

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	25134	Agenda Number	3.
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Meeting Date:	1/30/2014	Department:	Austin Energy
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Subject

Authorize reimbursement of costs to Austin 18 Hotel, LLC, an Indiana Limited Liability Company, for the purchase of heat exchangers required to interconnect the JW Marriott Hotel to Austin Energy's Downtown District Cooling System, in an amount not to exceed \$295,000.

Amount and Source of Funding

Funding is available in the Fiscal Year 2013-2014 Capital Budget of Austin Energy.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Jeff Vice, Director, Local Government Relations, (512) 322-6087; Jim Collins, Director, On-Site Energy Resources (512) 322-6426.
Boards and Commission Action:	May 20, 2013 - Recommended by the Electric Utility Commission.
MBE / WBE:	This contract will be awarded in compliance with the City's Third Party Resolution No. 20120112-058.
Related Items:	

Additional Backup Information

Austin Energy executed an agreement with Austin 18 Hotel, LLC, an Indiana Limited Liability Company, to provide chilled water services to the JW Marriott Hotel located at 110 East 2nd Street, Austin, Texas 78701. This request seeks authorization to complete the purchase of the two heat exchangers necessary for Austin Energy to provide chilled water service to the customer in accordance with the agreement.

Austin Energy recovers all costs associated with customer connections, including these heat exchangers, through the chilled water rate specified in the multi-year chilled water services agreement. Adding customers, thereby increasing the load to Austin Energy's District Cooling System, increases the amount of potential electrical demand shifted from on-peak to off-peak hours. Additionally, the gained efficiencies associated with using the District Cooling System over a stand-alone system result in approximately 1,200,000 kWh per year. The savings is equivalent to 776 tons of CO2 or the planting of 26,612 trees.

A district cooling plant distributes chilled water to individual buildings via a network of underground pipes. A single

plant can meet the cooling needs of several large buildings. The plant chills water to about 44° and delivers it to buildings, where it circulates through refrigeration coils. Fans cool a building's air by blowing it across the refrigeration coils. Austin Energy's Downtown District Cooling Plants are located at 3rd and San Antonio Streets and 5th and Sabine Streets. These plants provide chilled water to Austin City Hall, Silicon Labs, Hobby Office Building, Plaza Lofts, Hilton Hotel, Hampton Hotel, Whole Foods Market, The Monarch, Austin 360 Condominiums, Courtyard by Marriott, The Shores, 515 Congress, The Austonian, Four Seasons Residences, AMLI High Rise, 5 Fifty Five Condos, and a mix of retail and restaurants on West 2nd Street. Austin Energy's Downtown District Cooling system features the largest ice thermal storage system in Central Texas. In addition to the downtown plants, Austin Energy owns and operates district cooling plants at Mueller and The Domain.