

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

AGENDA DATE: 01/28/2015

SUBJECT: Authorize execution of an agreement with Apple Inc. to provide a second performance-based incentive for the generation of solar energy at its facilities at 12535, 12545, 12555 and 12565 Riata Vista Circle, for an estimated additional \$49,102.15 per year and \$491,021.48 over a 10-year period, and a combined total with the previous estimated incentive of \$83,345.56 per year and \$833,455.60 over a 10-year period. (District 6)

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$49,102.15 is available 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.

FOR MORE INFORMATION CONTACT: Jeff Vice, Director, Local Government Issues (512) 322-6087; Danielle Murray, Solar Program Manager (512) 322-6055.

BOARD AND COMMISSION ACTION: December 14, 2015 – To be reviewed by the Electric Utility Commission. December 15, 2015 – To be reviewed by the Resource Management Commission.

Austin Energy requests authorization to enter into an agreement with Apple Inc., to provide a performance-based incentive (PBI) for an amount not to exceed \$491,021.48, at levels ranging from \$0.02 to \$0.04 per kilowatt hour (kWh), over a 10-year period, for the generation of solar energy at its facilities located within Austin Energy's service area. This solar installation will have a total capacity of 707.6 kW-AC. Apple Inc.'s Northwest Austin campus is in the Riata Corporate Center located at 12535, 12545, 12555 and 12565 Riata Vista Circle in Council District 6.

Austin Energy entered into a previous agreement this year with Apple Inc. to provide a PBI for an amount not to exceed \$342,434.12 at \$0.04 per kilowatt hour (kWh) over a 10-year period, for a 437.7 kW-AC solar installation at the same location. The combined solar installations will have a total capacity of 1.145 MW-AC. The combined installation cost is \$3,128,850.02 and the combined incentives, which total \$83,345.56 per year, are expected to cover up to 27% 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 updated Resource, Generation and Climate Protection Plan approved 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.

These energy improvements will together generate an estimated 1,964,766 kWh per year—enough to power 174 average Austin homes for a year. This project will save 1,300 tons of Carbon Dioxide (CO₂); 1,640 pounds of Sulfur Dioxide (SO₂); 1,813 pounds of Nitrogen Oxide

(NOX); and 1,260 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere each year. These emissions reductions are equivalent to planting 30,309 trees or 1,515 acres of forest in Austin's parks or the removal of 2,648,846 vehicle miles or 226 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 for the 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.



Austin Energy Project Fact Sheet Solar Applications

File Number(s)	PBI310-313
Customer Name	Apple Inc.
Facility Addresses	12535 Riata Vista Circle 12545 Riata Vista Circle 12555 Riata Vista Circle 12565 Riata Vista Circle Austin, TX 78727 District 6
Estimated Incentives	\$49,102.15 per year for 10 years
Application Received Date	11/30/2015
Number of Modules	2664
Wattage per Module (STC)	320
Inverter Efficiency	97.5%
Solar Contractor	Circular Energy
Installation Cost	\$1,835,547
Estimated kWh Savings	1,220,344 kWh per year
Estimated kW Demand Savings	707.6 kW
Estimated Date of Completion	TBD
Site Information/Additional Comments	Apple Inc. Office and Tech Campus in NW Austin