



AUSTIN ENERGY

ANNUAL REPORT

FY 22



A message from Austin Energy General Manager Jackie Sargent

Austin Energy's dedicated professionals share our mission to safely deliver clean, affordable, reliable energy and excellent customer service. With a record number of customers, our electric system is larger and more complex than ever, but our service interruptions were half the statewide average and outage length was one-fifth the Texas average. During one of the hottest summers in history, our power production team set a record for energy generation. Additionally, we made significant progress toward our carbon-free goal, producing 77% carbon-free energy compared to our service area load.

Throughout 2022, Austin Energy engaged our community in a formal base rate review process. For the first time in a decade, the Austin City Council approved raising base rates and modernizing the rate structure for an evolving electric landscape yet keeping residential bills among the lowest in the state.

The new base rates will improve Austin Energy's financial health to maintain our community's growing electrical system, continue energy efficiency and conservation efforts, and expand Customer Assistance Programs. Thanks to our employees' teamwork, flexibility and commitment, Austin Energy will continue to deliver on its promise to be Customer Driven and Community Focused.

Sincerely,



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Austin Energy's Financial Foundation

\$1.51 billion
Approved FY22 Budget

1,897
Total FY22 Full-Time Employees

Standard and Poor's FY22

	AAA	PRIME
	AA+	HIGH GRADE
Target >	AA	
FY22 Rating >	AA-	
	A+	UPPER MEDIUM GRADE
	A	
	A-	
	BBB+	LOWER MEDIUM GRADE
	BBB	
	BBB-	
	BB+	NON-INVESTMENT GRADE SPECULATIVE
	BB	
	BB-	
	B+	HIGHLY SPECULATIVE
	B	
	B-	
	CCC+	SUBSTANTIAL RISK EXTREMELY SPECULATIVE
	CCC	
	CCC-	
	CC	DEFAULT IMMINENT
	C	
	D	IN DEFAULT

Unaudited Comparative STATEMENT OF NET Position

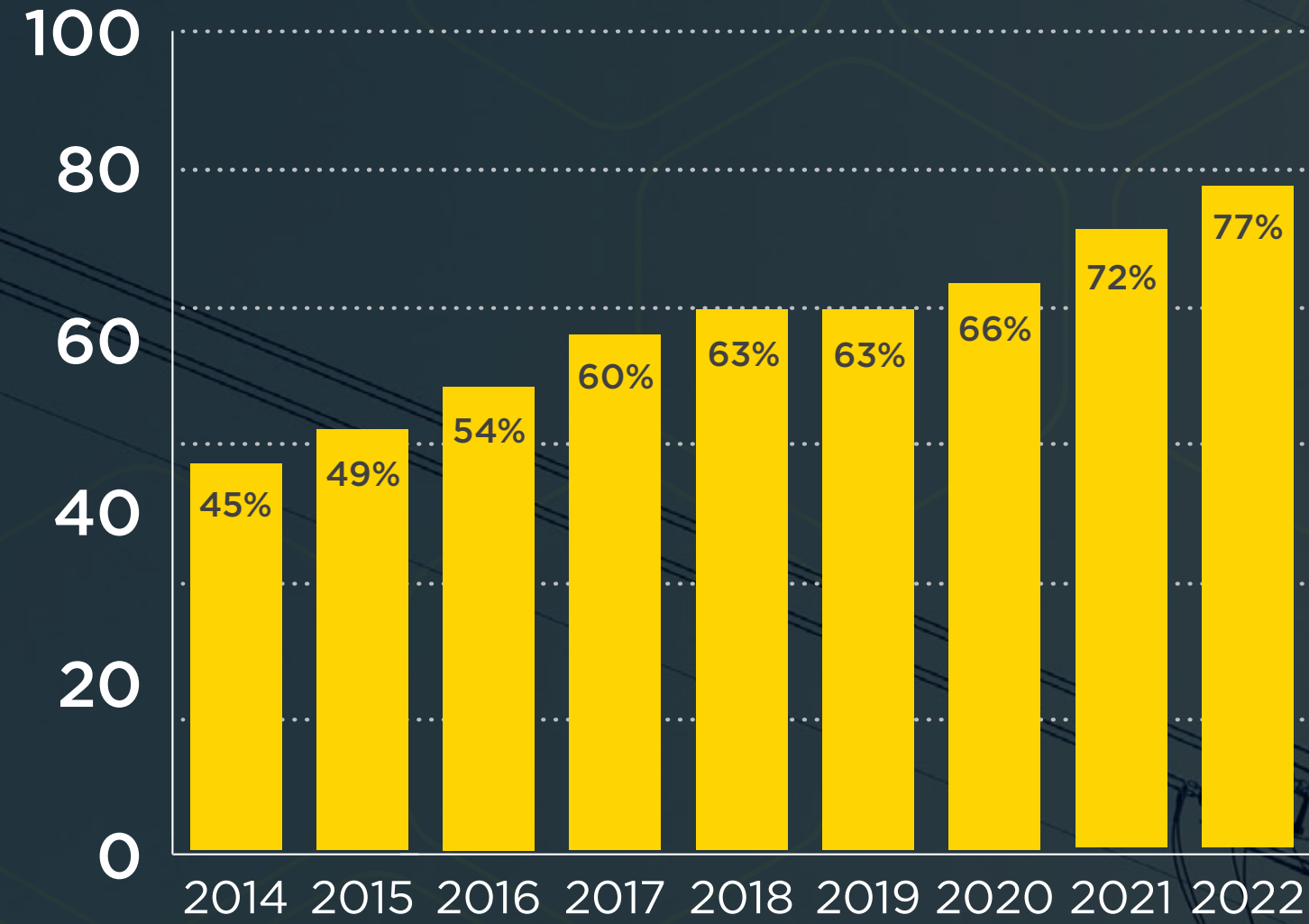
\$ In Millions	Sept. 30, 2022	Sept. 30, 2021	Change
Cash	\$165	\$329	(\$164)
Accounts Receivable (net)	138	153	(15)
Power Supply Under Recovery	60	-	60
Other Under Recoveries	16	21	(5)
Debt Service — ST	80	85	(5)
Contingency Reserve	104	108	(4)
Power Supply Stabilization Reserve	107	110	(3)
Capital Reserve	68	70	(2)
Nuclear Decommissioning Reserve	243	241	2
Other Restricted Assets	246	187	59
Other Assets and Deferred Outflows	1,876	1,751	125
Capital Assets	3,022	3,047	(25)
Total Assets	\$6,125	\$6,102	\$23
Current Liabilities	286	199	87
Power Supply Over Recovery	-	105	(105)
Other Over Recoveries	16	18	(2)
Revenue Bonds	1,987	2,089	(102)
Commercial Paper	171	77	94
Deferred Inflows and Other Long-Term Liabilities	1,851	1,797	54
Retained Earnings	1,814	1,817	(3)
Total Liabilities and Fund Equity	\$6,125	\$6,102	\$23

