



Equity in Utility Program Design

Lessons Learned from the Beginning of the Journey

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About Austin Energy

Mission: To safely deliver clean, affordable, reliable energy and excellent customer service

Facts about Austin Energy

- Established in 1895
- Municipally owned
- Serves over 500,000 customers
- Committed to Clean Energy: 58% wind, 18% solar, 4% biomass, 20% non-renewable

ABOUT AUSTIN ENERGY

Established in 1895, Austin Energy is one of 22 municipally owned utilities (MUCs) in Texas. Austin Energy's mission is to safely deliver clean, affordable, reliable energy and excellent customer service to more than 500,000 customers and more than 7 million residents in the greater Austin area.

FY 2020 Generation by Fuel Type (BWh)

CLEAN, AFFORDABLE, RELIABLE ENERGY

- Managed affordability goals, limiting rate increases and keeping rates in the lower 50 percent of Texas electric utilities.
- Stable and affordable long-term contracts for our largest customers and the State of Texas
- Financial Review: regular rate adjustment review to be completed every five years through a cost-of-service study. Any base rate changes are conducted through an open and transparent process available to all Austin Energy customers.

EXCELLENT CUSTOMER SERVICE

- Austin Energy call centers are locally staffed and trained.
- Austin Energy handles all utility calls for the City (water, sewer, solid waste, etc.) with an average of 100,000 calls a month.
- Austin Energy's 3-1-1 call center processes more than 7 million calls annually.
- Key Commercial Account Customers have dedicated account staff available 24/7.

FY 2020 Customers, Consumption and Sales by Class

Customer Class	Customers	Consumption (MMWh)	Revenue (\$MM)
Residential	470,000	4,711,000	8,450
Commercial, Industrial and Other	13,000	1,500,000	9,300
Total	483,000	11,812,000	18,150

110 *Investment in Community, Quality of Life, and Energy*

CUSTOMER DRIVEN

- Austin Energy offers a 20 percent base rate discount for urban districts, seniors and rate relief.
- Public participation engagement with all customer groups for rate review process, generation resources and infrastructure planning.
- Programs to help lower customer costs such as rate advancement assessments, budget billing, web tools and residential and commercial energy audits.

COMMUNITY FOCUSED

Austin Energy is not for profit. Like other MUCs, its operations are not run to the community through the General Fund Transfer which supports general city services including public safety, fire protection, EMS, roads, parks and libraries.

- Transfer profits to aid in public budget process and to fund City of Austin General Fund.
- Austin Energy transferred 8 percent of its base operating revenues to the City in 2020.
- Transfer is based on 10 percent of net power supply revenue of Austin Energy using a three-year rolling average.

TRANSPARENCY AND ACCOUNTABILITY

- Austin City Council controls policy and procurement for the utility. The Austin Energy Utility Oversight Committee, consisting of the entire City Council, reviews budgeted holdings in the operations of the utility. Further, your right to be provided by two separate oversight commissions.
- These meetings are open to the public, with reporter responsibilities for non-audit, holding materials and low-income water funds are available at [austincity.org](http://austincity.org/energy).

INNOVATION

Austin Energy, like the community we serve, prides itself on innovation and technology. This helps attract businesses such as the Ashby Futures Commercial Headquarters in Austin.

- Electric vehicles – Austin Energy provides infrastructure and incentives programs to meet the needs of electric vehicle customers.
- Austin Vehicle2Go – a local, state and federally funded energy storage project to test the optimal use of solar power and battery storage for residential and business customers.
- Smart Energy and Building – offers options to companies looking to improve and offset alternatives to traditional air conditioning and power generation.
- SmartGrid™ – has helped wind energy to see customers for over 20 years.



Customer Driven and Community Focused

What is Equity?

Equity is the condition when every member of the community has fair opportunity to live a long, healthy, and meaningful life.*

Equity is the outcome of environmental justice.



