

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 01/23/2014**

SUBJECT: Authorize negotiation and execution of an agreement with Crystal Mountain, to provide a performance-based incentive for the generation of solar energy at its facility located at 9433 Bee Cave Road, Austin, Texas 78746, for an estimated \$36,419 per year, for a total amount not to exceed \$364,190 over a 10-year period.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$36,419 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.

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 December 16, 2013, and the Resource Management Commission on December 17, 2013.

Austin Energy requests authorization to enter into an agreement with Crystal Mountain, to provide a performance-based incentive (PBI) for an estimated \$36,419 per year, for a total amount not to exceed \$364,190 over the 10-year period for the generation of solar energy at its regional distribution facility located at 9433 Bee Cave Road, Austin, Texas 78746.

The total installation cost is \$648,189 and the incentive will cover between 53% and 57% 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 759 solar modules rated at 295 watts and associated inverters rated at 96% efficiency. A total of 172 kW-AC in demand savings is expected.

This energy improvement will save an estimated 289,029 kWh per year—enough to provide electricity to 26 average Austin homes for a year—and produce an estimated 289 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 4,459 trees or 223 acres of forest in Austin's parks or the removal of 389,664 vehicle miles or 33 cars from Austin roadways. This project will save 191 tons of Carbon Dioxide (CO₂); 241 pounds of Sulfur Dioxide (SO₂); 267 pounds of Nitrogen Oxide (NOX); and 185 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere, and 226,063 gallons of water at the power plant.