



Austin's Renewable Energy Program Reduces CO2 Emissions By 370,257 Tons a Year

City

Austin, Texas

Population

700,000

Project Start Date

January 1st, 2000

Annual CO2 Reductions

370,257 tons

Annual Financial Savings

\$3,940,058 in savings to customers CY2006

Initial Investment

\$2,000 in postage costs for direct mailing

Project Status

Fully subscribed; obtaining new renewable energy sources

SUMMARY

The National Renewable Energy Laboratory (NREL) has ranked Austin Energy's GreenChoice Program number one among 600 other green-pricing programs for four consecutive years. The success is due to the program's 4 design factors:

1. GreenChoice Program targets commercial as well as residential customers.
2. It offers a fixed price for a long term that allows customers to budget more accurately into the future years and also acts as a hedge against rising fuel costs.
3. GreenChoice has a dedicated sales staff specifically for commercial customers.
4. GreenChoice integrates the community and thus has its support.

WHAT IS IT?

The GreenChoice Program offers Austin Energy commercial and residential customers the opportunity to choose to receive their electricity from renewable energy sources.

ENERGY EFFICIENCY

By using the deep lake water to cool, the Enwave project will save 128 million kWh annually in electricity.

HOW DOES IT WORK?

- Residential and commercial customers sign up for GreenChoice via the program's website.
- Austin Energy, a municipally owned utility, separates the fuel costs from the base energy rate and passes those fuel costs through to customers. The fuel charge portion of a customer's bill can go up or down, depending on what costs the utility has to pay for fuel.
- This model carried over to the GreenChoice Program. Unlike fossil fuel contracts however, renewable energy purchase

contracts can be struck for multi-year terms at a fixed price per kilowatt-hour. By allowing subscribers to “lock in” to that fixed price for a 10-year period, they essentially have eliminated the biggest variable from their utility bills. Thus, GreenChoice’s price is frozen at the purchase price of a particular batch of renewable energy while traditional fuel charges are on an upward trajectory.

- The GreenChoice charge replaces the regular fuel charge for every rate tier (secondary, primary, transmission) in all GreenChoice batches. All rates are applied for a term of not less than one year (twelve months).
- The GreenChoice Program purchases energy from certified renewable energy sources in Texas along with the Renewable Energy Credits (RECs) to satisfy the subscribed usage of its customers. Other programs for example only purchase RECs. Because of this restriction, GreenChoice cannot continue to take new subscribers until it has a new source for renewable energy.
- The increased interest in renewable energy from customers around the country has caused an increase in market demand and a shortage of wind turbines. That, along with the rise in both raw materials and transportation fuels produced a significant increase in purchase contract costs. Austin Energy currently seeks new purchase contracts for renewable energy to supply the mounting number of customers waiting to subscribe to the GreenChoice Program.

GreenChoice Savings to Customers CY2006

GC batch	Fuel chg class	KWh Sold	Savings/kWh	\$ Savings
1	primary	8,687,500	-0.01826	\$ (158,634)
1	secondary	95,399,331	-0.01934	\$ (1,845,023)
1		104,086,831		
2	primary	21,522,000	-0.00676	\$ (145,489)
2	secondary	150,766,875	-0.00784	\$ (1,182,012)
2		172,288,875		
3	primary	45,412,606	-0.00226	\$ (102,632)
3	secondary	72,982,801	-0.00334	\$ (243,763)
3	transmission	12,000,000	-0.00189	\$ (22,680)
3		130,395,407		
4	primary	69,700,000	-0.00026	\$ (18,122)
4	secondary	165,449,808	-0.00134	\$ (221,703)
4		235,149,808		
		641,920,921		\$ (3,940,058)

NEXT STEPS

The City of Austin recently announced a new Climate Protection Plan calling for 30% of energy supply to come from renewable energy sources by 2020. A first step in that plan migrates all City-owned buildings to the GreenChoice Program as new supplies become available. When that step is complete, the program opens back up to residential and commercial electric customers.

A new feature of the program greatly expands educational outreach to Austin Energy customers about other programs offering ways to participate in “green” practices. Austin Energy stands as a leader in energy-efficiency programs and rebates, solar rebates, green building practices, alternative fuel transportation; all of which enable customers to reduce their carbon footprint through participation.

APPLICATION

Other cities with municipal utilities find it much easier to replicate this program than those with competitive retailers or investor-owned utilities. Some electric cooperatives in the areas surrounding Austin are beginning to offer such programs due to customer demand. Cities with investor-owned utilities can use their contracting strength to put pressure on their energy vendors to create renewable energy programs. Support from both citizens and city leaders is critical to success in building a successful renewable energy program.

CONTACTS

Austin Energy

Carol Harwell
GreenChoice® Manager
721 Barton Springs Rd
Room 236
Austin, TX 78704

Tel: +1 512-322-6562
Email: carol.harwell@austinenergy.com