

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

AGENDA DATE: 8-2-2012

SUBJECT: Approve the issuance of a Letter of Intent for a Performance Based Incentive to HOLT CAT for the generation of solar energy at their facility located at 9601 S. Interstate 35 in Austin, Texas, for an estimated \$44,670 per year with the total amount not to exceed \$446,700 over the 10-year agreement.

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

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

FOR MORE INFORMATION CONTACT: Fred Yebra, P.E., Acting Vice President, Distributed Energy Services, 482-5305; Leslie Libby, Solar Program Manager, 482-5390.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on July 16, 2012 and the Resource Management Commission on July 17, 2012.

Austin Energy requests authorization to issue a letter of intent for a Performance Based Incentive (PBI) to HOLT CAT for an estimated \$44,670 per year, not to exceed \$446,700 over the 10-year agreement for the generation of solar energy at 9601 S. Interstate 35, Austin, Texas 78744. The total cost is \$814,469 and the incentive will cover approximately 55% of the cost. The PBI level for this project is \$0.14 per kilowatt hours (kWh) for 10 years. The solar equipment, which meets Austin Energy program requirements, includes a total of 880 solar modules rated at 285 watts and associated inverters rated at 96% efficiency. A total of 193.1 kW in demand savings is expected.

This energy improvement will save an estimated 319,078 kWh per year—enough to provide electricity to 28 average Austin homes for a year—and produce an estimated 319 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 4,922 trees or 246 acres of forest in Austin's parks or the removal of 430,175 vehicle miles or 37 cars from Austin roadways. This project will save 192 tons of Carbon Dioxide (CO₂); 266 pounds of Sulfur Dioxide (SO₂); 294 pounds of Nitrogen Oxide (NOX), and 205 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.