

Posting Language

Approve issuance of a capacity-based incentive to Kensington Apartments, LLC, for the installation of solar electric systems on their facility located at 3300 Manor Rd Austin, TX, 78723, in an amount not to exceed \$184,802.

Lead Department

Austin Energy

Fiscal Note

Funding in the amount of \$184,802 is available in the Fiscal Year 2023-2024 Operating Budget of Austin Energy.

Prior Council Action:

For More Information:

Amy Everhart, Director Local Government Issues (512) 322-6087; Tim Harvey, Customer Renewable Solutions Manager (512) 482-5386.

Council Committee, Boards and Commission Action:

February 12, 2024 – To be reviewed by the Electric Utility Commission.

February 20, 2024 – To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests approval to issue this capacity-based incentive (CBI) to the Kensington Apartments, LLC (the customer) for the installation of solar electric system, 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)	205	
Total System Size (kW-AC)	170	
Annual Estimated Production (kWh)	290,555	
Total System Cost (\$)	\$615,000.00	
Total Incentive (\$)	\$184,801.50	
Percent of Cost Covered	30%	
Environmental Benefits** and Emission Reduction Equivalencies***		
Reduction of Carbon Dioxide (CO2) in tons	130	
Reduction of Sulfur Dioxide (SO2) in pounds	145	
Reduction of Nitrogen Oxide (NOX) in pounds	203	
Equivalency of Vehicle Miles Driven	302,330	
Equivalency of Cars on Austin Roadways	26.2	
Equivalency of Trees Planted	1,950	
Equivalency of Forest Acreage Added	141	

*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](#)

The Kensington Apartments, LLC consists of over 100 units, all of which are intended for those making at or below 60% of the area's median income. This proposed system is estimated to offset 43% of the interconnected meters' historic annual energy consumptions.

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)." In order 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 CBI Program is to expand adoption of solar by nonprofit organizations by helping to offset the capital investment for customers who are unable to benefit from the federal tax credit. Under this program, customers who qualify as nonprofit entities (outlined in Section V.B.iv of the [program guidelines](#)), are eligible to receive \$0.90/W-DC up to \$433,800. 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.