Unaudited Income Statement

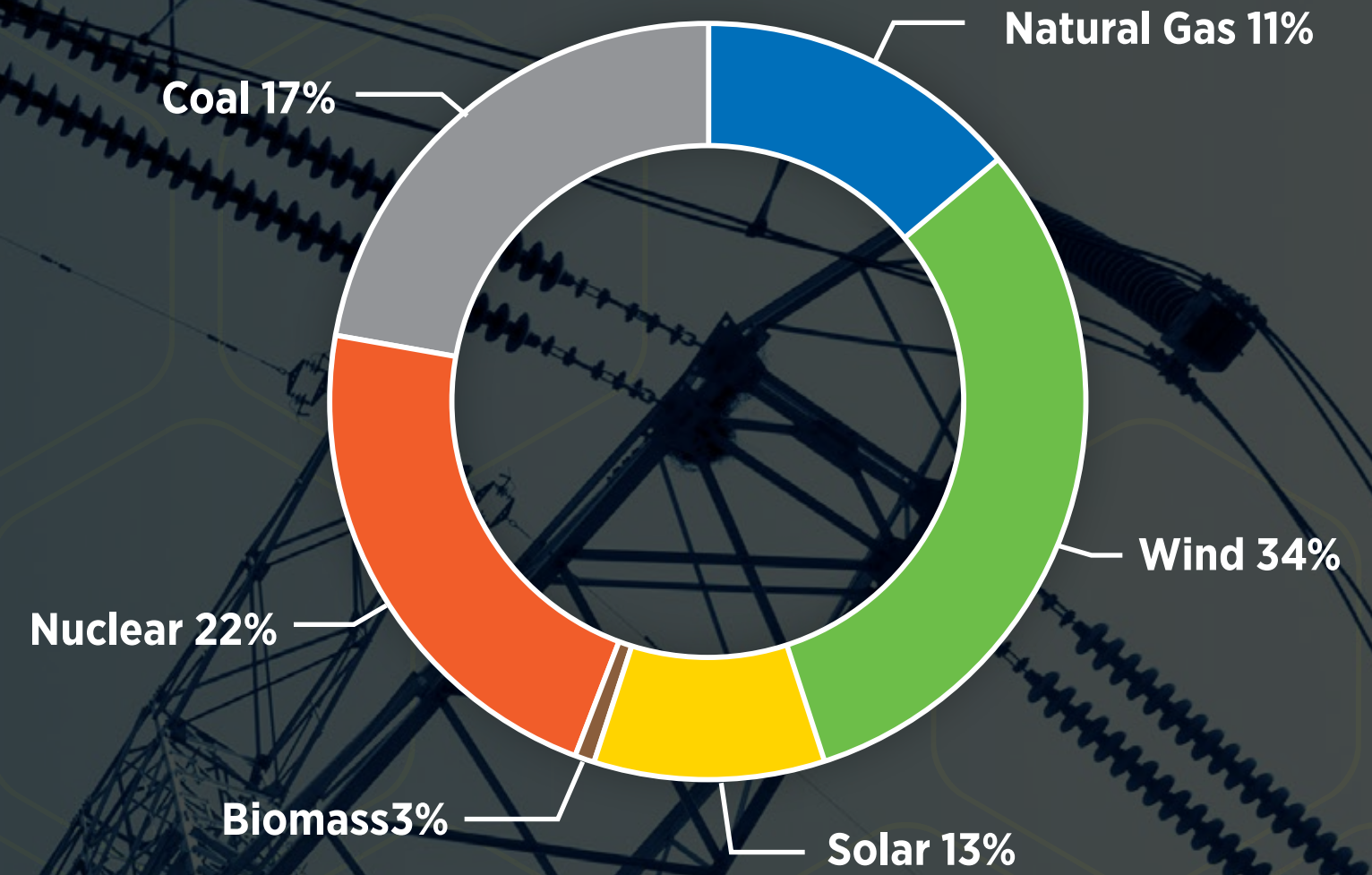
\$ In Millions	Fiscal Year Ended	
	Sept. 30, 2022	Sept. 30, 2021
Operating Revenues	\$1,039	\$947
Power Supply Revenue	635	325
Power Supply Expenses	578	273
Non-Fuel Expenses	796	783
Depreciation Expense	265	281
Operating Income/(Loss)	35	(65)
Other Revenue (Expense)	76	122
General Fund Transfer	(114)	(114)
Net Income/(Loss)	(3)	(57)
Debt Service Coverage	2.2	1.9
Debt to Capital Ratio	54%	54%

Generating Power For Texas

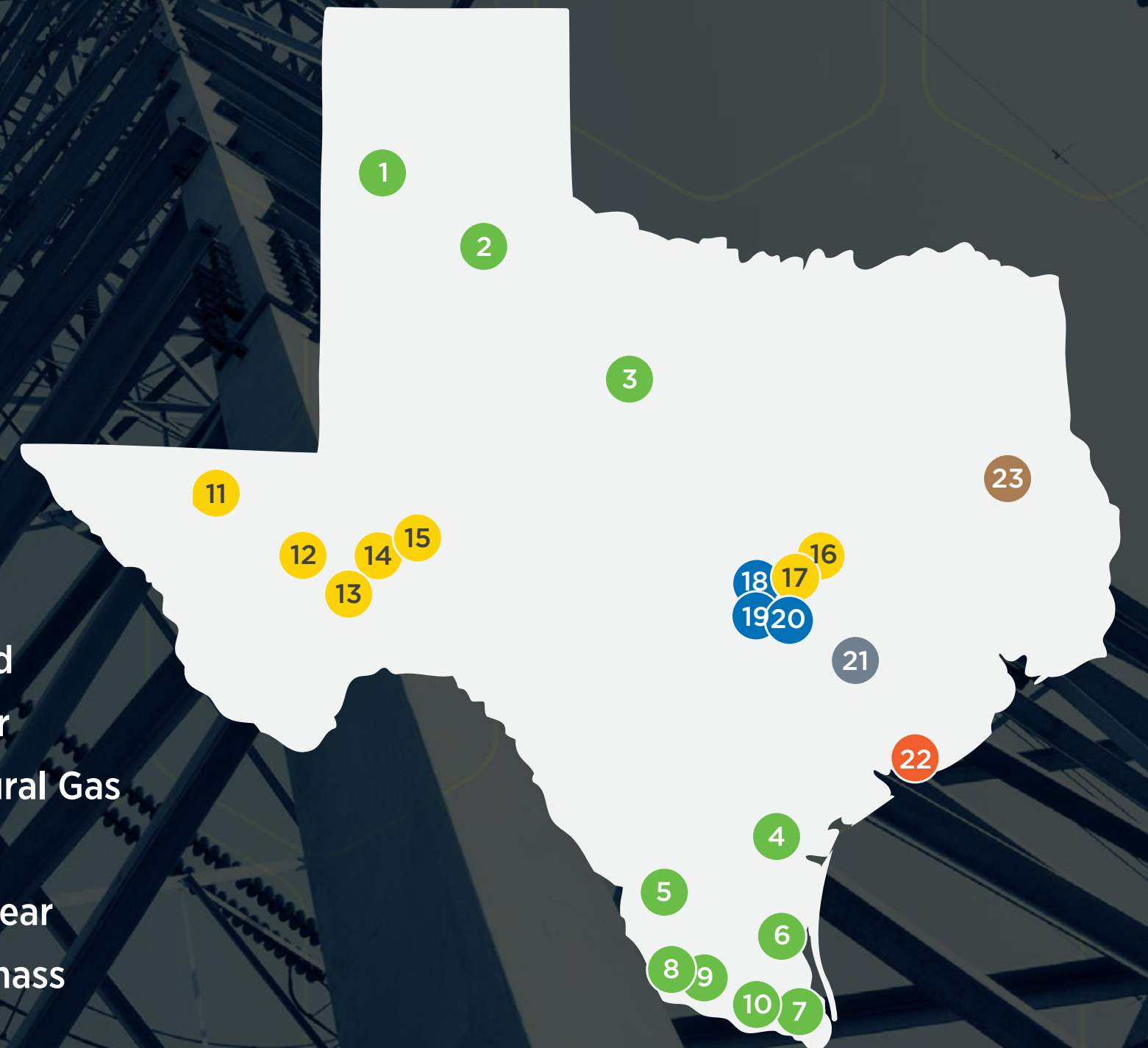
Carbon-Free Energy as a Percent of Load FY22



