

RECOMMENDATION FOR COUNCIL ACTION**Council Meeting Date:**

September 19, 2019

Posting Language

Approve issuance of a rebate to TEXCEL LP LLC, for performing energy efficiency improvements at Lamar Place located at 6309 Burns Street in Austin, Texas, in an amount not to exceed \$75,810. (District 4)

Fiscal Note

Funding is available in the Fiscal Year 2018-19 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

Council Committee, Boards and Commission Action:

August 12, 2019 – Recommended by the Electric Utility Commission on a 9-0 vote, with Commissioners Collier-Brown and Tuttle off the dais.

August 20, 2019 – To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests authorization to issue a rebate to TEXCEL LP LLC, in an amount not to exceed \$75,810, for energy efficiency measures at Lamar Place located at 6309 Burns Street, Austin, Texas 78752, in Council District 4. The average rent for a one-bedroom unit is \$1,079 and a two-bedroom unit is \$1,341. The efficiency measures include: installation of smart thermostats and HVAC tune-ups. These additional measures will complement energy-efficiency improvements completed in May 2019. This rebate is funded by Austin Energy's Multifamily Income Qualified Program and its Multifamily Standard Program.

This property consists of four standard buildings and one income qualified building as documented in ApartmentTrends.com. The income qualified building (20 units) was purchased through the Affordable Housing Program and has a Land Use Restriction Agreement (LURA) for low income tenants. The rebate will cover 93.5% of the total project cost.

These improvements are in accordance with Austin Energy's Multifamily Income Qualified Rebate Program and Multifamily Standard Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance. The rebate program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 900 MW of energy efficiency and demand response by 2025. It is designed to support energy conservation, reduce peak demand, and the need to purchase additional generation.

The avoided kilowatt-hours (kWh), estimated at 153,328 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 82 metric tons of Carbon Dioxide (CO₂), 0.03 metric tons of Nitrogen Oxides (NOX), and 0.1 metric ton of Sulfur Dioxide (SO₂). The project savings is equivalent to an estimated 184,315 vehicle miles traveled, the removal of 16 cars from our roadways, or the planting of 1,870 trees or 94 acres of forest in Austin's parks.



MULTIFAMILY REBATE FACT SHEET LAMAR PLACE

Property Name	Lamar Place (Standard) & Lamar Place Emily Building (Income Qualified)				
Customer Name	TEXCEL LP LLC				
Property Address	6309 Burns Street Austin, TX 78752				
Year Built	1972				
Average Rent per Floor Plan¹	1 BR \$1079; 2 BR \$1341				
Number of Rentable Units¹	174				
Housing Type²	154 market rate units and 20 income qualified units				
Water Heater Type	Electric				
Electric Utilization Intensity (EUI)	11.03				
Average Electric Utilization Intensity for cohort³	10.66 kWh/sqft				
Project and Rebate					
Total Project Costs	\$81,110 (this project) + \$85,000 (previous project) = \$166,110 (Combined)				
Total Rebate – Not to Exceed	\$75,810 (this project) + \$60,939 (previous project) = \$136,749 (Combined)				
% of Total Construction Costs	93.5% (this project); 71.7% (previous project); 82.3% (Combined)				
Rebate per Unit	\$436 (this project) + \$350 (previous project) = \$786 (Combined)				
Project Annual Savings at 100% Occupancy					
Kilowatt (kW) Saved - Estimated	32 (this project) + 147 (previous project) = 179 (Combined)				
Kilowatt-hours (kWh) - Estimated	153,328 (this project) + 259,338 (previous project) = 412,666 (Combined)				
\$/kW - Estimated	\$2,276 (this project); \$414 (previous project); \$764 (Combined)				
Annual Dollar Savings Per Customer - Estimated⁴	\$82 (this project) + \$140 (previous project) = \$222 (Combined)				
Scope of Work⁵					
Measure	Rebate Amount	kW Saved – Estimated	kWh Saved – Estimated	\$/kW	Average Annual Dollar Savings Per Customer
Building – E (Low Income⁶)					
Smart Thermostats ⁷	\$3,500	1.74	9,980	\$2,009	\$47
HVAC Tune-up	\$6,000	1.90	7,389	\$3,159	\$35
Adjustment Based On Property Provided LURA Agreement ⁶	\$2,400				
Sub Total (Building E)	\$11,900	3.64	17,369	\$2,609	\$82
Buildings – A, B, C & D					
Smart Thermostats	\$26,950	13.42	76,848	\$2,009	\$47
HVAC Tune-up	\$36,960	15.20	59,110	\$2,432	\$35
Sub Total (Buildings A, B, C & D)	\$63,910				
Grand Total	\$75,810	28.62 kW	135,958 kWh	\$2,233	\$82
Measures Performed in last 10 years at this property		Completion Date	Rebate Amount		
Duct remediation & sealing, solar screens, and attic insulation		05/21/2019	\$60,938.64		

¹ Source: ApartmentTrends.com (<https://www.apartmenttrends.com/>)

² Per “Letter of Intent to participate” provided by the customer.

³ Cohort Type is determined by the year the property is built and the heating type (either gas or electric).

⁴ Calculation based on 10 cents per kWh.

⁵ Energy (kWh) and dollars (\$) saved per project varies by both the size of the project and the type of heating. Projects with electric heat generally have higher savings than projects with gas heat.

⁶ Land Utilization Restriction Agreement (LURA). The property manager provided LURA documents for Building E, qualifying it for higher rebates for this project. Additionally, the property is being paid supplemental payment of \$2,400 to reimburse for previous improvements performed.

⁷ White Rodger’s Legacy thermostats (installed in 2005) being replaced with Nest thermostats resulting in an extra \$25 rebate for transitioning. Tenants may obtain an additional \$85 incentive to participate in Austin Energy’s Demand Response program.