



Fuel Charge Increase In Effect

Rising natural gas prices, which have doubled since January 2004, have required Austin Energy to increase its fuel charge. The increase is reflected in electric bills beginning January 1, 2006. As a result, the average electric bill will increase by about 10%, or about \$8.00 per 1,000 kWh of usage.

Even with this increase, our fuel charge is still among the lowest in the state. These same gas costs are causing a number of utilities to enact utility bill increases in the range of 30% or more.

The January increase nudges the Austin Energy fuel charge from 2.796 cents per kilowatt-hour (kWh) to 3.63 cents per kWh. The fuel charge is a dollar-for-dollar recovery of the cost of fuel for the power generated. Austin Energy's base electric rates — the charge on the electric bill that pays for power plants, power lines, equipment and personnel — did not change. Austin Energy's base electric rates have not changed since 1994.

Fuel Charge Hedge

Customers who subscribe to Austin Energy's green power program, GreenChoice®, see the standard fuel charge on their electric bill replaced by a GreenChoice charge — a **charge that stays fixed for up to 10 years**. Since GreenChoice customers don't pay the standard fuel charge, they are not affected by fuel charge increases that result from escalating fossil fuel prices.

As indicated in the adjoining story, Austin Energy will increase its fuel charge to 3.63 cents per kilowatt-hour (kWh) from the current 2.796 cents, effective with January 2006 utility bills. Customers who subscribe to GreenChoice will not be affected by the increase. In fact, come January, **all GreenChoice subscribers will be paying less for electricity than non-subscribers**. The vast majority of current subscribers are paying a GreenChoice charge of 2.85 cents per kWh or less. The GreenChoice charge for Batch 4 power (current supply) is 3.5 cents per kWh, or slightly less than the new standard fuel charge of 3.63 cents per kWh.

Because the Batch 4 power supply is almost all sold, customers who wish to apply for a portion of that remaining supply **must do so by post card by February 28, 2006**. A drawing will be held in March to enroll about 200 businesses for GreenChoice Batch 4.

To apply, send a post card to: Austin Energy GreenChoice Program, 721 Barton Springs Road, Austin, Texas 78704. Post card applications should include the **name** and **address** of the electric account holder and the **electric account number** — as they appear on your electric bill. Businesses are required to execute a 10-year GreenChoice agreement. **Applications will not be accepted online or by telephone**. This will facilitate a post card drawing, should it be necessary. Austin Energy has solicited proposals for additional green power for the GreenChoice program. The price for the next batch of green power will depend primarily on the cost of that power.

While you can send a standard U.S. post card for the March drawing, pre-printed post cards will also be available at Whole Foods and H-E-B stores. We wish to thank the 400 businesses and 8,900 residential customers who have made GreenChoice the #1 utility-sponsored green power program in the nation for sales since 2002.



Rebate On Reflective Roof Coatings Increased

Reflective roof products designed to reflect solar radiation can lower roof surface temperatures by up to 100 degrees, lower electricity costs for cooling by up to 50% and reduce peak cooling demand by 10% to 15%.

The Grapevine Center on Great Northern Boulevard in Austin installed a reflective roof coating this summer that will lower instantaneous kilowatt use by an estimated 11% and reduce consumption by more than 25,000

kilowatt hours annually.

Austin Energy rebates for installing reflective roof coatings have increased by 50% — from 10 cents per square foot to 15 cents per square foot. By covering more than 36,000 square feet of roof surface of its retail center with a reflective coating, the Grapevine Center received a \$3,600 rebate from Austin Energy, or more than \$430 for each kilowatt reduced.

Coatings or reflective membranes

can be applied or installed over almost any type of roof material. Good candidates for reflective roofs are buildings with low insulation and buildings with a large roof surface compared to the overall size of the building. Large one-story buildings such as supermarkets and department stores also are excellent candidates.

For more information, send an e-mail to conservation@austinenergy.com or call 482-5346.

Additional 20% Bonus Offered On All Rebates

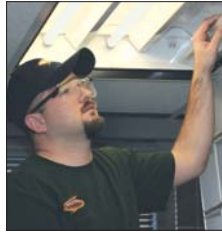
Austin Energy is offering a 20% bonus to small- to mid-size businesses and not-for-profit organizations whose peak annual demand does not exceed 100 kilowatts (kW), in addition to the regular rebates available for energy-efficiency improvements on both existing and new buildings. Up to \$100,000 in rebates are available on interior lighting, air conditioning, ceiling/roof insulation and reflective coatings, motors and other technologies.

Last year more than 600 businesses used our commercial rebate program. Together they reduced their annual energy usage by an estimated 29 million kilowatt hours. That's an annual savings of more than \$2 million. The program provides a free walk-through energy audit with written cost-savings recommendations to help you identify the most cost-effective improvements.

For more information, contact us at conservation@austinenergy.com or call 482-5346.

Lighting Upgrades Save Big Money

Reduce Energy And Maintenance Costs For Lighting By Up To 40%



St. David's Episcopal Church on East Seventh Street replaced more than 140 incandescent bulbs and T-12 lamps with more efficient compact fluorescents and T-8s and will save an estimated 34,941 kilowatt-hours of electricity and \$3,300 annually.

St. David's participated in Austin Energy's Small Business Lighting Discount Program that, on average, discounts by up to 70% the turnkey purchase and installation of new, energy-efficient lighting. The program helps reduce your energy and maintenance costs for lighting by up to 40% as well as greatly improves the color quality of lighting and therefore the indoor ambiance of your building. St. David's discount was 75% of the actual cost, which delivered a payback of less than two months.

"It's a super deal," said Bill Collentine, St. David's Facilities Supervisor. "Having this discount from the City of Austin pushed us forward to get this done."

The lighting discount program is offered to commercial customers whose annual electric peak demand does not exceed 100 kW (kilowatts). Because Austin Energy has an agreement with a local lighting contractor, Energy Savings Strategies, to perform the work, no bidding is required.

Simply call the company toll-free at 1-888-613-5778 and schedule a time for them to perform a lighting audit. The lighting audit and resulting recommendations will include estimated annual savings, total material and installation costs and a simple payback calculation. If you have questions, contact Austin Energy at 482-5346, or visit conservation@austinenergy.com.

How to Reach Us

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Bottom Line!*

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