Percent of Energy Generated from Austin Energy Assets (MWh) FY22



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 SE Aragon	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





Serving Our Customers

Customers, Consumption and Sales by Class FY22 (unaudited)

Customer Class	kWh	Revenue (\$)	Customer Count
Residential	5,171,765,527	607,228,315.61	476,721
Commercial	5,040,557,201	581,394,744.27	51,100
Industrial	3,167,342,616	212,913,784.32	113
Public Street and Highway	57,693,274	3,470,968.29	10
Government Authorities	903,091,354	25,048,942.47	2,754
FY Total	14,340,449,972	1,430,056,754.96	530,697

Customer Interactions FY22

1,113,763
interactions for the **Utility Contact Center**

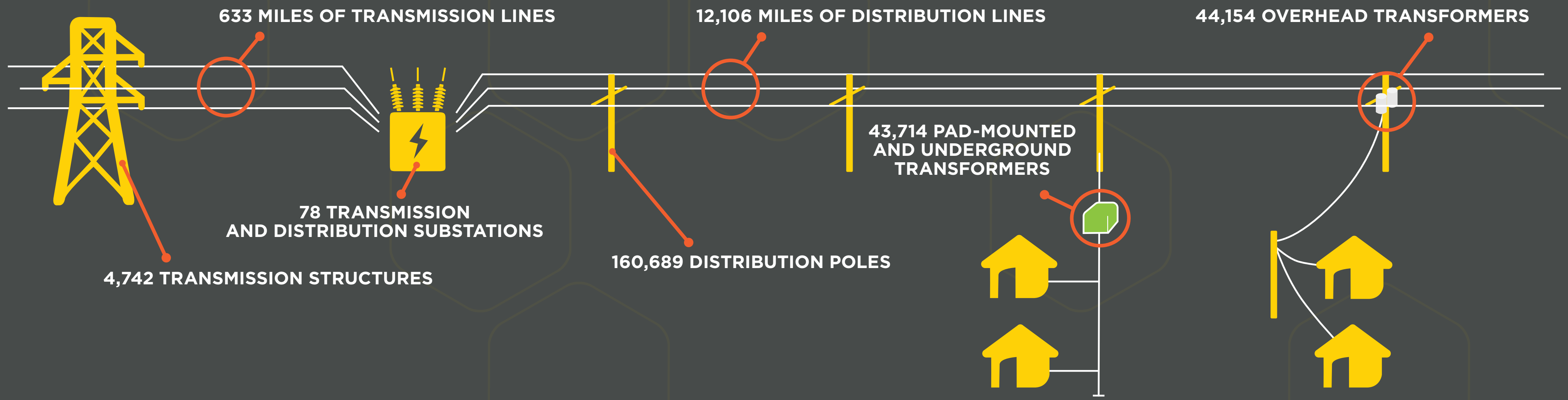
1,006,792
interactions for **Austin 3-1-1**

