



Recommendation for Action

File #: 23-3651, **Agenda Item #:** 4.

1/18/2024

Posting Language

Approve issuance of a capacity-based incentive to Pathways at Chalmers Court West, LP, for the installation of solar electric systems on their facilities located at 1600 East 3rd Street, Buildings 1, 2, and 3, Austin, Texas, 78702, in an amount not to exceed \$251,140.

Lead Department

Austin Energy

Fiscal Note

Funding in the amount of \$251,140 is available in the Fiscal Year 2023-2024 Austin Energy Operating Budget.

Prior Council Action:

June 3, 2021- Council approved issuance of a capacity-based incentive to Pathways at Chalmers Court East, located at 300 Chicon St.

August 8, 2019- Council approved issuance of a capacity-based incentive to Pathways at Chalmers Court South, located at 1638 E 2nd St.

For More Information:

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Council Committee, Boards and Commission Action:

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

Additional Backup Information:

Austin Energy requests approval to issue this Capacity Based Incentive (CBI) to Pathways at Chalmers Court West (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)	251
Total System Size (kW-AC)	208
Annual Estimated Production (kWh)	371,407
Total System Cost (\$)	\$504,034
Total Incentive (\$)	\$251,140
Percent of Cost Covered	49.8%

Environmental Benefits** and Emission Reduction Equivalencies***	
Reduction of Carbon Dioxide (CO2) in tons	175
Reduction of Sulfur Dioxide (SO2) in pound	260
Reduction of Nitrogen Oxide (NOX) in pound	260
Equivalency of Vehicle Miles Driven	406,982
Equivalency of Cars on Austin Roadways	35.3
Equivalency of Trees Planted	2,625
Equivalency of Forest Acreage Added	189

*All solar equipment meets Austin Energy program requirements

** Environmental Benefits based on the US Energy Information Associations state-wide electricity profile
<<https://www.eia.gov/electricity/state/texas/>>

*** According to the Environmental Protection Agency (EPA)s Greenhouse Gas Equivalency Calculator
<<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>>

The Pathways at Chalmers Court West is the third project of The Housing Authority of the City of Austin (HACA). Chalmers Court West will have 156 affordable housing units. This proposed system is estimated to offset 79% of the interconnected meters projected annual energy consumptions.

The purpose of the installation is to provide affordable, renewable energy to underserved populations and leverage the Value-of-Solar benefit to reduce electric bills for the occupants of the multifamily affordable housing properties. In order to provide these benefits to tenants of the property, this project will be included in Austin Energy's Shared Solar Program, the purpose of which is to enable more cost-effective solar installations on individually metered, multi-tenant properties for low-to-moderate-income customers. This additional functionality will allow Austin Energy and HACA to distribute the benefit of the solar installation across all tenants on each property, effectively reducing their energy bills.

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.

Under the Shared Solar/Solar Multifamily CBI program, building owners who qualify as nonprofit entities are eligible to receive \$1.00/W-DC up to \$2,500 per unit. Per program guidelines, the installation is expected to continue producing for a minimum of 20 years or may be subject to repay the incentive at a pro-rated amount, if it stops producing for any reason short of the stated minimum.

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.