

Posting Language

Approve issuance of a 5-year performance-based incentive to Starwood Capital Group LLC, for the installation of solar electric systems on their facilities shown in the table below, in an amount not to exceed \$2,142,861.70.

Lead Department

Austin Energy

Fiscal Note

Funding in the amount of \$428,572.34 is available in the Fiscal Year 2023-2024 Operating Budget of Austin Energy.

Prior Council Action:

November 30, 2023- Council approved issuance of a 5-year performance-based incentive to Starwood Capital Group LLC.

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 5-year performance-based (PBI) to Starwood Capital Group (the Customer) for the installation of solar electric systems, detailed in the table below at their facilities 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)	3,139
Total System Size (kW-AC)	2,605
Annual Estimated Production (kWh)	4,596,762
Total System Cost (\$) *Does not include panel and inverter cost	\$5,044,132.45
Total Incentive (\$)	\$2,142,861.70
Percent of Cost Covered	42%
Environmental Benefits** and Emission Reduction Equivalencies***	
Reduction of Carbon Dioxide (CO2) in tons	2055
Reduction of Sulfur Dioxide (SO2) in pounds	2,298
Reduction of Nitrogen Oxide (NOX) in pounds	3,218
Equivalency of Vehicle Miles Driven	4,779,133
Equivalency of Cars on Austin Roadways	415
Equivalency of Trees Planted	30,826
Equivalency of Forest Acreage Added	2,223

*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](#)

Starwood Capital Group is a private investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain 16 offices in seven countries around the world, and currently have approximately 4,500 employees. Since its inception in 1991, Starwood Capital Group has raised over \$70 billion of capital, and currently has over \$120 billion of assets under management. For these projects, Starwood Capital Group has already procured panels and inverters. Details on the 8 individual proposed systems are provided in the tables below.

One Proposed Performance-Based Incentive Projects (Under 75 kW AC)							
Site Address	Incentive Rate	System Cost	Austin Energy Incentive	Generation kWh/yr	System Size kW DC	System Size kW AC	Offset
12301 Riata Trace Pkwy II Austin, TX, 78727	\$0.09	\$62,354.25	\$42,810.70	82,726	56.18	46.63	6%

Seven Proposed Performance-Based Incentive Projects (Over 75 kW AC)							
Site Address	Incentive Rate	System Cost	Austin Energy Incentive	Generation kWh/yr	System Size kW DC	System Size kW AC	Offset
11001 Lakeline Blvd 1 Austin, TX, 78717	\$0.09	\$84,884.25	\$356,531.63	688,950	468.23	388.63	39%
11001 Lakeline Blvd 2 Austin, TX, 78717	\$0.07	\$607,358	\$538,886.32	1,338,848	909.60	754.97	16%
12365 Riata Trace Pkwy A Austin, TX, 78727	\$0.09	\$26,005.70	\$324,831.13	627,693	434.42	360.57	27%
12357 Riata Trace PKWY C Unit 7 Austin, TX, 78727	\$0.09	\$193,001.25	\$132,690.11	256,406	173.88	144.32	3%
12357 Riata Trace PKWY A Austin, TX, 78727	\$0.07	\$841,732.55	\$286,982.90	713,001	493.81	409.86	63%
12357 Riata Trace Pkwy A Austin, TX, 78727	\$0.09	\$185,281.20	\$127,382.62	246,150	166.92	138.54	17%
12331 Riata Trace Pkwy B Austin, TX, 78727	\$0.09	\$743,516.25	\$332,746.29	642,988	436.03	361.90	69%

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.