

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	69164	Agenda Number	
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Meeting Date:	4/6/2017	Department:	Austin Energy
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Subject

Authorize the execution of an agreement with PSW Real Estate to provide incentives for the installation of solar electric systems on 147 single family residential homes and 48 condominium units located within six of their communities in Austin, for a total amount not to exceed \$351,061. (Districts 1, 2, 5, 9 and 10)

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:

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: March 20, 2017 – To be reviewed by the Electric Utility Commission.
March 21, 2017 – To be reviewed by the Resource Management Commission.

MBE / WBE:

Related Items:

Additional Backup Information

Austin Energy requests authorization to enter into an agreement with PSW Real Estate, to provide incentives, for a total amount not to exceed \$351,061, for the installation of solar electric systems on 147 single family residential homes and 48 condominium units located within six of their communities in Austin. The communities are located at:

- Eastline - 2000 East 7th St. (District 1)
- Franklin Grove - 2001 E. M. Franklin Ave. (District 1)
- North Bluff - 813 N. Bluff Dr. (District 2)
- Lightsey Ridge - 1814 Lightsey Rd. (District 5)
- Parkside - 4020 Airport Blvd. (District 9)
- Cima Hills - 3704 Cima Serena (District 10)

The total installation cost is \$1,624,667 and the incentive will cover up to 22% of the cost. The ownership of the PV systems will transfer to the buyers of the individual single family homes and condominium units upon sale of the property. The solar incentive level is \$0.70 per watt-DC for a portion of the applications, totaling 219.22 kW-DC, and \$0.60 per watt-DC for the remainder of the applications, totaling 329.35 kW-DC. The solar equipment, which meets

Austin Energy program requirements, includes a total of 2,071 solar modules rated at 265 watts. The combined solar installations will have a total capacity of 455.31 kW-AC.

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 797,065 kWh per year—enough to power 71 average Austin homes. This project is estimated to prevent the production of the following emissions each year: 528 tons of Carbon Dioxide (CO₂); 665 pounds of Sulfur Dioxide (SO₂); 735 pounds of Nitrogen Oxide (NOX); and 511 pounds of Carbon Monoxide (CO). These emissions reductions are equivalent to planting 12,296 trees or 615 acres of forest in Austin's parks or the removal of 1,074,589 vehicle miles or 91 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.



Austin Energy Project Fact Sheet Solar Applications

File Number(s)	195 enrollment numbers on file
Customer Name	PSW Real Estate
Facility Address(es)	6 community locations in Austin: http://www.pswrealestate.com/austin-tx Eastline Franklin Grove North Bluff Lightsey Ridge Parkside Cima Hills
Estimated Incentives	\$351,061
Application Received Date	3/1/2017
Number of Modules	2,071
Wattage per Module (STC)	265
Solar Contractor	Lighthouse Solar
Installation Cost	\$1,624,667
Estimated kWh Savings	797,065 kWh
Estimated kW Demand Savings	455.31 kW-AC
Estimated Date of Completion	TBD
Site Information/Additional Comments	The solar incentive level is \$0.70 per watt-DC for a portion of the applications, totaling 219.22kW-DC, and \$0.60 per watt-DC for the remainder of the applications, totaling 329.35kW-DC. The ownership of the PV systems will transfer to the buyers of the individual single family homes and condominium units.