Austin Energy All-Time Peak Demand

2,969 MW
Summer Peak — July 2022

2,585 MW
Winter Peak — February 2021

Maintaining A Reliable Electric System

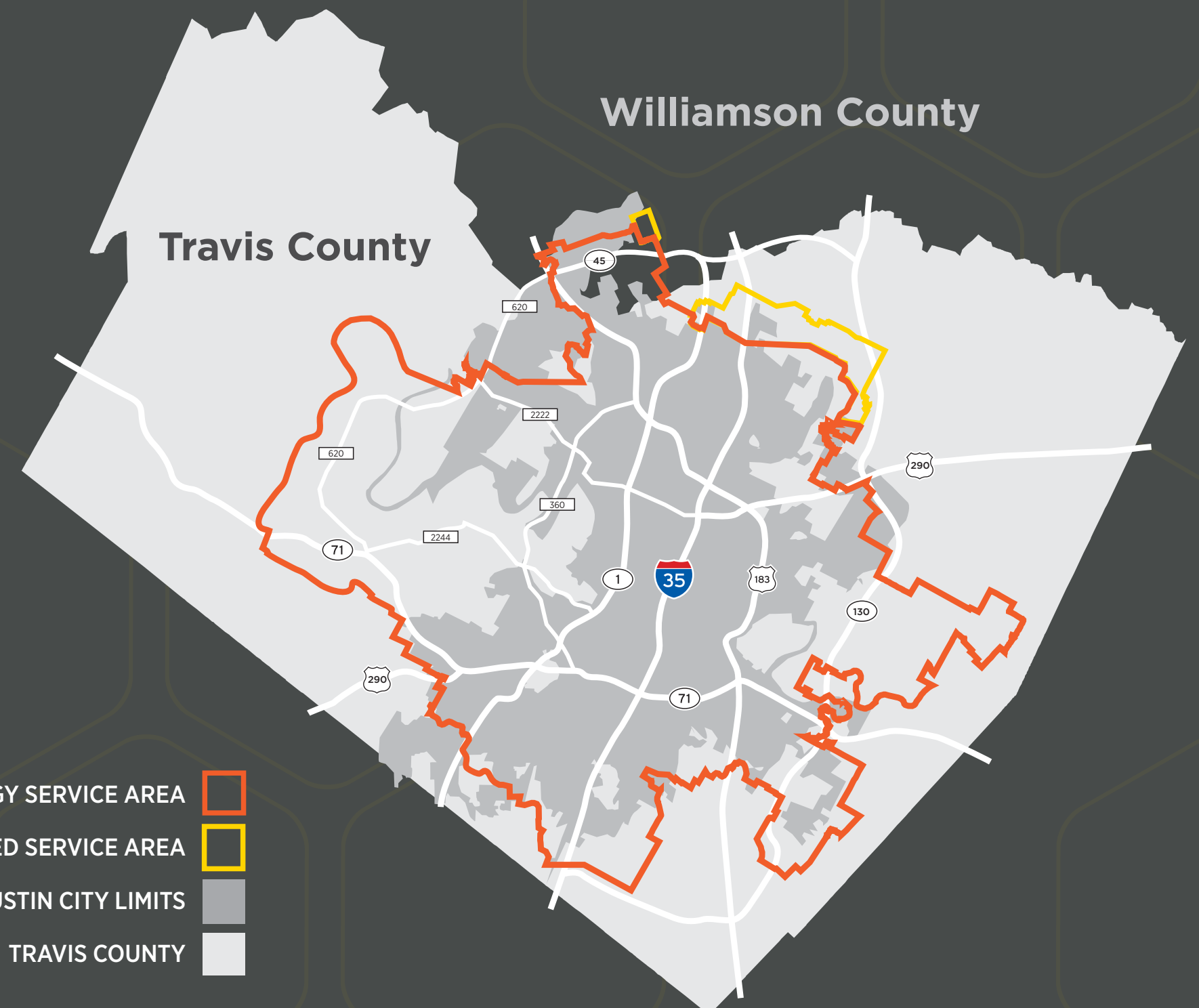


System Reliability FY22

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	TX Electric Utilities Average
System average number of interruptions a year per customer	0.87	1.81
System average interruption length (minutes)	67.27	372.56


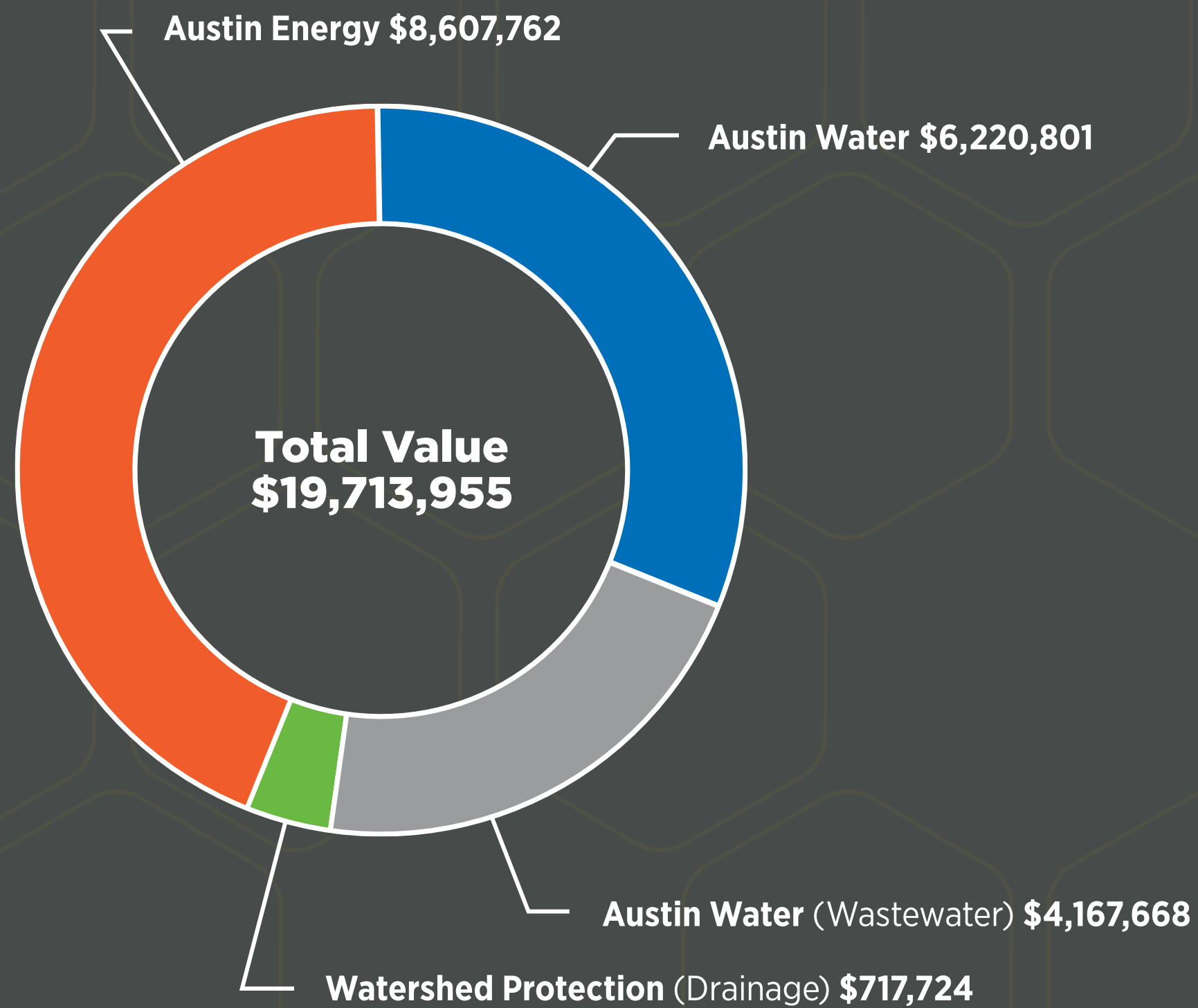
Austin Energy's Service Area: 437 square miles



\$237 million
FY22 Capital Improvement Project Spend

Austin Energy Supports Its Community

CAP Discount Program Value by Utility FY22



35,328
average number of customers enrolled
in **CAP Discount Program** in FY22

Educational Outreach FY22

40 schools visited
6,083 students engaged



State Facilities, Military Bases and School Districts FY22

\$383,274 in rebates to the state of Texas

\$39,306 in incentives to state facilities
and military bases



\$3.22 million
in discounts to state facilities
and military bases

\$2.69 million
in discounts to local area
school districts



Giving Conservation Solutions To Customers

22,025 GreenChoice participants

442 Community Solar participants

Commercial Green Building — 28 projects rated, totaling **6.2 million** square feet

