



Recommendation for Action

File #: 19-2493, **Agenda Item #:** 3.

8/8/2019

Posting Language

Approve issuance of incentives to the Housing Authority of the City of Austin for the installation of solar electric systems on two multifamily affordable housing communities: Pathways at Chalmers Courts South, located at 1638 E. 2nd St., for an estimated amount of \$151,110; and Pathways at Goodrich Place, located at 2126 Goodrich Ave., for an estimated amount of \$257,950; for a combined total amount not to exceed \$409,060.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Local Government Issues (512) 322-6087; Tim Harvey, Solar Program (512) 482-5386.

Council Committee, Boards and Commission Action:

June 18, 2019 - Recommended unanimously by the Resource Management Commission on a 9-0 vote, with Commissioners Dielmann and Smith absent. J

July 15, 2019 - Recommended unanimously by the Electric Utility Commission, with Commission Chair Furchill absent.

Additional Backup Information:

Austin Energy requests approval to issue a total of \$409,060 in incentives to the Housing Authority of the City of Austin (HACA) for the installation of solar electric systems at two multifamily affordable housing communities. The redevelopment properties for which HACA is to receive incentives are: Pathways at Chalmers Courts South, located at 1638 E. 2nd St. in Council District 3, for an estimated \$151,111; and Pathways at Goodrich Place, located at 2126 Goodrich Ave. in Council District 5, for an estimated \$257,950.

The proposed 151.11 kW-DC solar installation at Chalmers Courts South includes 414 solar modules, each with a rating of 385 watts, and is expected to produce approximately 202,568 kilowatt hours (kWh) per year. This installation will serve all 86 units at the property which is designated for tenants that earn 60% or less of the median family income (MFI). The total estimated installation cost is \$200,976 and the incentive will cover approximately 75% of the cost.

The proposed 257.95 kW-DC solar installation at Pathways at Goodrich Place includes 670 solar modules, each with a rating of 385 watts, with an expected production of 351,000 kWh per year. This installation will serve 120 family housing units at the property which is designated for tenants that earn between 30 and 80% of MFI. The total estimated installation cost is \$453,500 and the incentive will cover approximately 57% of the cost. The table below provides a summary of the system sizes, costs and proposed incentives:

	Chalmers South	Goodrich
System Size	151.11 kW-DC	257.95 kW-DC

System Cost	\$200,976	\$453,500
Total Incentive	\$151,110	\$257,950
# of Units	86	120
Incentive per Unit	\$1,757.09	\$2,149.58

The purpose of these installations is to provide affordable, renewable energy to underserved populations and leverage the Value-of-Solar benefit to reduce electric bills for the occupants of the multifamily affordable housing properties. In order to provide these benefits to tenants of these properties, the two projects will be included in Austin Energy's Shared Solar Program, the purpose of which is to enable more cost-effective solar installations on individually-metered, multi-tenant properties for low-to-moderate-income customers. This additional functionality will allow Austin Energy and HACA to distribute the benefit of the solar installation across all tenants on each property, effectively reducing their energy bills.

According to the Austin Energy Resource, Generation and Climate Protection Plan, "Austin Energy must be financially sound, the cost of electric service must be affordable for all classes of customers (with particular attention to the low income and underserved customers), and rates must be competitive to ensure the retention and attraction of businesses for a strong local economy." In the service of satisfying the requirement to provide affordable and clean energy to low-income and underserved customers, Austin Energy launched a rebate and incentive program to facilitate the installation of solar for Multi-Family Affordable Housing (MFAH) customers in January of 2018.

Under the Solar Photovoltaic Multi-Family Incentive Program, a customer typically qualifies for \$0.60/Watt-DC installed with a cap at 50% of the installed cost; however, in an effort to boost solar adoption, Austin Energy issued a Summer Bonus (from May 16 to August 31, 2019) which temporarily increases the rebate level to \$1/Watt-DC and waived the incentive cap.

These two solar projects combined will generate an estimated 553,568 kWh per year and are estimated to prevent the production of the following emissions each year: 236 tons of Carbon Dioxide (CO₂); 481 pounds of Sulfur Dioxide (SO₂); and 221 pounds of Nitrogen Oxide (NO_x). These emissions reductions are equivalent to planting 3,542 trees or 252 acres of forest in Austin's parks or the removal of 523,676 vehicle miles or 45 cars from Austin roadways.

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 October 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.