A U S T I N C I T Y C O U N C I L				
A G E N D A				
Recommendation for Council Action				
Austin City Council	Item ID	69165	Agenda Number	
Meeting Date:	4/6/2017	Department:	Austin Energy	
Subject				
<p>Authorize execution of an agreement with Target to provide performance-based incentives for the generation of solar energy at its facilities at 3702 South FM 620 (Travis County), 2300 W. Ben White Blvd. (District 5), 10900 Lakeline Mall Dr. (District 6) and 5300 S. MoPac Expy. (District 8), for an estimated \$112,834.45 per year, for a total amount not to exceed \$1,128,344.47 over a 10-year period.</p>				
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:				
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:	March 20, 2017 – To be reviewed by the Electric Utility Commission. March 21, 2017 – To be reviewed by the Resource Management Commission.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>Austin Energy requests authorization to enter into an agreement with Target, to provide a performance-based incentive (PBI) for an amount not to exceed \$1,128,344.47 over a 10-year period, for the generation of solar energy at four of its facilities located within Austin Energy's service area. The Target stores included are located at 3702 S. FM 620 (in Travis County), 2300 W. Ben White Blvd. (Council District 5), 10900 Lakeline Mall Dr. (District 6) and 5300 S. MoPac Expy. (District 8).</p> <p>The total installation cost is \$3,448,134.40 and the incentive will cover up to 33% of the cost. The PBI levels for these projects range from \$0.02 to \$0.04 per kilowatt hour (kWh) for 10 years. The solar equipment, which meets Austin Energy program requirements, includes a total of 6866 solar modules rated at 320 and 325 watts. The combined solar installations will have a total capacity of 1.83 MW-AC.</p> <p>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</p>				

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 new energy improvements will together generate an estimated 3,051,640 kWh per year— enough to power 270 average Austin homes for a year. This project is estimated to prevent the production of the following emissions each year: 2,020 tons of Carbon Dioxide (CO₂); 2,547 pounds of Sulfur Dioxide (SO₂); 2,816 pounds of Nitrogen Oxide (NO_X); and 1,957 pounds of Carbon Monoxide (CO). These emissions reductions are equivalent to planting 47,075 trees or 2,354 acres of forest in Austin's parks or the removal of 4,114,168 vehicle miles or 351 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)	1090322, 1090518, 1090519, 1090520
Customer Name	Target
Facility Addresses	3702 S FM 620 RD 2300 W BEN WHITE BLVD WB 5300 S MOPAC EXPY SB 10900 LAKELINE MALL DR
Estimated Incentives	\$112,834.45 per year for 10 years
Application Received Date	3/1/2017
Number of Modules	6,866
Wattage per Module (STC)	320 & 325
Solar Contractor	Freedom
Installation Cost	\$3,448,134.40
Estimated kWh Savings	3,051,640 kWh
Estimated kW Demand Savings	1,830 kW-AC
Estimated Date of Completion	11/28/2017
Site Information/Additional Comments	Two of these projects are at PBI levels of \$0.04/kWh for a total of 792 kW-AC; one is at \$0.03/kWh for total of 636 kW-AC; and is one at \$0.02/kWh; for a total of 402 kW-AC. In 2014, Target installed a total of 369 kW-AC at two stores in Austin Energy's service territory with approved PBI levels of \$0.12 per kWh.

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	69031	Agenda Number	
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Meeting Date:	March 23, 2017
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Department:	Purchasing
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Subject

Authorize negotiation and execution of 10 contracts with 360 ENERGY SAVERS, 1ST CHOICE ENERGY, LLC, MCCULLOUGH HEATING & AIR CONDITIONING, INC., GOOD NEIGHBOR MANAGEMENT, INC., AC & A, INC., CONSERVATION SPECIALISTS OF AUSTIN, LLC, CLIMATE MECHANICAL, INC., VALDEZ REMODELING & WEATHERIZATION INC., KL AUSTIN ROOFING & CONSTRUCTION, and ENERGY GUYS, LLC, to provide weatherization services, with an initial 12-month term in an estimated amount of \$3,800,000, with four 12-month extension options in an estimated amount of \$3,800,000 per extension option, for total contract amounts not to exceed \$19,000,000; each and combined.