Multifamily Green Building — 17 projects rated, totaling **2,787** dwellings

Single-Family Green Building — 417 dwellings rated in service area
617 dwellings rated outside service area

1,453 Plug-In Austin charging ports

26,389 registered electric vehicles



© Austin Energy



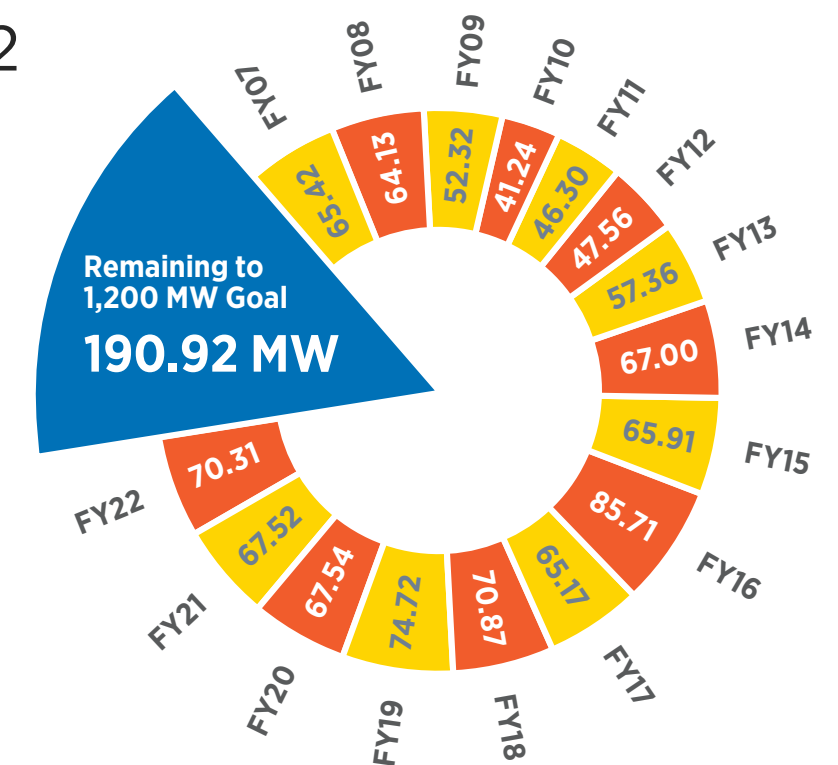
Safety Starts With Us

Austin Energy's focus on safety paves the way for our clean, affordable, reliable energy and excellent customer service.

- 57 root cause investigations conducted
- 73 different corrective and preventative actions issued

Energy Efficiency Results FY22

Customer Energy Solutions has a goal of saving 1,200 MW by 2030 through its energy efficiency programs. This chart tracks the progress to that goal.



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SHINING A LIGHT



ADAPTING TO A CHANGING AREA AND INDUSTRY

New base rates approved

Austin looks different than it did 10 years ago. The same is true for the electric industry and Austin's electric landscape. We are adapting and changing to meet these new needs. In FY22, Austin Energy proposed base rate changes to balance the utility's finances while continuing to deliver affordable service and meet our community's expectations. Through an open, collaborative process, the Austin City Council adopted new base electric rates, ensuring we can continue to meet current and future needs.

The specs

- **14** formal participants in the process
- **10** community meetings hosted
- **480+** questions answered
- **570+** pieces of public feedback gathered

**What is
a base rate review?**





JULY/AUGUST 2022 • VOL. 80 / NO. 4

PUBLIC POWER MAGAZINE

AMERICAN PUBLIC POWER ASSOCIATION

INFRASTRUCTURE

LIGHTING THE WAY

Crews helped bring power to Navajo families in Arizona

The service we provide brightens the future and our efforts can benefit those far outside our service area. In May 2022, Austin Energy sent crew members to Kayenta, Arizona, as part of the Light Up Navajo III project. Light Up Navajo III is a partnership between the American Public Power Association, the Navajo Tribal Utility Authority and the community to bring power to Navajo families for the first time. Public power involves lighting the way forward for everyone in the community.

The specs

- **8** Austin Energy staff members deployed
- Crews from **10** states participated
- Nearly **200** homes powered



GOING THE DISTANCE

Sand Hill Energy Center's quick-start gas turbines hit record for summer run

Even though the FY22 summer was a scorcher, our dedicated teams at Sand Hill Energy Center didn't feel the heat. They worked tirelessly to make sure the units were in top condition and ready to go when the grid needed them. And their hard work paid off. The quick-start gas turbine units at Sand Hill ran more than they ever had before. Despite the triple-digit temperatures, our teams kept the machines running for 16 hours a day or longer.

Having our power plants able to run when conditions demand it helps protect customers and adds reliability to the statewide grid. Austin Energy is part of the Electric Reliability Council of Texas market, so we sell the power we produce into the market and buy the power that serves customers from the market. When we produce power, that offsets the cost of power to serve customers and supports the entire grid by adding generation to the mix when it's needed.

With our generation resources, Austin Energy helps provide the energy needed to power the Texas electric grid.

The specs

- **5,400 MWh** produced by Sand Hill gas turbines from May through August 2022
- **6** gas turbine units at Sand Hill with **288 MW** total capacity

CLIMBING SKY HIGH

Austin Energy hosted the 20th Annual Public Power Lineworkers Rodeo

Under a clear blue Texas sky, lineworkers from across the nation tested their mettle as part of the 20th Annual Public Power Lineworkers Rodeo. Austin Energy had the honor of hosting the event for 2022 — the first national rodeo since the start of the pandemic. This is a premiere event where public power lineworkers showcase their skills in trying to climb to the top of the rankings. The competition and comradery bring everyone together and make public power stronger.

The specs

- **47** utilities from **18** states participated
- **55** teams and **96** apprentices competed, totaling **375** competitors
- **9** competition events, requiring installation of **152** utility poles, **30** transformers and **80** spans of wire
- **2,000** estimated rodeo attendees with **223** event volunteers



