



City of Austin

Recommendation for Action

File #: 25-1240, Agenda Item #: 47.

7/24/2025

Posting Language

Authorize a contract for regulatory consulting services for Austin Energy with NewGen Strategies and Solutions, LLC. d/b/a NewGen Strategies and Solutions, for a term to be in effect until the scope of work is complete, in an amount not to exceed \$300,000. Funding: \$25,000 is available in the Operating Budget of Austin Energy, funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$25,000 is available in the Fiscal Year 2024-2025 Operating Budget of Austin Energy.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Professional Service.

MBE/WBE:

This contract will be awarded in compliance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

July 17, 2025 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The contract will provide regulatory consulting services in the development of Austin Energy's transmission cost of service (TCOS) rate filing with the Public Utility Commission of Texas. The TCOS is the cost of moving electricity from where it's generated to where it's used by customers and covers the cost of investing in and maintaining the transmission energy infrastructure within the Electric Reliability Council of Texas. The TCOS rate filing helps Austin Energy maintain a strong financial rating, provides affordable and fair transmission

pricing in Texas, and ensures the filing is consistent with standard industry practices and regulatory requirements.

The contractor will provide expert advice and consultation to develop and process a filing for a change in transmission rates. The services include development of the cost-of-service analysis, drafting the rate filing, writing and defending witness testimony, reviewing relevant case history, and presenting to relevant groups, such as the Public Utility Commission, Electric Reliability Council of Texas, Austin City Council, and the State of Texas.

Austin Energy's last comprehensive TCOS case was filed in 2005. Since then, Austin Energy has updated its wholesale transmission rates on an interim basis three times.

This is a new contract. The requested amount is based on two phases of review and testimony followed by additional analysis or rebuttal.

Staff vetted a short list of firms for their expertise in this specialized field of study to determine the best value to the City.

A delay in contract approval could impact Austin Energy's accuracy of its case, impacting the ability to recover costs and maintain a strong financial rating.