

SUBJECT: Approve the issuance of a Letter of Intent for performance-based incentive to BAE SYSTEMS, for the generation of solar energy at their facility located at 6500 TRACTOR LANE #27, Austin, TX 78725 for a total amount not to exceed \$390,000 over the 10-year period.

AMOUNT & SOURCE OF FUNDING: Funding is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

BOARD AND COMMISSION ACTION: To be reviewed by the Resource Management Commission on November 14, 2011 and the Electric Utility Commission on November 15, 2011.

FOR MORE INFORMATION CONTACT: Leslie Libby, Solar Program Manager, 482-5390; Fred Yebra, Director of Energy Efficiency Services, 482-5305.

Austin Energy (AE) requests authorization to issue a letter of intent for a performance based incentive (PBI) to BAE SYSTEMS for an amount not to exceed \$390,000 over the 10-year agreement for the generation of solar energy at 6500 Tractor Lane #27, Austin, TX 78725. The total cost is \$700,560 and the incentive will cover approximately 55% of the cost. The performance based incentive level for this project is \$0.14 per kWh for 10 years. The solar equipment, which meets Austin Energy program requirements, includes a total of 858 solar modules rated at 240 watts and associated inverters rated at 96% efficiency. A total of 158.6 kW in demand savings is expected.

This energy improvement will save an estimated 276,542 kWh per year—enough to provide electricity to 24 average Austin homes for a year—and produce an estimated 277 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 4,266 trees or 213 acres of forest in Austin's parks or the removal of 372,829 vehicle miles or 32 cars from Austin roadways. This project will save 166 tons of Carbon Dioxide (CO₂); 231 pounds of Sulfur Dioxide (SO₂); 255 pounds of Nitrogen Oxide (NOX), and 177 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.