EQUALITY



EQUITY





Racial Equity: A Framework for Organizational Change

Austin Energy's Roadmap

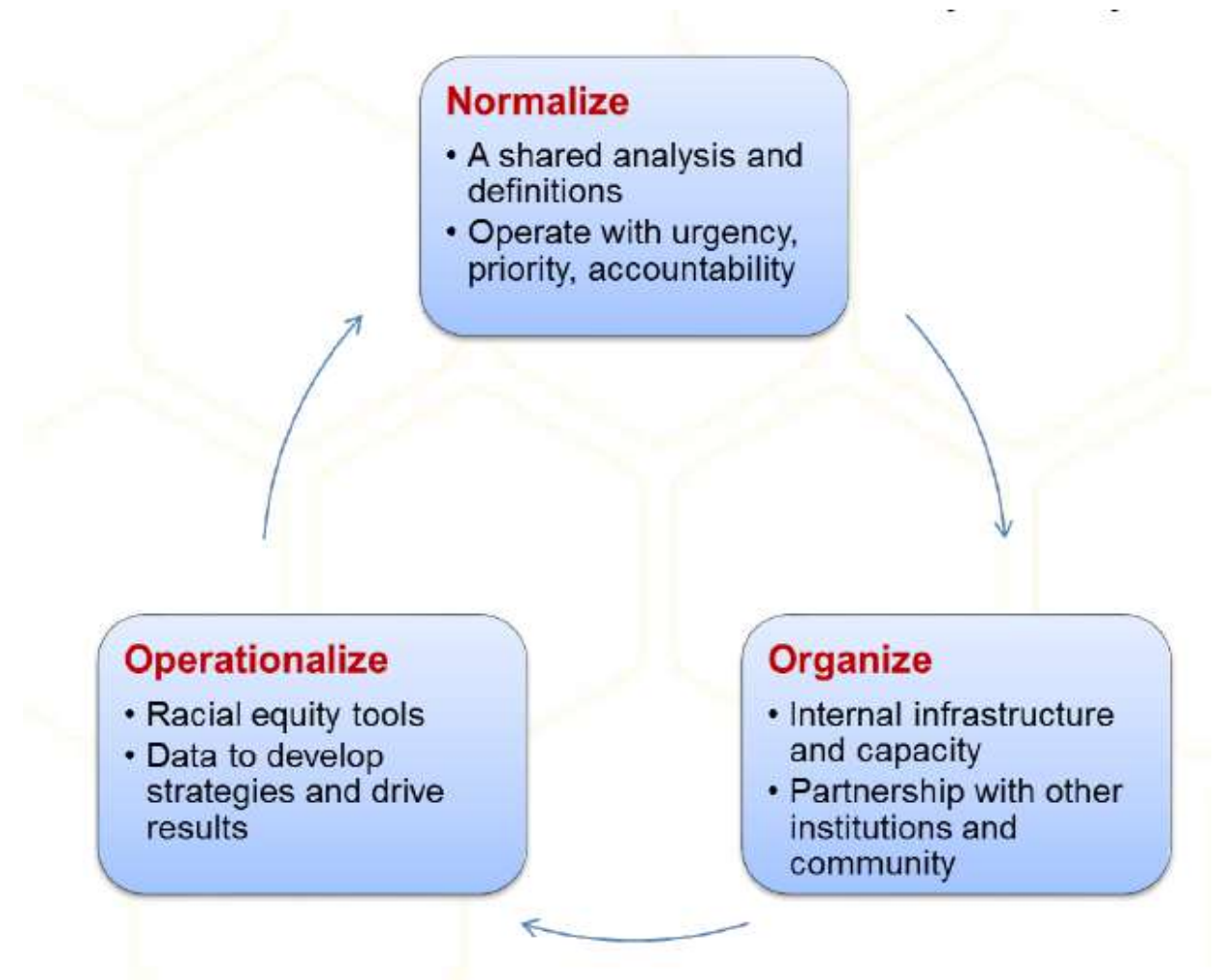
Our Model for Change

Austin Energy envisions a race equity culture and is committed to moving beyond special initiatives, task force groups, and check-the-box approaches into full integration of race equity in every aspect of its operations and programs.

Phase 1- Normalize: Defining equity, building shared language for shared goals

Phase 2- Organize: Build organizational capacity for racial equity

Phase 3- Operationalize: Equity Assessment Tool



What do we mean when we say?

“Talk the Talk” and Normalize

- **Inclusion** = *Quality* of diverse backgrounds, experiences, identities, and cultures.
- **Diversity** = *Quantity* of diverse backgrounds, experiences, identities, and cultures.
- **Equity** = Fairness achieved through systematically addressing the root causes of disparities in opportunities and outcomes.
- **Access** = Zero barriers to inclusion



Where Will This Work Reside?

