

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
DEPARTMENT:
FUND:

1/30/2025
 Austin Energy
 Austin Energy Fund

SUBJECT: Approve an ordinance amending the Fiscal Year 2024-2025 Austin Energy Fund Operating Budget (Ordinance No. 20240814-007) by increasing transfers out by \$30,000,000; and amending the Fiscal Year 2024-2025 Austin Energy Power Supply Stabilization Reserve Fund (Ordinance No. 20240814-007) by increasing transfers in by \$30,000,000 to fund the reserve in accordance with Austin Energy financial policies. Funding: \$30,000,000 is available in the Austin Energy Operating Fund balance.

CURRENT YEAR IMPACT:

	2024-25 Amended	This Action	2024-25 Amended
Beginning Balance	285,917,083	0	285,917,083
Total Revenue	1,856,535,327	0	1,856,535,327
Total Available Funds	1,856,535,327	0	1,856,535,327
 Total Requirements	 1,856,308,468	 30,000,000	 1,886,308,468
Excess (Deficiency) of Total Available Over Total Requirements	226,859	30,000,000	(29,773,141)
Ending Balance	286,143,942	30,000,000	256,143,942
 FTEs	 1,934.00	 0.00	 1,934.00

FIVE-YEAR ESTIMATED IMPACT:

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenue	0	0	0	0	0
Total Requirements	30,000,000	0	0	0	0
Net Budget Impact	(30,000,000)	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: Austin Energy’s financial policy No. 22 requires it to maintain 90 days of net power supply cost. These funds are maintained in the Power Supply Stabilization Reserve. In 2023, due to extreme high wholesale prices in the ERCOT market, Austin Energy transferred funds from its Power Supply Stabilization Reserve to working capital to pay the increased power supply costs. Austin Energy now seeks to come into compliance with this financial policy minimum by transferring funds to the Power Supply Stabilization Reserve to return to 90 days of net power supply costs. At fiscal year-end 2024, the Power Supply Stabilization Reserve is approximately \$27 million less than the 90-day minimum of \$140 million.

Maintaining 90 days of power supply reserves is calculated as part of, and is not separate from, Austin Energy’s overall required policy minimum of 150 days cash on hand.

Austin Energy’s Power Supply Adjustment (PSA) tariff authorizes the transfer of a PSA over-recovery to the Power Supply Stabilization reserve. The PSA over-recovery balance is now sufficient to transfer funds back to the reserve. Austin Energy seeks approval of this item to fund the reserve in accordance with Fiscal Year 2024-2025 Austin Energy Financial Policies and as outlined in the Power Supply Adjustment tariff.