Climate Revolving Fund Update

Joint Sustainability Committee | October 28, 2026



Agenda

1. Revolving Fund Background
2. Progress to Date
3. Organization & Operation
4. Roadmap for the Fund
5. Next Steps



Limited dedicated funds for climate action projects



New opportunities in renewables + resilience



Tight budgets increase the need to reduce operational costs

Climate Projects as Investments



Climate Revolving Fund

Directed by Council Resolution 20250813-022

City Manager Top 25 Goal for FY26

Pays for City projects that:

1) Reduce GHG emissions and
2) Create $ savings

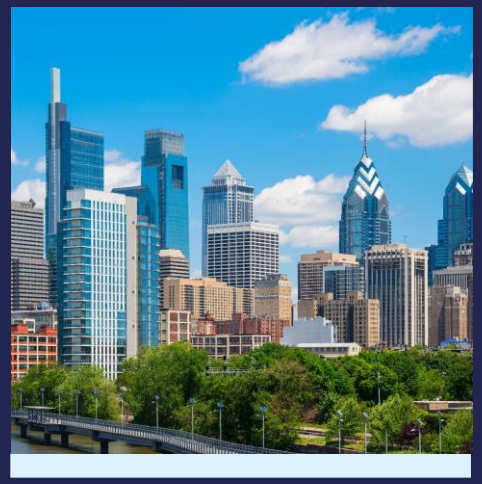
A virtuous cycle: savings are fed back into the Fund, which pays for more projects, and so on

Building Off Best Practices

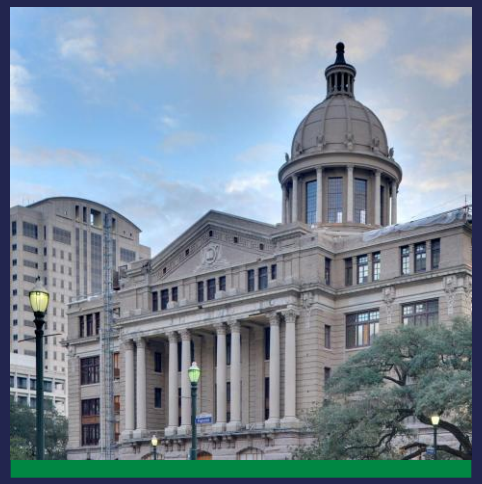
- An estimated 200+ Revolving Funds currently operate in the US
- There are many well-established, successful models
- We're learning from them to get it right



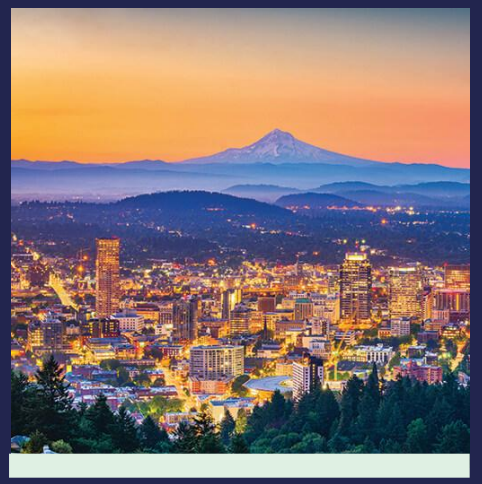
San Antonio



Philadelphia



Harris County



Portland



Seattle

Progress to Date

Early 2026: Efforts to kick off the Fund begin (ACAR, AFM, ABOE)

June 2026: AFM hires Environmental Program Manager to partner on the Fund

- CMO, ACAR, AFM, and ABOE align on a phased approach to establishing the Revolving Fund

