



Recommendation for Action

File #: 23-3619, **Agenda Item #:** 3.

1/18/2024

Posting Language

Approve an ordinance amending the Fiscal Year 2023-2024 Austin Energy Operating Budget Special Revenue Fund (Ordinance No. 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.

Lead Department

Austin Energy.

Fiscal Note

Funding in the amount of \$855,340 is available from the U.S. Department of Energy (DOE). No City funding match is required. A fiscal note is attached.

For More Information:

Amy Everhart, Local Government Issues Director (512) 322-6087; Joseph Teng, Manager, Energy Efficiency Services (512) 482-5439.

Council Committee, Boards and Commission Action:

January 16, 2024 - To be reviewed by the Resource Management Commission.

Additional Backup Information:

In November 2023, the DOE awarded the City a \$855,340 grant 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 is 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 will 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 with existing commercial energy efficiency program staff and guidelines.

Austin Energy has a long history of providing energy-efficiency incentives in the community to ensure clean, affordable, and reliable electricity and to 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'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 are 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 departments 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.