Sustainability / climate change goals</td>
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- Exercise to identify major industry trends
- Vote on highest priority in terms of impact to our business
Priorities

• 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

**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
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 include employee safety, health, participation in COA programs

Austin Energy Environment Goal includes reduced water use across AE Operations

Austin Energy Employee Goal includes workforce development

Austin Energy Affordability targets as primary measure for Business Excellence

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