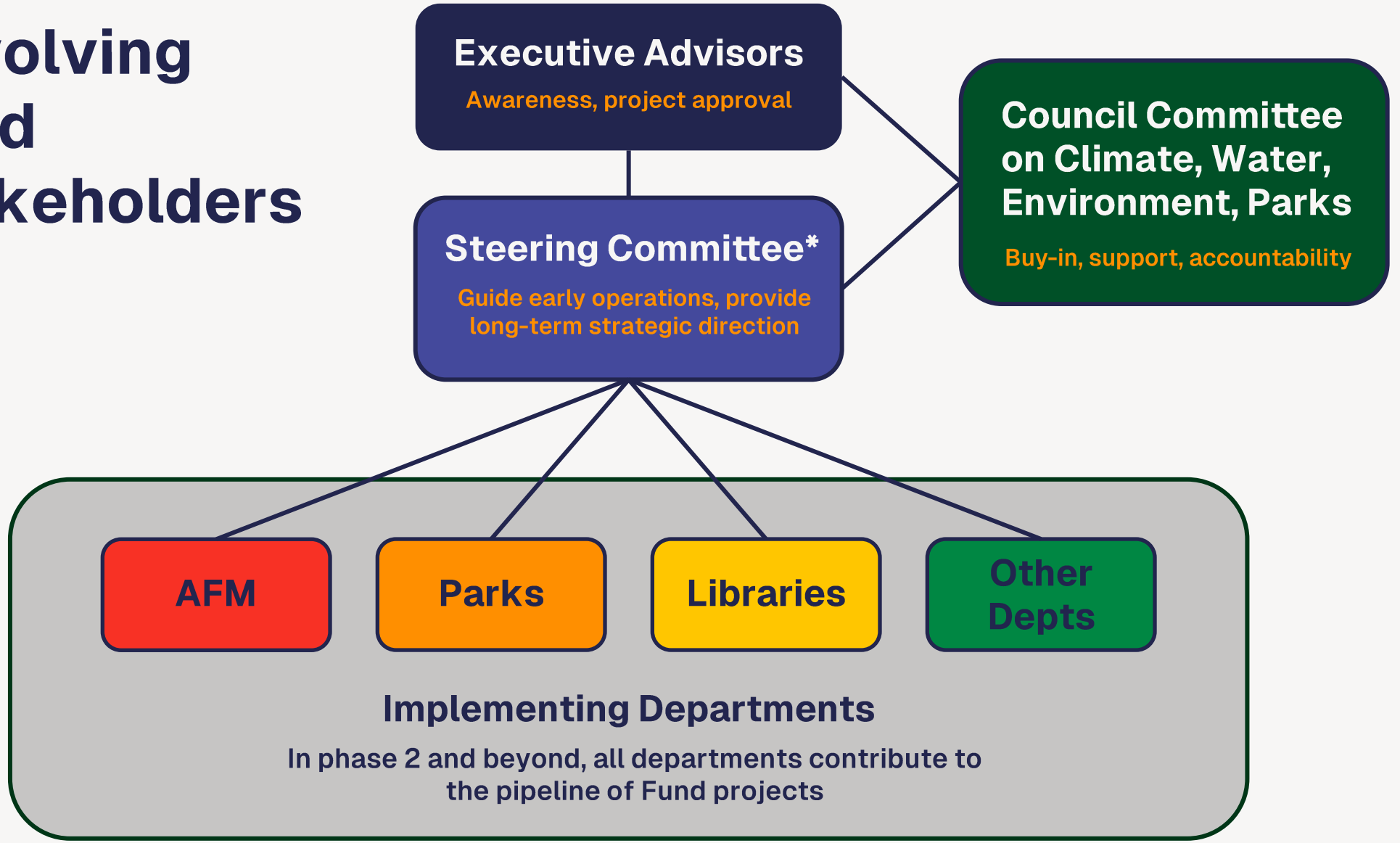
August 2026: Adopted budget contains Revolving Fund seed money

- $1 million in Certificates of Obligation and $500,000 in one-time cash
- Possible additional capital through energy efficiency rebates and AE *(pending)*
- Working to capture savings, revenue, and license payments from Solar on City Facilities *(pending)*

September 2026: Planning for early operations begins

- Revolving Fund Steering Committee forms, drafts SOP, develops project prioritization criteria
- Progress update given to Climate, Water, Environment, Parks Committee

Revolving Fund Stakeholders



***Note:** ACAR and AFM members will facilitate the Steering Committee, handle administrative workloads, and communicate with leadership and Council, with support from other members.

