

Legislative Talking Points

Businesses need two things: Certainty about costs, and reasonable power costs. With Austin Energy right now, we have neither. Austin is about to drive its major employers away, and if it persists on this course of action, it will ensure that no other business locate here, merely because of the extraordinarily high cost of electricity. While we cannot change the past, perhaps the Legislature can help them adjust their prospective behavior by (1) allowing competition, or, failing that (2) requiring much more transparency and, if necessary, (3) providing state regulatory oversight through the Texas PUC.

Some legislative options we see include:

- Eliminate municipally-owned utilities' current protection against retail competition, so that they, like investor-owned utilities, have to pay more attention to the prices they charge;
- If the current monopoly status is maintained, then we strongly suggest that the current "competitive matters" exemption in the Public Information Act be repealed. The idea that a government-owned monopoly should have "competitive" exemptions from open government boggles the mind;
- Expand oversight by the Texas PUC of monopoly municipal utilities. While "environs" customers have some rights at present, we believe that business and residential users inside the city should be able to appeal a rate ordinance to the PUC for so long as municipal utilities have a monopoly;
- State law has some level of protection for "base rate" matters, but the municipals have lots of room to functionally increase rates without much transparency by instituting non-base rate "riders" such as a pass-through of claimed "transmission" costs. We believe that a substantial portion of what Austin claims to be "transmission" cost is not truly transmission related. We believe that some of their "efficiency" and "green" costs are also buried in the figures we see. Given that the additional transmission cost is the result of PUC action perhaps there should be PUC review of municipal "transmission cost" pass-through "riders."