

## AGENDA

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: April 12, 2018**Item Number: **003****Austin Energy**

Authorize execution of an agreement with Austin Independent School District to provide performance-based incentives for the generation of solar energy at its facilities located at: Boone Elementary School, 8101 Croftwood Drive; Galindo Elementary School, 3800 South 2nd Street; Kocurek Elementary School, 9800 Curlew Drive; and Paredes Middle School, 10001 David Moore Drive, for an estimated \$100,929 per year, for a total amount not to exceed \$1,009,290 over a 10-year period.

**District(s) Affected:** District 3, District 5, District 8

<b>Lead Department</b>	Austin Energy
<b>Fiscal Note</b>	Funding in the amount of \$100,929 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining agreement term is contingent upon available funds in future budgets.
<b>For More Information</b>	Jeff Vice, Director, Local Government Issues (512) 322-6087; Danielle Murray, Solar Program Manager (512) 322-6055.
<b>Council Committee, Boards and Commission Action</b>	March 19, 2018 - Recommended unanimously by the Electric Utility Commission on a 7-0 vote, with Commissioners Reel and Wray absent and two vacancies. March 20, 2018 - Recommended unanimously by the Resource Management Commission on a 6-0 vote, with Commissioners Kohan and Lesnau absent and three vacancies.

---

### **Additional Backup Information:**

Austin Energy requests authorization to enter into an agreement with Austin Independent School District, to provide a performance-based incentive (PBI) for an amount not to exceed \$1,009,290 over a 10-year period, for the generation of solar energy at the following facilities located within Austin Energy's service area:

1. Boone Elementary School, 8101 Croftwood Drive in District 8;
2. Galindo Elementary School, 3800 South 2nd Street in District 3;
3. Kocurek Elementary School, 9800 Curlew Drive in District 5; and
4. Paredes Middle School, 10001 David Moore Drive in District 5.

The total installation cost is \$1,737,335.90 and the incentive will cover up to 58% of the cost. The PBI level for this project is \$0.06 per kilowatt hour (kWh) for 10 years. The solar equipment, which meets Austin Energy program requirements, includes a total of 3,040 solar modules rated at 355 watts. The combined solar installations will have a total capacity of 895.7 kW-AC.

Austin Energy's solar program helps meet the community's solar goal of 950 Megawatts (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 August 2017. 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 1,462,739 kWh per year- enough to power 139 average Austin homes for a year. This project is estimated to prevent the production of the following emissions each year: 968 tons of Carbon Dioxide (CO<sub>2</sub>); 1,221 pounds of Sulfur Dioxide (SO<sub>2</sub>); 1,350 pounds of Nitrogen Oxide (NO<sub>x</sub>); and 938 pounds of Carbon Monoxide (CO). These emissions reductions are equivalent to planting 22,564 trees or 1,128 acres of forest in Austin's parks or the removal of 1,972,039 vehicle miles or 168 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.