Climate Revolving Fund Steering Committee

Climate Action & Resilience:

- Phillip Duran, Braden Latham-Jones, Amanda Pfeil

Facilities Management:

- Alison Baker, Sam Leonard, Jackson Featherson

Austin Energy:

- Aiden Cohen, Greg Arcangeli

Budget & Organizational Excellence:

- Timothy Anderson

The Committee will guide the launch and early operations of the Fund

- Finalize Standard Operating Procedure
- Set project prioritization criteria
- Evaluate and select eligible projects
- Review GHG and savings calculations
- Coordinate across our departments to increase awareness and ensure ongoing Fund support
- Facilitate long-term development of project pipeline
- Explore additional funding opportunities



Standard Operating Procedure

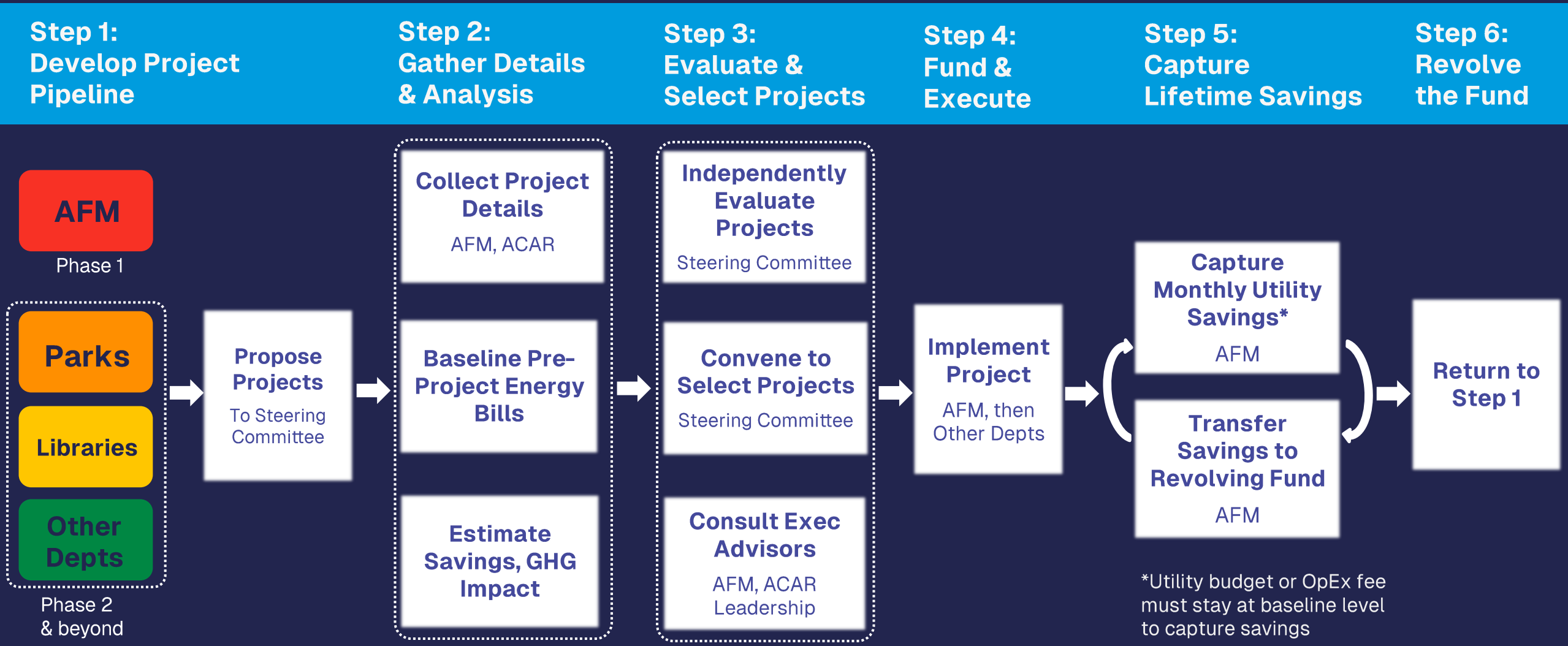
- Outlines financial management of the Revolving Fund
- Expenditure criteria, revenue generation, fund administration
- Establishes guidelines for measuring climate impacts and monetary savings
- Defines operational responsibilities, including the tasks and authorities delegated to the Steering Committee
- Sets Fund health and growth as the early priority
- Allows for revision as Fund operations mature
- Describes the annual report to CWEP Committee

