

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

AGENDA DATE: 1-17-2013

SUBJECT: Approve the issuance of a Performance Based Incentive to HEB for the generation of solar energy at its facility located at 1801 E. 51st Street, Austin, Texas, for an estimated \$34,800 per year, for a total amount not to exceed \$348,000 over a 10-year period.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$34,800 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy.

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 December 17, 2012 and the Resource Management Commission on December 18, 2012.

Austin Energy requests authorization to issue a letter of intent for a performance based incentive (PBI) to HEB, for an estimated \$34,800 per year, for a total amount not to exceed \$348,000 over the 10-year agreement, for the generation of solar energy at 1801 E. 51st Street, Austin, Texas 78723. The total cost is \$520,138 and the incentive will cover between 58% and 67% 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 663 solar modules rated at 255 watts and associated inverters rated at 95.5% efficiency. A total of 130.2 kW-AC in demand savings is expected.

This energy improvement will save an estimated 215,729 kWh per year—enough to provide electricity to 19 average Austin homes for a year—and produce an estimated 216 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 3,328 trees or 166 acres of forest in Austin's parks or the removal of 290,842 vehicle miles or 25 cars from Austin roadways. This project will save 143 tons of Carbon Dioxide (CO₂); 108 pounds of Sulfur Dioxide (SO₂); 199 pounds of Nitrogen Oxide (NOX), and 138 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.