



Recommendation for Action

File #: 19-3357, **Agenda Item #:** 2.

10/31/2019

Posting Language

Authorize issuance by Austin Energy of energy efficiency program rebates during Fiscal Year 2019-20, in an amount not to exceed \$2,120,000 for multifamily energy efficiency rebates and \$2,335,000 for commercial energy efficiency rebates, for a total combined amount not to exceed \$4,455,000.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2019-2020 Operating Budget of Austin Energy.

Prior Council Action:

August 7, 2014 - Approved Council Resolution No. 20140807-006, establishing an annual limit of \$300,000 per customer for energy efficiency rebate projects.

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:

October 14, 2019 - Recommended unanimously by the Electric Utility Commission on an 8-0 vote, with Commissioners Collier-Brown, Funkhouser and Hopkins absent.

October 15, 2019 - Recommended by the Resource Management Commission on a 6-1 vote, with Commissioner Babyak voting against and Commissioners Blackburn, Fralin, Kohan and Smith absent.

Additional Backup Information:

Austin Energy's rebate programs provide customer incentives to reduce energy demand and associated costs, benefiting the utility and all its customers. This item proposes to change the way Austin Energy obtains the City Council's approval for multifamily and commercial energy efficiency rebates that exceed the City Manager's spending authority. In the past, Austin Energy has sought City Council approval for each of these rebates, adding 60 to 90 days for completion of a project -- depending on rebate timing, Electric Utility Commission, Resource Management Commission, and City Council agenda scheduling. This authorization will allow Austin Energy to issue rebates to multifamily and commercial customers during Fiscal Year 2019-2020 for energy efficiency improvements up to the approved budgeted amount of \$4,455,000.

No changes to program requirements are being proposed, and all rebates will be issued in accordance with applicable program guidelines. The annual per-customer cap for a multifamily or commercial customer will remain at \$300,000 pursuant to Resolution 20140807-006; and the types of energy efficiency measures eligible for rebates will remain the same (e.g., lighting, insulation, duct seal/repair, smart thermostats, HVAC tune-ups, etc.).

In addition, Austin Energy will continue to provide detailed, publicly-accessible reporting on rebates issued and

will keep the Electric Utility Commission and Resource Management Commission informed about projects in the pipeline for approval.

This request for aggregate rebate approval reflects Austin Energy's continued commitment to being responsive and flexible to customer needs. Customers and contractors participating in rebate programs have asked for reduced wait times for their energy efficiency rebates to be approved, allowing them to proceed with their projects in a timely manner. The added wait time under the current process of obtaining commission recommendations and City Council approval makes it difficult to capture hard-to-reach markets and can lead to projects missing the opportunity to realize energy efficiency savings for customers during the summer months when the rebate was requested. Some property owners have declined participation in the rebate programs after learning how long it would take.

Therefore, Austin Energy requests aggregate authorization to issue up to \$2,120,000 in multifamily energy efficiency rebates and \$2,335,000 in commercial energy efficiency rebates during Fiscal Year 2019-2020. The combined program funding represented in this request is \$4,455,000 and was included in Austin Energy's Fiscal Year 2020 operating budget approved by Council on September 10, 2019. The funds do not carry over to a subsequent year.

Austin Energy will continue to provide Customer Energy Solutions (CES) program monthly and quarterly reports, including project fact sheets at

austinenergy.com/ae/about/reports-and-data-library/customer-energy-solutions-program-updates
<<https://austinenergy.com/ae/about/reports-and-data-library/customer-energy-solutions-program-updates>> .