Amount and Source of Funding

Funding in the amount of \$1,900,000 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining six months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	The Purchasing Office issued a Request for Qualification Statements (RFQS) RMJ0500 REBID for these goods and services on February 6, 2017 and it closed on February 21, 2017 with 13 offers received. The recommended offers are the best evaluated offers submitted by responsible offerors. Additional information on the solicitation is included below the line. Nine of the recommended offerors are the current providers for these goods and services.
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Prior Council Action:	
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For More Information:	Raymundo Moncada Jr., Senior Buyer Specialist Corporate, 512-322-6594
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Boards and Commission Action:	March 20, 2017 - To be reviewed by the Electric Utility Commission.
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Related Items:	
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MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.
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Additional Backup Information

These contracts will provide weatherization services for Austin Energy. Austin Energy’s weatherization program provides home energy improvements to customers with low to moderate incomes living in single-family homes. The improvements provided under this contract reduce customers’ energy costs while creating a more comfortable and safe living environment. Austin Energy performs an initial audit of a home’s energy performance prioritizing improvement measures necessary to increase the home’s efficiency level. The weatherization services provided include: sealing the building structure to address air infiltration; duct repair or replacement; installing attic insulation, solar screens, smoke detectors, carbon monoxide detectors, and high efficiency lighting; tuning up existing air conditioning systems; and through a partnership with Austin Water, installing low-flow shower heads and aerators. Additional measures may be provided through partnerships with and referrals from entities such as the Austin Housing Repair Coalition and other non-profit organizations, Texas Gas Service, and the Neighborhood Housing and Community Development Department.

The current contracts expire on April 30, 2017 with a total authorization amount of \$2,800,000 per year and an average spend of approximately \$2,668,000 per year. The increase in requested authorization reflects the amount of unspent weatherization funds carried over from last fiscal year, the addition of three new services (air conditioning diagnostic testing, tune-up, and minor repair, and an increase in the number of homes to be weatherized. Austin Energy weatherized 778 homes in Fiscal Year 2015-2016 and anticipates weatherizing up to 1,000 homes per year under the new contracts, contingent on funding in future budgets.

An evaluation team with expertise in this area evaluated the offers and scored all recommended vendors as the best to provide these services based on pass/fail evaluations of minimum requirements including pricing, experience, personnel qualifications, and references.

A complete solicitation package, including a response list, is on file in the City’s Purchasing Office and is available on the City’s Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

360 ENERGY SAVERS, 1ST CHOICE ENERGY LLC, McCULLOUGH HEATING & AIR CONDITIONING INC., GOOD NEIGHBOR MANAGEMENT INC., AC & A INC., CONSERVATIONS SPECIALISTS OF AUSTIN LLC, CLIMATE MECHANICAL INC., VALDEZ REMODELING & WEATHERIZATION INC., KL AUSTIN ROOFING & CONSTRUCTION INC. and ENERGY GUYS LLC				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	12	\$ 3,800,000	n/a	n/a
Extension Option 1	12	\$ 3,800,000	n/a	n/a
Extension Option 2	12	\$ 3,800,000	n/a	n/a
Extension Option 3	12	\$ 3,800,000	n/a	n/a
Extension Option 4	12	\$ 3,800,000	n/a	n/a
TOTAL	60	\$ 19,000,000	\$ -	\$ -

**Evaluation Matrix
RFQS RMJ0500 REBID
Weatherization**

Evaluation Category	360 Energy Savers	1st Choice Energy, LLC	McCullough Heating & Air Conditioning	Good Neighbor Management, Inc.	AC & A Inc.	Conservation Specialist of Austin LLC	Climate Mechanical Inc.	Valdez Remodeling & Weatherization Inc.	KL Austin Roofing & Construction Inc.*	Energy Guys LLC	All Brother Sister Services	Great American Insulation Inc.
Pricing	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	**	**
Experience	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	**	**
Personnel Qualifications	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	**	**
Contractor Reference Surveys	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	**	**

* KL Austin Roofing & Construction Inc. submitted a duplicate proposal

** Deemed Non-Responsive - Did not meet the requirements of the solicitation.

NOTE: As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded.