

**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 Foundation Communities Austin One Housing Corporation for the generation of solar energy at their facility located at 2501 S. IH 35, Austin, Texas 78741, for an estimated \$21,060 per year with the total amount not to exceed \$210,600 over the 10-year agreement.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$8,850 is included in the Fiscal Year 2012-2013 Operating Budget of Austin Energy, Conservation Rebates and Incentive Fund. Funding for the remaining nine years of the contract is contingent upon available funding 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 September 17, 2012 and the Resource Management Commission on September 18, 2012.

Austin Energy requests authorization to issue a letter of intent for a performance based incentive (PBI) to Foundation Communities Austin One Housing Corporation, for an estimated \$21,060 per year, not to exceed \$210,600 over the 10-year agreement for the generation of solar energy at 2501 S. IH 35, Austin, Texas 78741. The total cost is \$275,000 and the incentive will cover between 63% and 77% 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 382 solar modules rated at 250 watts and associated inverters rated at 96% efficiency. A total of 73.5 kW in demand savings is expected.

This energy improvement will save an estimated 130,785 kWh per year—enough to provide electricity to 12 average Austin homes for a year—and produce an estimated 131 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 2,018 trees or 101 acres of forest in Austin's parks or the removal of 176,322 vehicle miles or 15 cars from Austin roadways. This project will save 87 tons of Carbon Dioxide (CO₂); 109 pounds of Sulfur Dioxide (SO₂); 121 pounds of Nitrogen Oxide (NO_x), and 84 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.