

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

AGENDA DATE: 9-26-2013

SUBJECT: Authorize negotiation and execution of an agreement with Whole Foods Market Rocky Mountain/Southwest, L.P., to provide a performance-based incentive for the generation of solar energy at its facility located at 840 Interchange Blvd., Austin, Texas 78721, for an estimated \$42,888 per year, for a total amount not to exceed \$428,880 over a 10-year period.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$42,888 is included in the proposed Fiscal Year 2013-2014 Operating Budget of Austin Energy.

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

FOR MORE INFORMATION CONTACT: Jeff Vice, Director, Local Government Issues (512) 322-6087; Debbie Kimberly, Vice President, Distributed Energy Services (512) 322-6327; Kurt Stogdill, Interim Solar Program Manager (512) 322-6510.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on September 16, 2013, and the Resource Management Commission on September 17, 2013.

Austin Energy requests authorization to enter into an agreement with Whole Foods Market Rocky Mountain/Southwest, L.P., to provide a performance-based incentive (PBI) for an estimated \$42,888 per year, for a total amount not to exceed \$428,880 over the 10-year period for the generation of solar energy at its regional distribution facility located at 840 Interchange Blvd., Austin, Texas 78721.

The total installation cost is \$701,298 and the incentive will cover between 58% and 61% of the cost. The PBI level for this project is \$0.12 per kWh for 10 years. The solar equipment, which meets Austin Energy program requirements, includes a total of 962 solar modules rated at 270 watts and associated inverters rated at 97% efficiency. A total of 200 kW-AC in demand savings is expected.

This energy improvement will save an estimated 340,384 kWh per year—enough to provide electricity to 30 average Austin homes for a year—and produce an estimated 340 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 5,251 trees or 263 acres of forest in Austin's parks or the removal of 458,900 vehicle miles or 39 cars from Austin roadways. This project will save 225 tons of Carbon Dioxide (CO₂); 484 pounds of Sulfur Dioxide (SO₂); 314 pounds of Nitrogen Oxide (NO_x); and 218 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.