

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 11/03/2016**

SUBJECT: Authorize execution of an agreement with 78741 Holdings, LP, to provide incentives for the installation of solar electric systems on 20 residential units at its Las Cimas mixed-use development at 2101 Montopolis Drive, for a total amount not to exceed \$101,760. (District 3)

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy.

FISCAL NOTE: 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: October 17, 2016 - To be reviewed by the Electric Utility Commission. October 18, 2016 – To be reviewed by the Resource Management Commission.

Austin Energy requests authorization to enter into an agreement with 78741 Holdings, LP, to provide incentives, for a total amount not to exceed \$101,760, for the installation of solar electric systems at its Las Cimas development located at 2101 Montopolis Drive in Council District 3.

The solar PV (photovoltaic) systems will be installed on 20 free-standing residential condominium units in the mixed use development. The ownership of the PV systems will transfer to the buyers of the individual condominium units. The solar incentive level is \$0.80 per watt-DC. The 20 installations will have a total capacity of 106 kW-AC (5.3 kW-ac each). The total installation cost is \$381,600 and the incentive is expected to cover up to 27% of the total cost.

The Las Cimas project will earn a 5-Star Austin Energy Green Building certificate—the highest award possible. In addition to the solar PV systems, many sustainable design features will reduce the need for energy and resource use including:

- Advanced wood framing methods to reduce use of wood resources and maximize cavity spaces available for insulation;
- High performance thermal envelope – continuous insulation sheathing at exterior walls, insulated window and door headers, high efficiency glazing, and open cell foam at roof deck and exterior walls;
- Central A/C systems with inverter technology and rotary compressors for high efficiency and variable speed comfort;
- Complete LED lighting packages for all recessed cans and lighting;
- EnergyStar-rated ceiling fans, exhaust fans, and appliances;
- 650 gallon rain water collection at every unit;
- Waterwise listed, high-efficiency plumbing fixtures for all locations; and

- Xeriscaped yards and community gardens requiring no additional irrigation.

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 generate an estimated 175,834 kWh per year—enough to power 16 average Austin homes for a year. Each year, this project is estimated to prevent the production of the following air pollutants: 116 tons of Carbon Dioxide (CO₂); 147 pounds of Sulfur Dioxide (SO₂); 162 pounds of Nitrogen Oxide (NO_x); and 113 pounds of Carbon Monoxide (CO). These emissions reductions are equivalent to planting 2,712 trees or 136 acres of forest in Austin's parks or the removal of 237,056 vehicle miles or 20 cars from Austin roadways.

The Austin City Council launched Austin Energy's original solar photovoltaic (PV) rebate incentive program in 2004 (Resolution 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.



Austin Energy Project Fact Sheet Solar Applications

File Number	TBD
Customer Name	78741 Holdings, LP
Facility Address	2101 Montopolis Drive, 78741
Estimated Total Incentives	\$101,760
Application Received Date	9/9/2016
Number of Modules	480
Wattage per Module (STC)	265
Solar Contractor	Lighthouse Solar
Installation Cost	\$381,600
Estimated kWh Savings	175,834 kWh per year
Estimated kW Demand Savings	160 kW-AC
Estimated Date of Completion	TBD
Site Information/Additional Comments	Las Cimas is a new mixed-use development at 2101 Montopolis Drive. It includes 20 free standing condominium units and is designed to earn a 5-Star AE Green Building certificate. In addition to the PV systems, many sustainable design features will reduce the need for energy and resource use by tenants and management.

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 11/03/2016**

SUBJECT: Approve issuance of a rebate to Henderson Global Investors, for performing energy efficiency improvements at the Argosy at Crestview apartment community located at 1003 Justin Lane, in an amount not to exceed \$95,279 (District 7).

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy.

FISCAL NOTE: A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Jeff Vice, Director, Local Government Issues (512) 322-6450; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on October 17, 2016 and the Resource Management Commission on October 18, 2016.

Austin Energy requests authorization to issue a rebate to Henderson Global Investors, in an amount not to exceed \$95,279, for energy efficient measures to be completed at the Argosy at Crestview apartment home community located at 1003 Justin Lane, in Council District 7.

