

### **Posting Language**

Approve issuance of a five-year production-based incentive (PBI) to Applied Materials, for the installation of solar electric systems on their facility, located at 9700 E US 290 Hwy, Austin, TX 78724, in an amount not to exceed \$2,310,800.

### **Lead Department**

Austin Energy

### **Fiscal Note**

Funding in the amount of \$408,397 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, Local Government Issues Director (512) 322-6087; Tim Harvey, Customer Renewable Solutions Manager (512) 482-5386

### **Council Committee, Boards and Commission Action:**

September 11, 2023 – To be reviewed by the Electric Utility Commission.

September 19, 2023 – 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.:

<b>Solar System Details*</b>	
<b>Total System Size (kW-DC)</b>	5,452.90
<b>Total System Size (kW-AC)</b>	4,525.92
<b>Annual Estimated Production (kWh)</b>	8,037,674
<b>Total System Cost</b>	\$9,615,800
<b>Total 5-Year Incentive (not-to-exceed)</b>	\$2,310,800
<b>Percent of Cost Covered</b>	24%
<b>Environmental Benefits** and Emission Reduction Equivalencies***</b>	
<b>Reduction of Carbon Dioxide (CO2) in tons</b>	3,782
<b>Reduction of Sulfur Dioxide (SO2) in pounds</b>	5,626
<b>Reduction of Nitrogen Oxide (NOX) in pounds</b>	5,626
<b>Equivalency of Vehicle Miles Driven</b>	8,795,466
<b>Equivalency of cars on Austin roadways</b>	764
<b>Equivalency of Trees Planted</b>	56,732
<b>Equivalency of Forest Acreage Added</b>	4,092

\*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](#)

Applied Materials, Inc. is an American corporation that supplies equipment, services, and software for the manufacture of semiconductor chips for electronics, flat panel displays for computers, smartphones, televisions, and solar products. This solar system is estimated to offset 41% of the building's annual energy load.

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.