

Posting Language

Approve issuance of a five-year production-based incentive (PBI) to Paloma Ridge Owner, LLC, for the installation of solar electric systems on their facility located at 13620 N FM 620 Rd, Austin, TX 78717, in an amount not to exceed \$2,041,981.

Lead Department

Austin Energy

Fiscal Note

Funding in the amount of \$340,331 is available in the Fiscal Year 2022-2023 Austin Energy Operating Budget. Funding for the remaining years of the agreement is contingent upon available funds in future budgets.

Prior Council Action:**For More Information:**

Amy Everhart, Director, Local Government Affairs 512-322-6087; Tim Harvey, Solar Program Manager 512-482-5386

Council Committee, Boards and Commission Action:

October 17, 2022 – To be reviewed by the Electric Utility Commission.

October 18, 2022 – To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests approval to issue this PBI to the Customer for the installation of solar electric system(s), detailed in the table below at their facility to produce renewable energy for on-site consumption. The table below provides a summary of the system size, cost, proposed incentive, and environmental benefits.:

Solar System Details*	
Total System Size (kW-DC)	3,395
Total System Size (kW-AC)	2,818
Annual Estimated Production (kWh)	4,890,484
Total System Cost	\$7,175,277
Total 5-Year Incentive (not-to-exceed)	\$2,041,981
Percent of Cost Covered	28%
Environmental Benefits** and Emission Reduction Equivalencies***	
Reduction of Carbon Dioxide (CO2) in tons	2,301
Reduction of Sulfur Dioxide (SO2) in pounds	2,934
Reduction of Nitrogen Oxide (NOX) in pounds	3,423
Equivalency of Vehicle Miles Driven	5,181,435
Equivalency of cars on Austin roadways	450
Equivalency of Trees Planted	34,516
Equivalency of Forest Acreage Added	2,470

*All solar equipment meets Austin Energy program requirements

** Environmental Benefits based on the [US Energy Information Association's state-wide electricity profile](#)

*** According to the [Environmental Protection Agency \(EPA\)'s Greenhouse Gas Equivalency Calculator](#)

Applicant forms part of the Starwood Group of Companies www.starwoodcapital.com. The company has

holdings in many real estate sectors, especially office, hotel and distribution. This particular complex is a multi-tenant office complex. This solar system is estimated to offset 63% of the Customer's annual energy usage.

According to the updated Austin Energy Resource, Generation and Climate Protection Plan, approved by Austin City Council in March 2020, "Austin Energy will achieve a total of 375 MW of local solar capacity by the end of 2030, of which 200 MW will be customer-sited (when including both in-front-of-meter and behind-the meter installations)." To meet these goals, Austin Energy has funded the Solar Photovoltaic (PV) Programs, which are designed to reduce the amount of electricity Austin Energy must purchase from the market and reduce associated greenhouse gas emissions.

The purpose of the Austin Energy Solar PV PBI Program is to expand adoption of customer-sited solar by commercial customers. The PBI solar program offers commercial customers payments based on the metered solar production of their approved PV system for the first 5 years of operation. Payments are made as a monthly billing adjustment to the customers' electric account.

Due to the performance-based aspect of the incentive, if the customer fails to generate solar electricity, the rebate will not be fully paid. Per program guidelines, the installation is expected to continue producing for a minimum of 20 years, 15 years beyond the incentive.

This project will advance the stated goals of expanding locally-sited solar, carbon reduction and resiliency, extend the adoption of solar to entities historically excluded from the investment benefits of solar, and continue to demonstrate the value and importance of renewables as part of the individual and collective generation portfolio in Austin Energy territory.

Strategic Outcome(s):

Government that Works for All.