

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

AGENDA DATE: 9-27-2012

SUBJECT: Approve the issuance of a Letter of Intent for a Performance Based Incentive to Caddo Minerals for the generation of solar energy at their facility located at 2714 Bee Cave Road, Austin, Texas 78746, for an estimated \$10,700 per year with the total amount not to exceed \$122,400 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: Leslie Libby, Solar Program Manager, 482-5390; Scott Jarman, Interim Director of Energy Efficiency Services, 482-5307

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on August 20, 2012 and the Resource Management Commission on August 21, 2012.

Austin Energy requests authorization to issue a letter of intent for a performance based incentive (PBI) to Caddo Minerals for an estimated \$10,700 per year, not to exceed \$122,400 over the 10-year agreement for the generation of solar energy at 2714 Bee Cave Road, Austin, Texas 78746. The total cost is \$211,000 and the incentive will cover between 49%-58% of the cost. The PBI 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 250 solar modules rated at 240 watts and associated inverters rated at 96% efficiency. A total of 46.2 kW in demand savings is expected.

This energy improvement will save an estimated 76,003 kWh per year—enough to provide electricity to 7 average Austin homes for a year—and produce an estimated 76 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 1,172 trees or 59 acres of forest in Austin's parks or the removal of 102,466 vehicle miles or 9 cars from Austin roadways. This project will save 50 tons of Carbon Dioxide (CO₂); 63 pounds of Sulfur Dioxide (SO₂); 70 pounds of Nitrogen Oxide (NO_x), and 49 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.