2022 PUBLIC POWER LINEWORKERS RODEO

AMERICAN
**PUBLIC
POWER**
ASSOCIATION
Powering Strong Communities

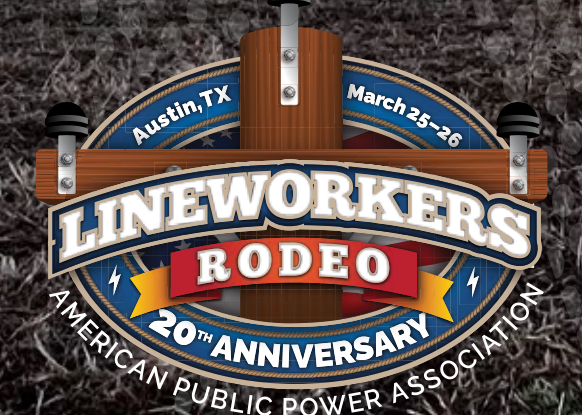
Your Host



Sponsored By



2022
**PUBLIC
POWER
LINEWORKERS
RODEO**





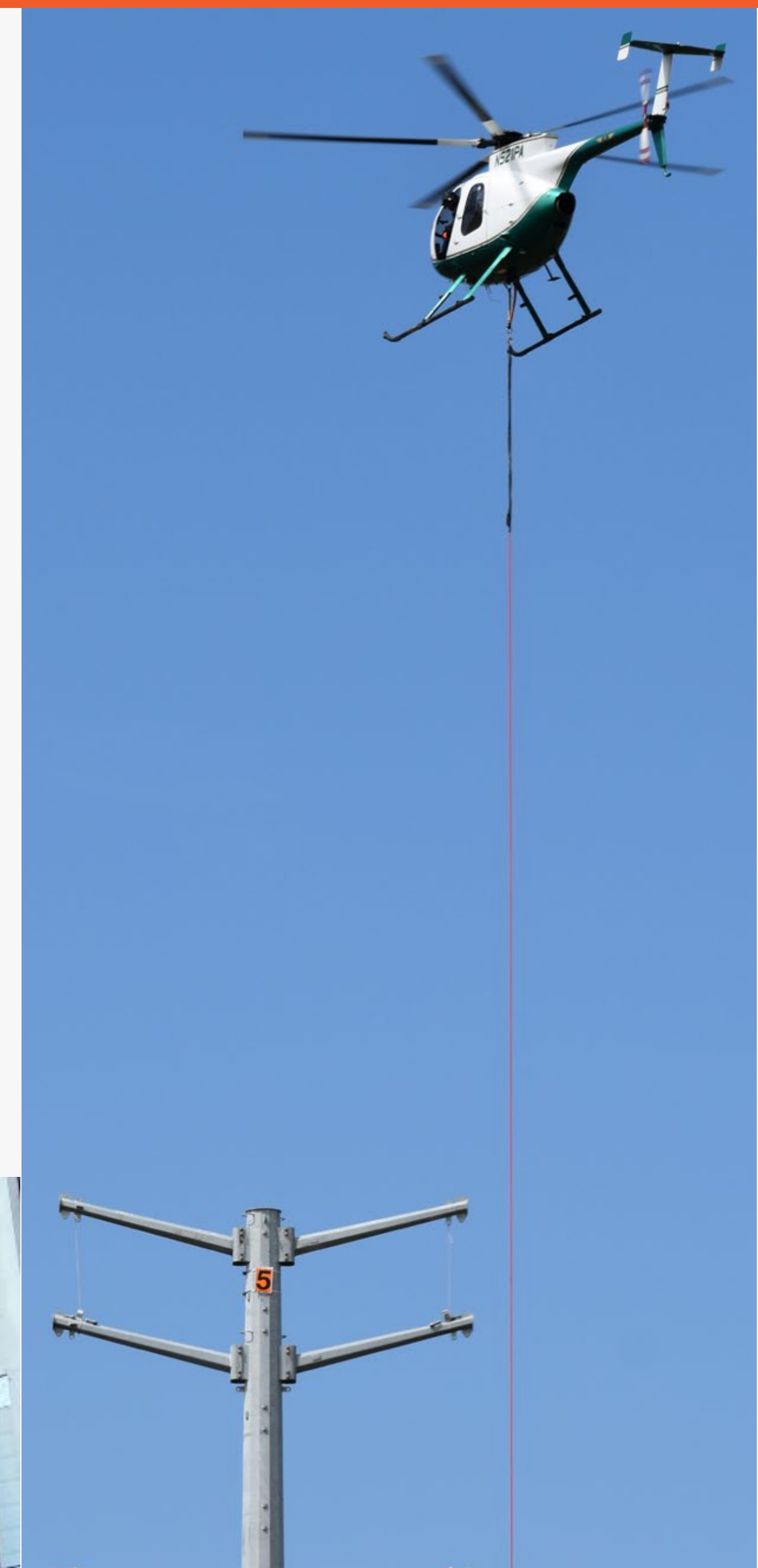
POWERING THE FUTURE OF OUR COMMUNITY

Infrastructure projects help Austin Energy keep up with area's growth

The work we do now sets the foundation for the area's energy future. Central Texas is growing, and Austin Energy is upgrading its system to meet those new demands.

Project examples

- Austin Energy added 50 miles of fiber optic communication line to connect the Cistern substation to two other substations. The fiber optic lines improve communication between substations and control centers, giving us real-time information so we can increase reliability and provide faster system repairs. So far, we've made this upgrade on 90% of our transmission lines.
- The Bluff Springs Substation came online in FY22 and is now serving more than 10,000 customers. We know there's growth planned for Southeast Austin, so the substation has room for additional equipment to supply future energy needs. Austin Energy is ready to support new residents when they take root in our area.
- Crews worked hard in FY22 to bring the Rainey Street Substation closer to completion. Once online, the substation will add sufficient capacity to serve current and future load growth in Austin's downtown. That's about 16,000 new high-rise residential customers. To put it another way, that's enough capacity to serve more than 40 new towers comparable to The Independent, currently Austin's tallest tower.





KEEPING AUSTIN COOLER THAN COOL

District Energy and Cooling services improve environment, quality of life

We prize our outdoor space here in Central Texas, but the summer heat can send us indoors looking to cool off. Developing a different way to deliver air conditioning through district energy and cooling is better for customers and the environment.

Austin Energy has seven district cooling plants that chill water at night during off-peak times to cool 71 buildings — businesses, condos, hotels and hospitals — during the hotter parts of the day. As of FY22, 49 of those buildings are located downtown, and more are on the way. The Waterline, a 74-story tower planned for downtown, is expected to be one of the tallest buildings in the state, and it will use our downtown district cooling service.

