

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

AGENDA DATE: 04/11/2013

SUBJECT: Authorize negotiation and execution of 24-month agreements with ecobee, EnergyHub, and other thermostat vendors who qualify for participation in Austin Energy's Power Partner Program, a demand response program involving start-up incentives and thermostat data access, for a combined total amount not to exceed \$950,000 over the 24-month period.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining 18 months of the original requested amount 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: Jeff Vice 322-6087; Debbie Kimberly 322-6327; Fred Yebra, P.E. 482-5305; Scott Jarman, P.E. 482-5307.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on March 18, 2013 and the Resource Management Commission on March 19, 2013.

Austin Energy developed a program whereby residential and commercial customers receive incentives for providing demand response services to the utility. Austin Energy provides incentives to the customers for enrolling in the demand response program and requires their software service provider supporting their remotely-communicating thermostat devices to allow Austin Energy remote access to raise or lower thermostat set points for the purpose of demand response. The provider of remotely-communicating thermostat devices and services provides Austin Energy a utility portal to initiate demand response events.

At no cost to a participating thermostat vendor, Austin Energy enters into an agreement that outlines the company's obligations to provide services to utility customers under this program. The agreements include Austin Energy requirements for participating in the program.

Each customer's rebate is expected not to exceed \$140 per thermostat for a two-year period; however the aggregate of all customers and all participating companies will exceed \$56,000, the level at which Council approval is necessary.

Austin Energy currently has two thermostat companies who have met participating requirements. The two companies are ecobee of Toronto, Canada and EnergyHub of Brooklyn, NY. Austin Energy is seeking approval to negotiate agreements with additional companies to participate in the program and provide rebates to customers where the customer assigns a portion of their rebate directly to the participating company.

The Power Partner Program is one element of the 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. This program also supports goals set forth in Austin Energy's 2003 Strategic Plan and the 2007 Climate Action Plan.