



# City of Austin

## Recommendation for Action

File #: 24-4111, Agenda Item #: 2.

3/21/2024

### Posting Language

Approve issuance of a capacity-based incentive to the City of Sunset Valley for installation of solar electric systems on their facilities located at 3203 and 3207 Jones Road, Sunset Valley, Texas 78745, in an amount not to exceed \$119,899.

### Lead Department

Austin Energy

### Fiscal Note

Funding in the amount of \$119,899 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:

March 18, 2024 - To be reviewed by the Electric Utility Commission.

March 19, 2024 - To be reviewed by the Resource Management Commission.

### Additional Backup Information:

Austin Energy requests approval to issue these capacity-based incentives (CBI) to the City of Sunset Valley (the Customer) for the installation of solar electric systems at their facilities to produce renewable energy for on-site consumption. The table below provides a summary of the combined system sizes, costs, proposed incentives, and environmental benefits:

Solar Systems Details*	
Total System Size (kW-DC)	133
Total System Size (kW-AC)	111
Annual Estimated Production (kWh)	173,366
Total System Cost (\$)	\$243,980
Total Incentive (\$)	\$119,988
Percent of Cost Covered	49%
Environmental Benefits** and Emission Reduction Equivalencies***	
Reduction of Carbon Dioxide (CO <sub>2</sub> ) in tons	77
Reduction of Sulfur Dioxide (SO <sub>2</sub> ) in pounds	87

Reduction of Nitrogen Oxide (NOX) in pounds	121
Equivalency of Vehicle Miles Driven	179,072
Equivalency of Cars on Austin Roadways	15.5
Equivalency of Trees Planted	1,155
Equivalency of Forest Acreage Added	83.3

\*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 City of Sunset Valley is a city in Travis County and within the extraterritorial jurisdiction of Austin, Texas. The City of Austin surrounds the City of Sunset Valley on all sides. The systems are to be installed on the police department and the public works department buildings, offsetting 112% and 108% of the buildings' historic consumption, respectively.

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. Under this program, customers who qualify as nonprofit entities 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.