Draft Project Selection Criteria

Criteria	What it measures
Financial Value	Payback period, annual savings, lifecycle savings, and ability to replenish the fund
Climate & Environmental Impact	Greenhouse gas and air pollution reduction and contribution to City climate goals
Utility Efficiency	Reduction in electricity, gas, water, peak demand, or other utility use
Need & Readiness	Clear operational need, scope, procurement path, and implementation schedule
Community Benefit	Benefits to essential services, historically underserved communities, staff, or community

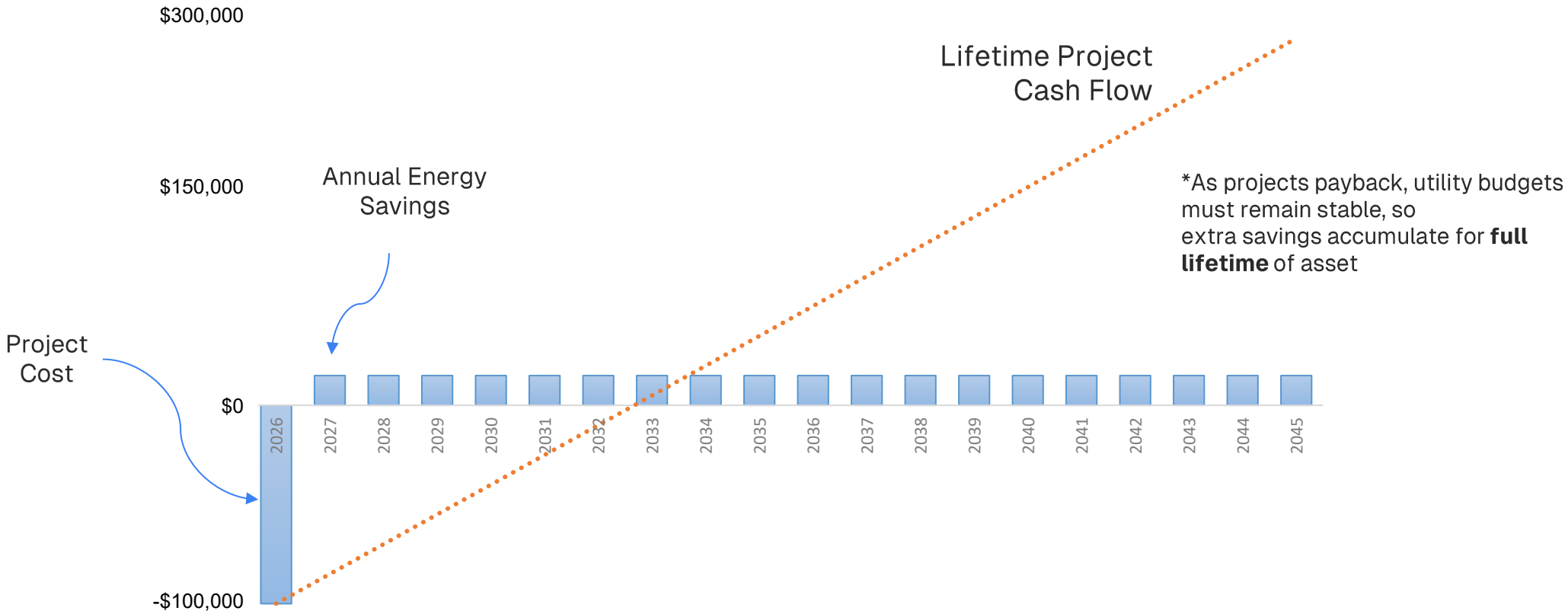
The Steering Committee will independently weigh and evaluate each project based on criteria, convene to review and finalize highest priority projects to support.