“Walk the Talk” and Organize



Diversity:
Human
Resources



Inclusion:
Workforce
Planning &
Development



Equity:
All Business Units

Equity & Inclusion Program Manager consults with all Mega Business Units

Equity & emPowerment Academy

Organize

- Dialogue for Change Book Club (current & ongoing)
- Implicit bias & Microaggressions: The Macro Impact of Small Acts (Successfully piloted in November 2021)
- The Groundwater Approach Workshop (FY 22-23)
- Equity, Together We Can Achieve It Workshop (FY23)

coPowering with Community (ongoing dialogue)

Organize

- Gather information from the community to support equity plan
- Learn from and with the community about normalizing high achievement and a sense of belonging in the community by all groups
- Develop common language and understanding about equity and inclusion
- Provide information and updates about the equity office
- Ensure voices of underserved and underrepresented communities and employees inform equity plan
- Implement and model equity by design practices and principles

Austin Energy's Opportunity to Drive Change

Operationalize

Key Areas of Departmental CHOICE:

- **Planning:** What to change and prioritize in programs?
- **Budgeting:** What items do we add or cut and what initiatives get the funding
- **Personnel:** Who to hire, retain, promote, or develop as leaders?
- **Policy Development:** What to propose or modify?
- **Practices:** What routines/habits and or expectations to set?

The cumulative impacts of small choices can lead to BIG influence on outcomes and equity

Sections of the Equity Assessment Tool

Operationalize

- **Introduction:** Brief historical account, schedule, and Council Resolution for context
- **Departmental Analysis:** A look at the department's culture and commitment to principles that drive equity
- **Community Engagement:** Gauges your practices and quality of interaction with the community
- **Budget:** A scan of potential for realignments and insight on how community is included in budget planning
- **Alignment:** Evaluates opportunities to align addressing disparities with Council's six priority outcomes

Outcome Evaluation

A SWOT diagram is used to analyze two spectrums, positive vs. negative and internal vs. external.

Strengths and Weaknesses are characteristics within departments themselves.

Opportunities and Threats are outside the organization.

Strengths	Weaknesses
Collaboration with other City Departments <ul style="list-style-type: none"> Working with 9 other departments and offices on issues like housing affordability, reducing energy costs, and improving access to transportation options 	Hiring <ul style="list-style-type: none"> Staff not representative of its client base No strong equity priorities identified
Alignment with City Council Priorities <ul style="list-style-type: none"> Currently addressing all 6 Council Priorities 	Training <ul style="list-style-type: none"> No onboarding/orientation/training on equity and racism
Opportunities	Threats
Programming <ul style="list-style-type: none"> Develop and Implement equity priorities into existing or new programs addressing affordability 	Disproportional Effects <ul style="list-style-type: none"> Well-intentioned policies (ex. Community Benefit Charge) negatively impacting marginalized groups
Evaluation Efforts <ul style="list-style-type: none"> Need a formal process for measuring the success of policies and programs that are meant to address racial equity 	Budget and Funding <ul style="list-style-type: none"> Budget structure prevents tracking of investments that promote equity No line items in the budget reflecting the activities, programs, and services that advance equity

(Image: SWOT Analysis for Customer Energy Solutions a division of Austin Energy)

Customer Energy Solutions Equity Action Plan

Focuses on Opportunities and Threats:

- Programming – coPowering with Community
 - Audit of external program and services
 - Focused Outreach for Austin Energy Programs and Equity Goals
- Data driven

Opportunities		Threats
<p>Programming</p> <ul style="list-style-type: none">• Develop and Implement equity priorities into existing or new programs addressing affordability		<p>Disproportional Effects</p> <ul style="list-style-type: none">• Well-intentioned policies (ex. Community Benefit Charge) negatively impacting marginalized groups
<p>Evaluation Efforts</p> <ul style="list-style-type: none">• Need a formal process for measuring the success of policies and programs that are meant to address racial equity		<p>Budget and Funding</p> <ul style="list-style-type: none">• Budget structure prevents tracking of investments that promote equity• No line items in the budget reflecting the activities, programs, and services that advance equity

Focus Areas Utility-wide

Internal

- Recruitment, retention, mobility, and professional development
- Leadership diversity
- Awareness, education, and training

External

- Partners and suppliers
- Customer and community engagement



Takeaways

- Definitions and goals are critical foundational elements
- The process is iterative rather than linear
- Roles and responsibilities must be formalized and institutionalized
- Training in equity is necessary for success
- From a program perspective, most of our efforts are external facing and looking at “system”, primarily customer facing

Thank You

Questions?

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