

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

AGENDA DATE: 2-13-2014

SUBJECT: Authorize negotiation and execution of an agreement with Target – Arboretum, to provide a performance-based incentive for the generation of solar energy at its facility located at 10107 Research Blvd., Austin, Texas 78759, for an estimated \$42,122 per year, for a total amount not to exceed \$421,220 over a 10-year period.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$42,122 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 Resource Management Commission on January 21, 2014 and the Electric Utility Commission on January 27, 2014.

Austin Energy requests authorization to enter into an agreement with Target – Arboretum, to provide a performance-based incentive (PBI) for an estimated \$42,122 per year, for a total amount not to exceed \$421,220 over the 10-year period, for the generation of solar energy at its facility located at 10107 Research Blvd., Austin, Texas 78759.

The total installation cost is \$537,263 and the incentive will cover between 75% and 78% 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 799 solar modules rated at 300 watts and associated inverters rated at 98% efficiency. A total of 185 kW-AC in demand savings is expected.

This energy improvement will save an estimated 334,300 kWh per year—enough to provide electricity to 30 average Austin homes for a year—and produce an estimated 334 Renewable Energy Credits (RECs) per year. These savings are equivalent to the planting of 5,157 trees or 258 acres of forest in Austin's parks or the removal of 450,697 vehicle miles or 39 cars from Austin roadways. This project will save 221 tons of Carbon Dioxide (CO₂); 279 pounds of Sulfur Dioxide (SO₂); 308 pounds of Nitrogen Oxide (NOX); and 214 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere, and 140,435 gallons of water at the generation power plant.