



# City of Austin

## Recommendation for Action

**File #:** 24-6455, **Agenda Item #:** 3.

1/30/2025

### **Posting Language**

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's financial policies. Funding: \$30,000,000 is available in the Austin Energy Operating Fund balance.

### **Lead Department**

Austin Energy

### **Fiscal Note**

Funding in the amount of \$30,000,000 is available in the Austin Energy Operating Fund balance. Fiscal notes are attached.

### **For More Information:**

Rusty Maenius, Chief Financial Officer, 512-322-6133; Stuart Reilly, Deputy General Manager, 512-322-6817.

### **Council Committee, Boards and Commission Action:**

January 13, 2025 - Recommended by the Electric Utility Commission on an 10-0 vote with Commissioner Reed absent.

### **Additional Backup 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 in order to fund the reserve in accordance with Fiscal Year 2024-2025 Austin Energy Financial Policies and as outlined in the PSA tariff.