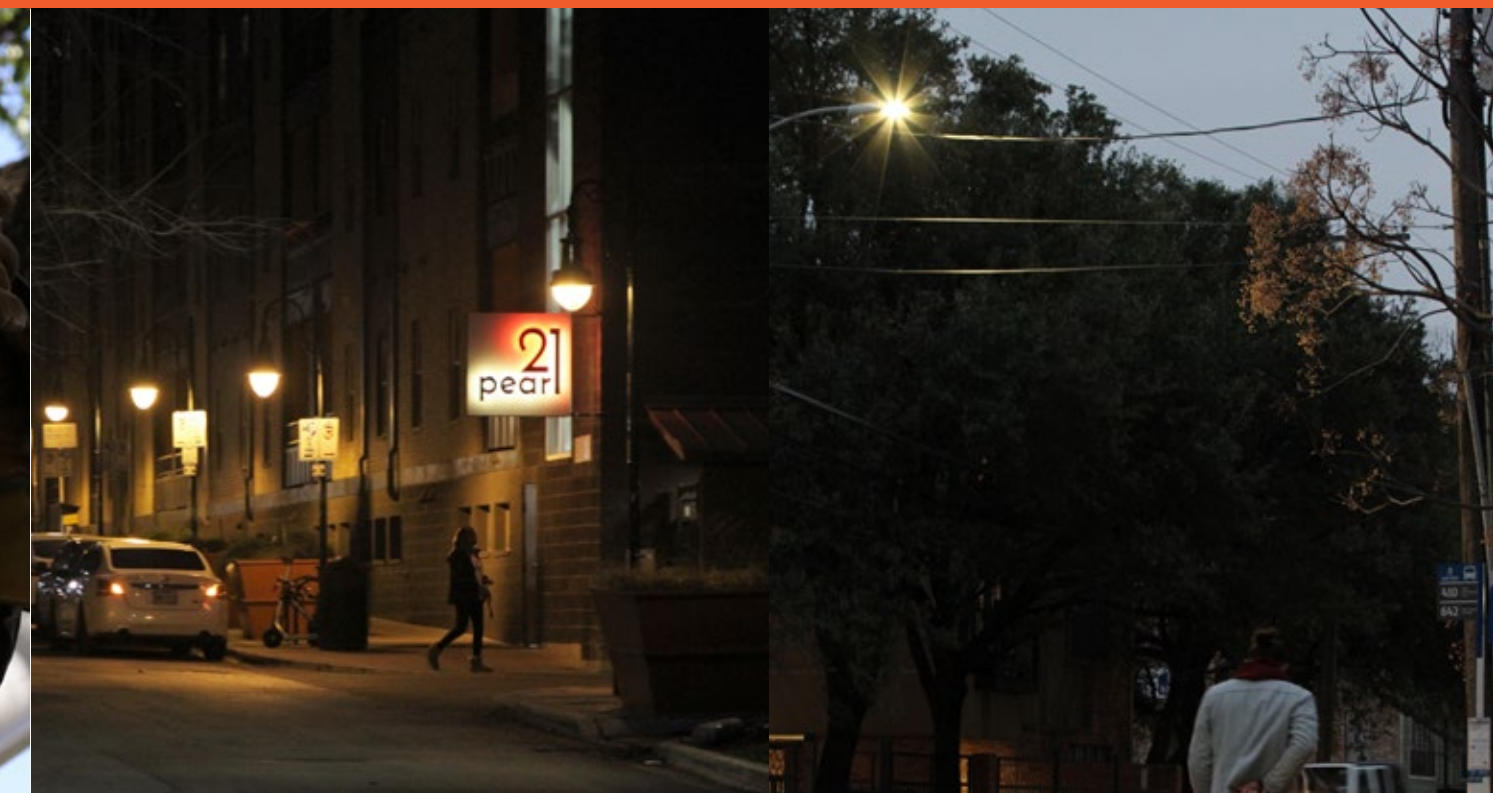
Austin Energy is also working to meet the high demand for these services in other parts of town. We completed a new plant in FY22 at the Austin Community College Highland Campus with the capacity to serve 836,000 square feet.

Austin Energy is keeping residents cool and comfortable with innovative technology while reducing emissions and improving reliability and energy efficiency.

The specs

- **69.2 million kWh** load shift annually
 - » Equal to about **6,500 homes**
- **23,237 metric tons** of CO2 avoided
 - » Equal to about **5,000 cars**





SHINING A LIGHT ON SAFETY IN WEST CAMPUS

Lighting improvement project focused on collaboration, safe travel

In collaboration with the Austin Police Department, the Austin Transportation Department and SafeHorns, Austin Energy is making the West Campus area brighter and safer. Neighbors in the area raised concerns around safety, and a lighting study helped guide our efforts to address those concerns. Now, people walking, biking and driving through the area can see a number of safety improvements. “Austin Energy has been phenomenal,” said SafeHorns President Joell McNew. “They listened to our concerns and helped us prioritize hot spots based on crime data. It’s this kind of responsive, safety-oriented action that makes me so glad that Austin has a public power utility that cares about its community and the people who live here.”

The specs

- **600** streetlamps retrofitted with brighter LED bulbs
- **15** additional streetlights installed

“We’re enhancing safety, changing out the lights to make it brighter at night for the students. I enjoy this work because it helps make the community safer.”

— Philip Prinz, Austin Energy
Distribution Electrician Crew Leader



GIVING POWER TO THE EV BUYERS

EV Buyer's Guide makes it easy to find the EV for you

Austin Energy continues to find new ways to power our community. As more and more electric vehicles take to the road, our online EV Buyer's Guide helps make electric vehicle adoption a little bit easier. The EV Buyer's Guide allows interested buyers to browse in real-time for new and used electric vehicles in the Austin area and compare models. The guide also provides information about price, available incentives and tax credits, as well as a full list of **Austin Energy Plug-In EVerywhere**SM charging stations. With all this information in one place, the guide has gotten good traction. From 2021 to 2022, the EV Buyer's Guide had a 72% increase in unique views.

Austin Energy can be the spark of innovation that helps our community find better ways to interact with new technologies and programs. See what the EV Buyer's Guide is all about at ev.austinenergy.com. The guide is now available in Spanish as well.

The specs

- **189,494** unique page views for EV Buyer's Guide in 2021
- **229,873** unique page views for EV Buyer's Guide in 2022 (through Oct. 23, 2022)
- **419,367** total unique page views for EV Buyer's Guide





BUILDING UP OUR COMMUNITY

Pathways at Chalmers Courts East focuses on efficiency improvements

Along with building a reliable electric system to serve our customers, Austin Energy also provides the power to lift up our community. Our partnership with Chalmers Courts serves as a shining example of this. The Pathways at Chalmers Courts East project earned an **Austin Energy Green Building** 3-star rating in FY22. The project's focus on sustainability through energy efficiency, water efficiency, indoor air quality and more is giving residents access to a healthier building and brighter energy future. Another component of this project that's helping to lighten residents' energy load is the **Multifamily Shared Solar** program. Shared Solar gives multifamily customers the ability to receive **Value of Solar** credits and reduce their energy bills.

Pathways at Chalmers Courts East represents the second phase of a three-phase, master-planned redevelopment of the existing Chalmers Courts affordable housing community in East Austin, administered by the **Housing Authority of the City of Austin**. Together, we are building stronger communities in Central Texas.

The specs

- **156 units** of affordable housing in phase two, part of the **394-unit** total development
- **323.36 kW-DC** solar photovoltaics meeting more than **50%** of annual electricity needs



Photos courtesy of AISD

STRENGTHENING THE BONDS OF OUR COMMUNITY

Austin Energy Green Building helps AISD 2017 Bond make education more sustainable

Austin Energy is proud to be a part of the community we serve. We support the bonds that strengthen our region. In conjunction with **Austin Energy Green Building**, the Austin ISD 2017 Bond is setting a new foundation for our collective future — building sustainable spaces that support the health and well-being of teachers, staff and students. As of FY22, 12 modernization projects received an Austin Energy Green Building rating, and five more projects are in progress.

