





<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L  <b>AGENDA</b> </div> <div style="display: flex; justify-content: space-around;">     </div>				
<b>Recommendation for Council Action</b>				
Austin City Council	Item ID	71131	Agenda Number	
<b>Meeting Date:</b>	6/8/2017		<b>Department:</b>	Austin Energy
Subject				
Approve issuance of a rebate to GW BLOCK 23 OFFICE, LLC, for performing energy efficiency improvements at 500 West 2nd Street, in an amount not to exceed \$81,453. (District 9)				
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.				
<b>Purchasing Language:</b>				
<b>Prior Council Action:</b>				
<b>For More Information:</b>	Jeff Vice, Director, Local Government Issues (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.			
<b>Council Committee, Boards and Commission Action:</b>	To be reviewed by the Electric Utility Commission on May 15, 2017, and the Resource Management Commission on May 16, 2017.			
<b>MBE / WBE:</b>				
<b>Related Items:</b>				
Additional Backup Information				
<p>Austin Energy requests authorization to issue a rebate to GW BLOCK 23 OFFICE, LLC, in an amount not to exceed \$81,453, for energy efficiency measures completed at its office tower, 500 West 2nd Street, located in Council District 9.</p> <p>500 West 2nd Street is a new construction 29-story office tower located in the Green Water Treatment Plant redevelopment site along the extensions of 2nd and Nueces Streets. It is Austin's newest Class A office space, defined as having a good location and access and high-quality construction among other features. It contains 500,511 square feet of rentable office space and about 10,000 square feet of ground floor retail space. The project incorporates sustainable elements and is set to achieve a LEED® Gold certification and a 2-Star Austin Energy Green Building rating.</p> <p>The energy efficiency rebate measures implemented at this property are: high efficiency air conditioners, regenerative elevators, high efficiency lighting, lighting controls, and variable frequency drives on pumps and fans. The estimated total cost of the measures is \$9,418,750; the rebate will cover 0.88% of the total cost. Approximately \$7.4 million of</p>				

the \$9.4 million 'Total Measure Costs' (or 79%) is for the Regenerative Elevator measure. Meanwhile, \$42,424 of the \$81,453 rebate amount (or 52%) is for the Regenerative Elevator measure. So while the Regenerative Elevator measure contributes to a large part of the Total Measure Costs, the rebate on this technology is relatively small which is why the '% of Total Measure Costs' is less than usual. These improvements were made in accordance with Austin Energy's Commercial Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance.

This program is one element of the comprehensive Austin Energy 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 1,087,852 kWh per year represents a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 566.5 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.242 metric tons of Nitrogen Oxides (NO<sub>x</sub>), and 0.572 metric tons of Sulfur Dioxide (SO<sub>2</sub>). The project savings is equivalent to the planting of 14,556 trees (728 acres of forest) in Austin's parks, the removal of 109 cars from our roadways, or the powering of 96 average Austin residences for a year.



## FACT SHEET: ENERGY EFFICIENCY REBATE (COMMERCIAL)

Property Name	500 W 2 <sup>nd</sup> Street			
Customer Name	GW BLOCK 23 OFFICE, LLC			
Property Address	500 W 2 <sup>nd</sup> Street			
Total Square Feet	498,100			
Year Built	2017			
Energy Conservation Audit and Disclosure (ECAD) Status <sup>1</sup>	New Construction – EXEMPT			
Total Measure Costs	\$9,418,750			
Total Rebate – Not to Exceed	\$81,453			
% of Total Measure Costs	0.88%			
<b>Note</b>				
Approximately \$7.4 million of the \$9.4 million 'Total Measure Costs' (or 79%) is for the Regenerative Elevator measure. Meanwhile, \$42,424 of the \$81,453 rebate amount (or 52%) is for the Regenerative Elevator measure. So while the Regenerative Elevator measure contributes to a large part of the Total Measure Costs, the rebate on this technology is relatively small which is why the '% of Total Measure Costs' is less than usual.				
<b>Scope of Work</b>				
High efficiency air conditioners, regenerative elevators, high efficiency lighting, and variable frequency drives on pumps and fans.				
<b>Project Annual Savings (Estimated)</b>				
Kilowatt (kW)	316.5			
\$/kW	\$257			
Kilowatt-hours (kWh)	1,087,852			
Measures Performed - Last 10 Years at this Property	Completion Date	Rebate Amount		
N/A – New Construction	N/A	N/A		
<b>Scope of Work</b>				
Measure	Rebate Amount	kW Saved – Estimated	kWh Saved – Estimated	\$/kW
Air Conditioning	\$ 8,964	14.95	25,828	\$ 649
Regenerative Elevators <sup>2</sup>	\$ 42,424	158.82	250,419	\$ 267
High Efficiency Lighting	\$ 11,098	88.79	701,772	\$ 125
Lighting Controls	\$ 337	2.70	21,301	\$ 125
Variable Frequency Drives <sup>3</sup>	\$ 18,630	51.24	88,532	\$ 363

<sup>1</sup> Owner agrees to comply with TITLE 6. ENVIRONMENTAL CONTROL AND CONSERVATION. CHAPTER 6-7. ENERGY CONSERVATION code (ECAD Ordinance) prior to the issuance of the rebate payment. Since this is a new construction property, benchmark energy usage is not required for the ECAD Ordinance until construction is complete and 12 months of utility data has been collected.

<sup>2</sup> Regenerative is a type of elevator that recycles energy rather than wasting it as heat. When the elevator cab travels down with a heavy load or up with a light load, the motor acts as a generator, transforming mechanical power into electrical power.

<sup>3</sup> Variable Frequency Drives (VFDs) adjust the speed of a pump or motor by varying its input frequency and voltage, thereby reducing its peak power when full speed is not required.