

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

AGENDA DATE: 11/1/2012

SUBJECT: Approve issuance of a rebate to Mira Vista-PCF, Ltd. for performing comprehensive energy efficiency upgrades at Mira Vista Apartments in an amount not to exceed \$200,000.

AMOUNT AND SOURCE OF FUNDING: Funding is available from the U.S. Department of Energy (DOE) as a result of the American Recovery and Reinvestment Act of 2009 for the grant period of June 1, 2010 to June 1, 2013.

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

PRIOR COUNCIL ACTION: July 28, 2011 – Authorized contract for marketing and outreach services; April 7, 2011 – Authorized contract for an energy efficiency lending program; May 27, 2010 – Approved acceptance of a \$10,000,000 grant from the DOE; authorized interlocal agreement with the City of San Antonio to allow joint purchasing efforts for implementation of the program.

BOARDS AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on October 15, 2012 and the Resource Management Commission on October 16, 2012.

FOR MORE INFORMATION: Jeff Vice, Director, Local Government Relations, 322-6087; Fred Yebra, P.E., Acting Vice President, Distributed Energy Services, 482-5305; Stephen Leinweber, Manager, Energy Efficiency Services, at 322-6056.

In May 2010, the City of Austin received a \$10,000,000 American Recovery and Reinvestment Act (ARRA) of 2009 grant from the U.S. Department of Energy (DOE) under its BetterBuildings program. Administered by Austin Energy, the grant's overarching mission is to increase participation in energy upgrade programs and create a sustainable market for a comprehensive, whole house approach to energy efficiency performance.

One of the goals of the grant is to expand Austin Energy's energy efficiency offerings to include a performance-based approach to energy efficiency upgrades. By incorporating diagnostic testing and energy modeling using sophisticated software, the energy savings impact of a package of improvements is more accurately predicted. Financial incentives in the form of rebates are based on predicted savings of selected upgrade measures. The higher the predicted savings, the greater the rebate.

This Request for Council Action provides incentives for performance-based upgrades in the hard to reach multi-family market. Residents living in upgraded units can expect to see a decrease in electric consumption of up to 30%. The incentives help offset the cost of a comprehensive set of upgrades including duct system sealing, attic insulation, solar screens and water saving devices. Water saving devices help reduce the need to heat water as well as reducing the overall amount of water consumed and are a new conservation measure in the multi-family program.

Austin Energy requests authorization to issue a rebate in an amount not to exceed \$200,000 for performing duct improvements and air sealing, installing compact fluorescent lighting, solar screens, water saving devices, attic insulation and water heater pipe insulation at Mira Vista Apartments, an all-electric property, in accordance with the City of Austin's Multifamily Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Resource, Generation, Climate Protection Plan to 2020, approved in April 2010 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Mira Vista Apartments is located at 9601 Middle Fiskville Road, in Austin, Texas 78753. The property is comprised of 26 buildings containing 200 apartment units, with 182,080 square feet of living space. Based on the results of energy modeling, the demand (kilowatt or kW) savings associated with this energy efficiency duct sealing project is estimated at 260 kW, at a program cost of \$769 per kW saved. The avoided kilowatt hours (kWh), estimated at 562,752 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 337.9 metric tons of Carbon Dioxide (CO₂), 0.213 metric tons of Sulfur Dioxide (SO₂), and 0.236 metric tons of Nitrogen Oxides (NO_x).

In addition to the reduced air and toxic pollution, the project savings are also equivalent to an estimated 758,693 vehicle miles traveled, the removal of 64.7 cars from roadways, or the planting of 8,681 trees or 434 acres of forest in Austin's parks.