Seven percent of the residents of the Argosy at Crestview participate in Austin Energy's Customer Assistance Program (CAP). The property is listed in the 13th Edition of the Guide to Affordable Housing in the Greater Austin Area published by The Austin Tenant's Council. The Argosy at Crestview was built in 1984 and comprises 15 buildings and 288 apartment units, with a total of 197,280 square feet of conditioned space. The rent for one bedroom units ranges from \$936 to \$1,075, and \$1,238 to \$1,474 for the two bedroom units, depending on amenities. The energy efficiency measures proposed at this property are air conditioning duct sealing and the installation of water saving devices. The estimated total cost of the project is \$95,279; the rebate will cover 100% of the total cost.

These improvements will be made in accordance with Austin Energy's Multifamily Weatherization Assistance Rebate Program. While similar to the standard Multifamily Rebate Program, this program offers larger rebates customized for each measure, based on historical savings and cost data.

This program is one element of Austin Energy's comprehensive Resource, Generation and Climate Protection Plan to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan, approved by City Council in April 2010 and updated in December 2014, is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt hours (kWh) estimated at 468,294 kWh per year represents a major benefit to the local environment. This project is estimated to prevent the production of the following air pollutants: 281.2 metric tons of Carbon Dioxide (CO₂), 0.196 metric tons of Nitrogen Oxides (NO_x), and 0.177 metric tons of Sulfur Dioxide (SO₂). The project savings is equivalent to an estimated 631,346 vehicle miles traveled, the removal of 54 cars from our roadways, or the planting of 7,224 trees or 361 acres of forest in Austin's parks.

PROJECT FACT SHEET – Argosy at Crestview

Community Name	Argosy at Crestview		
Customer Name	Henderson Global Investors		
Property Address	1003 Justin Ln		
Average Rent:	1BR \$936 - \$1,075; 2BR \$1,238 - \$1,474		
Number of Units	288	Contractor	1 st Choice Energy, LLC
Housing Type:	Listed as Travis County Housing Finance Corporation Bond Program property ¹	Total Measure Costs	\$95,279
ECAD Status	In compliance	Total Rebate – Not to Exceed	\$95,279
		% of Total Measure Costs	100%
		Rebate per Unit	\$331

PROJECT ANNUAL SAVINGS AT 100% OCCUPANCY	
kW Saved – Estimated	158.8
\$/kW – Estimated	\$600
kWh Saved – Estimated	468,294

PROJECT SCOPE OF WORK
Water Saving Devices Duct Seal and Remediation

MONTHLY SAVINGS PER CUSTOMER - ESTIMATED	
Dollar Savings per Residential Customer from efficiency improvements	\$15

Measures Performed in last 10 Years at this property	Completion Date	Rebate Amount
Solar Screens	September 2016	\$36,591

Multifamily Program Averages for Duct Seal – Previous 1 Year Participation					
Measure	Avg\$/kW	% of project cost paid	Avg kWh per project	Avg # of Units per Project	Avg annual dollar Savings per customer
Duct Seal	\$583	89%	121,951	126	\$96

Multifamily Weatherization Assistance Rebate Program projects to date:				
Name	# of Units	Rebate Amount	kW Saved	\$ per kW
N/A	0	\$0.00	0	\$0.00

¹ Per “Guide to Affordable Housing” published by The Austin Tenants’ Council. Includes income requirements and restrictions.



Recommendation for Council Action

Austin City Council	Item ID		Agenda Number	
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Meeting Date:	11/03/2016	Department:	Austin Energy
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Subject

Authorize negotiation and execution of a 12-month agreement with THE UNIVERSITY OF TEXAS on behalf of the Clean Energy Incubator, a program of the Austin Technology Incubator, for mutual assistance in the clean energy field, in the amount of \$195,000, with one 12-month extension option in the amount of \$195,000, for a total amount not to exceed \$390,000.

