

**CITY OF AUSTIN - PURCHASING DEPT.
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 02/14/2013

SUBJECT: Approve issuance of a rebate to Austin Gardens for performing comprehensive energy efficiency upgrades at Austin Gardens Apartments in an amount not to exceed \$75,000

AMOUNT AND SOURCE OF FUNDING: Funding is available in the Fiscal Year 2013-2014 Operating Budget of Austin Energy.

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

PRIOR COUNCIL ACTION: On May 27, 2010, Council accepted a \$10,000,000 competitive grant from the U.S. Department of Energy.

BOARDS AND COMMISSION ACTION: To be reviewed by the Resource Management Commission on January 15, 2013 and by the Electric Utility Commission on January 28, 2013.

FOR MORE INFORMATION: Fred Yebra, P.E., Acting Vice President, Energy Efficiency Services, at 482-5305 or Scott Jarmin, Acting Director, Energy Efficiency Services, at 482-5307.

In May 2010, the City of Austin received a \$10,000,000 American Recovery and Reinvestment Act of 2009 grant from the U.S. Department of Energy under its BetterBuildings program. Administered by Austin Energy's Distributed Energy Services, 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 multifamily 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, compact fluorescent light bulbs, 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 multifamily program.

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate in an amount not to exceed \$75,000 for performing duct improvements and air sealing, installing compact fluorescent lighting, water saving devices, attic insulation and at Austin Gardens Apartments, 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.

Austin Gardens Apartments is located at 7401 N. Lamar Blvd, in Austin, Texas 78752. The property is comprised of 7 buildings containing 150 apartment units, with 75,000 square feet of living space. Based on the results of energy modeling, the demand (kW) savings associated with this energy efficiency project is estimated at 145 kW, at a program cost of \$586 per kilowatt saved. The avoided kWh, estimated at 368,333 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 221.2 metric tons of Carbon Dioxide (CO₂), 0.139 metric tons of Sulfur Dioxide (SO₂), and 0.154 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 496,580 vehicle miles traveled, the removal of 42.4 cars from roadways, or the planting of 5,682 trees or 284 acres of forest in Austin's parks.