Simplified Steps for Projects

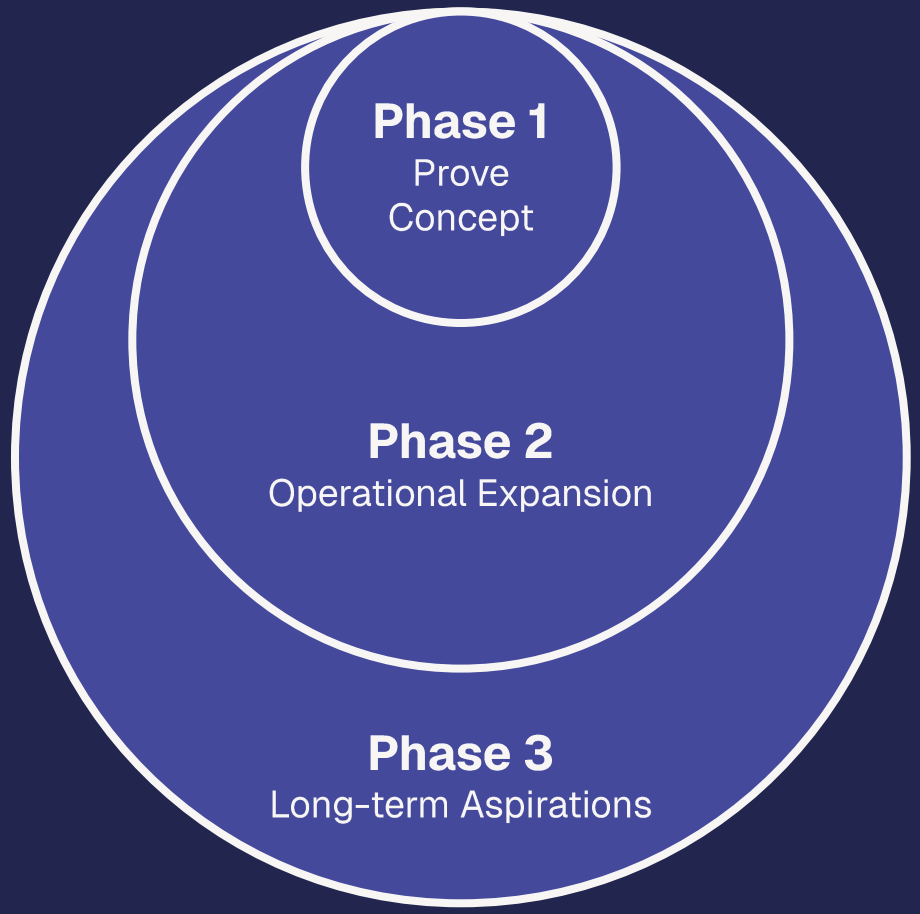


Example Project:
LED Light Retrofit

Upfront Cost: **$100,000**
Estimated Annual Savings: **$13,500**
Annual GHG reduction: **45 MT CO_2e**
Simple Payback Period: **7.5 years**
Lifetime of Asset: **20 years**
Total Return: **$170,000**



Plan for a Phased Approach



Phase 1 (Years 1 - 2)

- Proof of concept phase
- Focus on Fund health and growth
- Work at AFM facilities on energy efficiency upgrades
- Refine and normalize Fund operations and processes
- Work with all departments to develop a project pipeline

Phase 2

- Expand fund operations to non-AFM facilities
- Capture Solar on City Facilities license payments
- Identify pilot projects outside of buildings

Phase 3

- Fund is healthy, supporting high-value projects
- Pilot projects like fleet electrification or charging, nature-based solutions, and more

FY27 - Phase 1 Timeline & Milestones

September-October 2026

Planning & Prep

- **Sept 23: Report to Council CWEP on Progress**
- Finalize SOP
- Finalize project selection criteria and process
- Communicate with non-AFM departments

November – January 2027

First Projects

- Develop a list of potential projects
- Collect data to evaluate potential projects
- **SC prioritizes and selects 3 projects to support**

2027

Implement Pilots

- Construct initial projects
- **Monitor utility bills, capture savings in Fund**
- Refine and normalize Fund operations and processes



Takeaways

- True interdepartmental collaboration and problem-solving
- Very timely opportunity to reduce operating costs and improve facilities
- Reframing of Climate Action as an investment with payback
- We're planting a seed for the future, be patient



Thank you!

Phillip Duran
Senior Climate Analyst
phillip.duran@austintexas.gov
austintexas.gov/climate