“Austin Energy has been instrumental in helping us achieve these certifications and designing these schools in a way that is efficient and enhances learning,” said AISD Sustainability Manager Darien Clary.

Investing in education is investing in our future. Finding ways to continually improve the benefits Austin Energy brings to those we serve demonstrates what it means to be Customer Driven and Community Focused. Collaborating with Austin Energy Green Building has helped **Austin ISD** become a leader in sustainable schools, and this partnership will continue with future projects.

The specs

- **12** projects completed — **6** achieving **4-star** ratings, **5** achieving **3-star** ratings and **1** achieving a **2-star** rating
- **16** campuses participating in the Austin Energy Green Building rating program
- **5** campuses installed EV charging stations and **8** campuses are EV ready
- **All** participating campuses are solar ready
- **12** campuses received more than **\$400,000** in energy efficiency rebates after bond improvements
- **12** campuses now participate in **Commercial Automatic Demand Response**

2017 AISD Bond Modernization Projects

AEGB Rating

Ann Richards School for Young Women Leaders	4-star
Bear Creek Elementary School	3-star
Blazier Intermediate School	4-star
Bowie High School — Athletics Building	4-star
Casis Elementary School	3-star
Doss Elementary School	4-star
Govalle Elementary School	4-star
Hill Elementary School	3-star
Menchaca Elementary School	2-star
Murchison Middle School	3-star
Norman-Sims Elementary School	3-star
TA Brown Elementary School	4-star



BUILDING PARTNERSHIPS THAT BRING GREATER VALUE

Austin Energy earns 2022 ENERGY STAR® Partner of the Year award

The partnerships Austin Energy forms with other organizations and programs help bring more value to the community we serve. Our work in building those relationships was recognized when Austin Energy received the 2022 ENERGY STAR Partner of the Year award for Sustained Excellence. The award centered on achievements in the Home Performance with ENERGY STAR program and the Weatherization Assistance Program for the previous year.

Winning the ENERGY STAR Partner of the Year award demonstrates that these programs continue to innovate, grow and meet community needs. This award is reserved for ENERGY STAR partners demonstrating outstanding leadership.

Weatherization Assistance

- Expanded eligibility to include more low- to moderate-income customers
- Redeveloped the application process to be quicker, easier and more accessible
- Developed a pilot program to provide HVAC repairs or replacements and weatherization to customers on the Medically Vulnerable Registry

Home Performance with ENERGY STAR®

- Offered loans up to **\$20,000** with interest rates as low as **0%** through Velocity Credit Union
- Partnered with Texas Gas Service, Velocity Credit Union and other community organizations



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CUSTOMER ENERGY SOLUTIONS FY22 PERFORMANCE DATA

Customer Energy Solutions helps customers save money and energy through a wide selection of services, rebate offerings and incentives.

Executive Summary	Participant Type	Participation	Energy Savings (MWh)	Demand Savings (MW)	Rebates
Residential					
EES — Appliance Efficiency Program	Customers	3,889	5,040	2.70	\$1,250,500
EES — Home Performance with ENERGY STAR®	Customers	456	834	0.60	\$1,048,972
EES — Weatherization Assistance and CAP WX	Customers	479	527	0.42	\$2,596,253
EES — School Based Education	Participants	4,057	876	0.17	\$176,339
EES — Strategic Partnership Between Utilities and Retailers	Products Sold	141,742	5,404	1.75	\$519,646
EES — Multifamily	Apt Units	1,358	1,198	0.53	\$657,870
EES — Multifamily Income Qualified	Apt Units	5,952	6,907	3.05	\$3,072,712
GB — Residential Ratings	Dwellings	417	499	0.31	\$0
GB — Residential Energy Code	Dwellings	4,796	8,129	6.21	\$0
Subtotal Residential			29,414	15.74	\$9,322,292
Commercial					
EES — Commercial Rebate	Customers	116	22,071	8.22	\$2,560,604
EES — Small Business	Customers	107	4,490	1.94	\$955,686
GB — Multifamily Ratings	Dwellings	2,787	2,866	1.04	\$5,722
GB — Multifamily Energy Code	Dwellings	11,323	19,067	7.04	\$0
GB — Commercial Ratings	Square Feet	6,334,681	14,410	7.76	\$0
GB — Commercial Energy Code	Square Feet	14,867,190	40,104	14.72	\$0
Subtotal Commercial			103,007	40.72	\$3,522,012
Demand Response (DR) — Annual Incremental					
DR — Power Partner	Devices	5,820	0	8.26	\$1,365,644
DR — Commercial DR (Load CO-OP)	Accounts	52	0	5.60	\$1,029,848
Subtotal DR			0	13.86	\$2,395,492
Total DSM			132,421	70.31	\$15,239,796



EES — Energy Efficiency Services
GB — Green Building
DR — Demand Response

Numbers may not sum to tabulated totals due to rounding to 2 decimal points.

This table contains unaudited data.



Solar Performance

	2004-2018	2019	2020	2021	2022	Total
Residential and Commercial						
Participation	8,120	843	1,239	1,011	1,395	12,608
Capacity (MW)	57	8.07	10.34	9.14	11.82	
Energy (MWh)	96,974	20,140	17,301	15,329	14,235	163,979
Expenditures	79,282,904	\$5,015,428	\$5,860,187	\$5,250,000	\$4,902,405	100,310,924
Community Solar						
Participation	491	443	368	450	442	2,194
Capacity (MW)	3	2.785	2.785	4.285	4.285	
Energy (MWh)	7,122	4,053	3,394	3,545	4,515	22,630

Community Solar program was launched in 2017.



SUMMARY

Our region and industry continue to change, and Austin Energy is addressing these challenges head-on. Through innovative technologies, programs and services, we are committed to meeting our customers' needs and our community's priorities. That commitment lit the moonlight towers in 1895, and that commitment will continue to light the way into our energy future.

Austin Energy knows that the work we do now powers our community forward.



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Connect with Austin Energy

For Austin Energy, our commitment to being Customer Driven and Community Focused means making a connection with customers. This is how we fulfill our mission to safely deliver clean, affordable, reliable energy and excellent customer service. The benefit of public power is that we are here to serve our customers and the community.

HOW TO CONNECT WITH US

NEWSLETTER

Austin Utilities Now editions are mailed and available electronically in English and Spanish at coautilities.com/go/utilitynews.

 austinenergy.com

 facebook.com/austinenergy

 twitter.com/austinenergy



**Customer Driven.
Community Focused.™**