

FOR IMMEDIATE RELEASE:

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Impact of Bills Aimed at Austin Energy Ratepayers

Statement by **Cyrus Reed, Conservation Director, Lone Star Chapter, Sierra Club:**

Both [SB 1945](#), by Senator Troy Fraser, and HB 3598, by Representative Paul Workman, bring up important issues involving Austin Energy, its customers and the rates they pay. Thus, SB 1945 would allow a single large customer or a group of customers at any time to petition the Public Utility Commission to review either a proposed Austin Energy rate or current rates to see if they are reasonable and just, and if they are not, give the Commission authority to set a different rate or even allow the customers to shop for electricity from another provider even though Austin Energy customers are not in the competitive market. While Senator Fraser is responding to legitimate concerns by certain ratepayers over potential rate increases at Austin Energy, this concern can and should be addressed by Austin Energy, and its board of directors, the recently newly elected City Council. Changing Texas law to allow a group of customers to go outside the normal process and the representatives elected to serve them is not needed and undermines local jurisdiction; instead, these customers should negotiate in good faith with Austin Energy and the new City Council. In addition, allowing one group of customers to impact the economic future of the city-owned utility is fundamentally unfair to other customers.

Similarly, [HB 3958](#) by Workman as filed would limit the amount of money that could be transferred from Austin Energy to the City of Austin to twelve percent of revenues, and places limits on the types of city projects that can be funded with those revenues. Again, while Sierra Club agrees that this is a legitimate concern, the current City Council is well equipped during the 2016 budget process to look at an appropriate level of revenue for Austin's citizens from its utility and also limit transfers that are not appropriate. Again, the Sierra Club believes this legislation oversteps the appropriate boundaries between state and local government and would ask Mr. Workman to work with Austin City Council members and stakeholders on an improved policy on transfer of Austin Energy revenues to other city programs.