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
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Prior Council Action:	
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For More Information:	Jeff Vice, Director, Local Government Issues (512) 322-6087; Karl Popham, Manager, Electric Vehicles & Emerging Technologies (512) 322-6005.
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Boards and Commission Action:	To be reviewed by the Electric Utility Commission on October 17, 2016 and the Resource Management Commission on October 18, 2016.
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

The Austin Technology Incubator (ATI) at The University of Texas at Austin is well situated to help Austin Energy achieve its clean energy strategic goals and to assist Austin Energy in formulating a strategy to move Austin forward towards becoming the nation's clean energy capital. Austin Energy intends to assist ATI in its mutually-beneficial clean energy goals by providing financial support to quantify and track clean tech economic impact, support energy leadership via a fellowship program, increase value to ATI's member companies, support the launch of an ATI Clean Energy Transportation Incubator, and to help expand the role of Austin as the global headquarters of choice for clean energy thought leadership and investment.

This will be the seventh agreement between ATI and Austin Energy, with the original agreement dating back to Fiscal Year 2008. Austin Energy and the City of Austin receive direct assistance from ATI in the development of local companies in the clean energy space and the identification of candidates for beta testing and pilot projects within the emerging technology space. In addition, ATI is a leading voice in the community discussion around clean technologies, as evidenced by their being a partner with Austin Energy in Texas' premier clean energy venture funding event—currently a featured element at the South By Southwest Eco conference. This Startup Showcase is an event that brings together promising early stage companies in the clean energy space with potential funders.

Specific ATI success metrics during the program to date are summarized below.

About ATI: The Austin Technology Incubator, the startup incubator of The University of Texas at Austin, is the longest-established venture incubator in the nation. ATI works with both university-derived and non-university-derived startups, preparing them to compete in the capital markets. ATI is among the most successful incubators in the nation. In October 2015, it was selected by the Kauffman Foundation as one of eight “best in class” startup support programs (out of more than 300). Over the past seven years that the current team and model have been in place, roughly 90% of ATI companies have received investment, totaling almost \$900 million dollars. (Over the same time period, ATI companies have accumulated total book value of \$1.5-2 billion.) ATI alumni have contributed almost \$1 billion and over 6,500 jobs to Central Texas; each public dollar invested in ATI has yielded \$66 of economic activity.

ATI Clean Energy Incubator: ATI's Energy & Cleantech program is also a national leader, recognized by the U.S. Department of Energy as one of the three “best practices” energy/cleantech incubators. ATI is a node in the DOE's National Incubator Initiative for Clean Energy, presently known as Incubatenergy. ATI also coordinates the Southwest Regional Clean Energy Incubation Initiative, a network of clean energy and water incubators across the state of Texas, all of which are university-based. Over the past two years, companies in the network have raised \$12.4 million in outside investor capital and \$7.1 million in revenue. Since 2007, ATI's Energy & Cleantech companies have raised more than \$300 million in investor capital (including one IPO and a number of acquisitions). These companies have generated more than \$150 million in economic impact.

ATI/Austin Energy Partnership: The ATI/Austin Energy partnership is a nationally distinctive model that delivers significant value to startup companies in Austin. In particular, the Austin Energy Beta-Test program is a best practice developed by Austin Energy in collaboration with ATI-CEI. Through this program, Austin Energy provides expertise, test access, and translational funding to vetted clean energy technology solutions that could impact Austin Energy. To date, 16 grants have been awarded to ATI companies in the Clean Energy Incubator (CEI) and awardees have raised more than \$43 million in follow-on funding. Beta-grant awardees have raised an additional \$109 million in outside funding for each beta-grant dollar contributed and created over 105 direct jobs to-date.

Starting in 2016, Austin Energy's partnership will also allow ATI to will expand its capacity to include a dedicated Transportation/Mobility industry vertical. The ATI-Transportation/Mobility will:

- Promote innovative solutions to transportation/mobility in the entrepreneurship community and generate new startups in this industry;
- Identify and vet transportation/mobility technology companies sourced through ATI's local, regional, national, and international networks of partners,
- Leverage the expertise of ATI's 350+ member mentor network on behalf of selected companies;
- Design and deploy pilot programs with strategic partners; and
- Prepare incubated companies for success in the capital markets (“get them funded”).