

# A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	51982	Agenda Number	3.
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Meeting Date:	11/19/2015	Department:	Austin Energy
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### Subject

Authorize execution of an agreement with HEB to provide a performance-based incentive for the generation of solar energy at 15 facilities, for an estimated \$155,712 per year, for a total amount not to exceed \$1,557,120 over a 10-year period.

### Amount and Source of Funding

Funding in the amount of \$155,712 is included in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.

### Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Jeff Vice, Director, Local Government Issues (512) 322-6087; Danielle Murray, Solar Program Manager (512) 322-6055.
Council Committee, Boards and Commission Action:	October 19, 2015 – Approved by the Electric Utility Commission on a vote of 7-0. October 20, 2015 – Approved by the Resource Management Commission on a vote of 8-0.
MBE / WBE:	
Related Items:	

### Additional Backup Information

Austin Energy requests authorization to enter into an agreement with HEB to provide a performance-based incentive (PBI) for a total amount not to exceed \$1,557,120, at levels ranging from \$0.02 to \$0.05 per kilowatt hour (kWh), over the 10-year period, for the generation of solar energy at 15 of their facilities located within Austin Energy's service area.

This solar installation will have a total capacity of 2.624 MW-AC. The total installation cost is \$5,747,040 and the incentive is expected to cover up to 28% of the total cost.

Austin Energy's solar program helps meet the community's solar goal of 950 MW by 2025, including 200 MW of local solar capacity, established in the Resource, Generation and Climate Protection Plan updated by City Council in December 2014. The solar program is designed to reduce the amount of electricity Austin Energy must purchase from the market and reduce associated greenhouse gas emissions.

This energy improvement will generate an estimated 4,273,287 kWh per year—enough to power 378 average Austin homes for a year. This project will save 2,828 tons of Carbon Dioxide (CO<sub>2</sub>); 3,566 pounds of Sulfur Dioxide (SO<sub>2</sub>); 3,943 pounds of Nitrogen Oxide (NO<sub>X</sub>); and 2,741 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere each year. These emissions reductions are equivalent to planting 65,920 trees or 3,296 acres of forest in Austin's parks or the removal of 5,761,172 vehicle miles or 492 cars from Austin roadways.

The Austin City Council launched Austin Energy's original solar photovoltaic (PV) rebate incentive program in 2004 (Resolution No. 040527-06) to benefit Austin residents and utility customers by: promoting the use of an environmentally-friendly and energy efficient renewable energy resource; promoting economic development, recruitment and retention of renewable energy enterprises; and ensuring that Austin remains a local, national and international leader in the development and use of renewable energy.

In 2010, City Council approved Resolution No. 20100204-003, revising Austin Energy's solar program for commercial customers by replacing the upfront rebate with "performance-based" payments. The PBI solar program offers commercial customers payments based on the metered solar production of their approved PV system for the first 10 years of operation. Payments are made as a monthly billing adjustment to the customers' electric account.