

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

1/18/24
Austin Energy
Special Revenue

SUBJECT: Approve an ordinance amending the Fiscal Year 2023-2024 Austin Energy Operating Budget Special Revenue Fund (Ordinance 20230816-008) to accept and appropriate \$855,340 in grant funds from the U.S. Department of Energy, Office of State and Community Energy Programs, Energy Efficiency Conservation Block Grant program for commercial energy efficiency services programs.

CURRENT YEAR IMPACT:

	2023-2024 Approved	This Action	2023-2024 Amended
Special Revenue Fund			
Energy Efficiency Conservation Block Grant (EECBG)			
Grant Period: 10/1/2023 - 9/30/2025	0	855,340	855,340
Total	0	855,340	855,340
FTEs	0.00	0.00	0.00

FIVE-YEAR IMPACT:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	855,340	0	0	0	0
Total Expenditures	855,340	0	0	0	0
Net Impact	0	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: In November 2023, the U.S. Department of Energy (DOE) awarded the City a \$855,340 agreement for a two-year Energy Efficiency Community Block Grant (EECBG) program funded by the U.S. Office of State and Community Energy Programs. Austin Energy committed to using these funds at community-facing City-owned facilities.

The objective of these funds is to accelerate energy efficiency projects at City community-facing facilities. Over the next two years, the utility work with City staff to identify and implement energy efficiency upgrades at Austin Public Library, Austin Public Health and Parks and Recreation Department facilities. Improvements to HVAC equipment, building envelope, lighting, and other building systems will reduce energy use, produce fewer greenhouse gases and enhance facility comfort. Austin Energy expects to administer this grant funding through existing commercial energy efficiency program staff and budget.

Austin Energy has a long history of providing energy-efficiency incentives in the community to ensure clean, affordable, and reliable electricity – and reduce the need to build new fossil-fuel powerplants. Because of Austin’s emphasis on conservation and protecting the environment, Austin Energy’s energy-efficiency programs have garnered national attention and became a model for the federal government’s ENERGY STAR program. Currently, Austin Energy targets carbon-free generation by 2035 to support the City of Austin’s efforts towards our community-wide goals to reach net-zero greenhouse gas emissions by 2040, as outlined in the Austin Community Climate Plan. Grant funds help Austin Energy meet these carbon reduction targets that benefit the climate and community and is part of the utility’s strategy to lead the clean-energy transformation.

Once the grant funds are expended, Austin Energy's commercial energy efficiency program will continue to incentivize energy-efficiency improvements at City-owned municipal facilities within its annual rebate budget. Improvements made to City facilities utilizing the EECGB funds will be operated and maintained by the City department(s) responsible for the care and management of the facilities. Any lessons learned or recommendations will be documented and provided to the Austin Energy's energy efficiency services program managers to consider in future program design.

This grant supports Austin Energy's efforts to create solutions that address climate change and support community resiliency. These funds will directly benefit some of the most vulnerable people in our city by improving the facilities that our community members depend on daily.

The General Fund will not be required to contribute additional funds beyond those currently budgeted to this grant. When the grant funds expire, the department's need for continuing funding will be evaluated and may be denied.