

**CITY OF AUSTIN – AUSTIN ENERGY  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 05/27/2010**

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**SUBJECT:** Approve an ordinance authorizing acceptance of \$10,000,000 in American Recovery and Reinvestment Act (ARRA) competitive grant funds from the U.S. Department of Energy and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate funds for a Retrofit Ramp-Up Program and for the addition of eight (8) full-time equivalent positions to implement the program.

**AMOUNT & SOURCE OF FUNDING:** Funding is available from the U.S. Department of Energy for the grant period of June 1, 2010 – June 1, 2013. No match is required.

**FISCAL NOTE:** A fiscal note is attached.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on May 17, 2010 and by the Resource Management Commission on May 18, 2010.

**FOR MORE INFORMATION CONTACT:** Karl R. Rábago, Vice President, Distributed Energy Services.

**RELATED ITEM(S):** Related to RCA #2

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The U.S. Department of Energy (DOE) has awarded the City of Austin (Austin Energy) \$10,000,000 in American Recovery and Reinvestment Act (ARRA) competitive grant funds to design, develop, and implement an ARRA Retrofit Ramp-Up Program. The purpose of this program is to create jobs and accelerate the number of residential and commercial comprehensive building retrofits in the Austin Energy service area by providing enhanced marketing and outreach and a new financing option to complement existing energy efficiency and solar programs.

The acceptance of these funds will allow Austin Energy to conduct customer research, develop marketing, provide contractor and customer outreach, design financing mechanisms, and provide oversight, inspections, tracking, and grant reporting activities. Eight FTEs will be employed during the grant period of June 1, 2010 to June 1, 2013 to implement the program.

A major component of this program will be to develop a Property-Assessed Clean Energy (PACE) financing mechanism whereby City of Austin property owners could use money from a financing pool and then repay their loans through a property tax assessment that would stay with the property even if it were sold. The financing pool could come from either municipal or private financing, and both options will be explored during this grant period. The public financing approach is supported by 2009 Texas legislation (House Bill 1937.) The cities of San Antonio and El Paso have also expressed their intention to move forward with PACE financing.

The City of San Antonio also received a DOE grant for \$10 million to develop a program approach and pursue financing options. Austin Energy intends to collaborate with San Antonio and El Paso and possibly other interested Texas cities to ensure that a PACE program can be developed to meet all state legal and financial requirements.

**ORDINANCE NO.**

**AN ORDINANCE AUTHORIZING ACCEPTANCE OF \$10,000,000 IN AMERICAN RECOVERY AND REINVESTMENT (ARRA) COMPETITIVE GRANT FUNDS FROM THE U.S. DEPARTMENT OF ENERGY AND AMENDING THE FISCAL YEAR 2009-2010 AUSTIN ENERGY OPERATING BUDGET SPECIAL REVENUE FUND OF ORDINANCE NO. 20090914-002 TO FUND A RETROFIT RAMP-UP PROGRAM.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** The Council authorizes the addition of eight (8) FTE'S for the Retrofit Ramp-Up Program.

**PART 2.** The Council amends the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to fund a Retrofit Ramp-Up Program.

**PART 3.** This ordinance takes effect on \_\_\_\_\_.

**PASSED AND APPROVED**

\_\_\_\_\_, 2010

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Lee Leffingwell  
Mayor

**APPROVED:** \_\_\_\_\_  
David Allan Smith  
City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Gentry  
City Clerk