

2018-2019 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Austin Energy

REQUEST NO.: 201

REQUESTED BY: Pool

DATE REQUESTED: 9/7/18

DATE POSTED: 9/10/18

REQUEST: What is Austin Energy’s FY 2019 allocation for the low-income and multi-family solar programs? Does this allocation match the \$500,000 funds allocated for this purpose in FY 2018?

RESPONSE:

In October 2017, Council passed Resolution No. 20171005-033 directing that: “... the City Manager... set a goal of \$500,000 in the fiscal year 2018 budget towards incentives and solar programming to increase solar energy adoption and access for underserved markets including multifamily affordable housing, low-income residents, renters, and non-profits...” A Request for Proposals (RFP) was issued that set forth the specifications and three properties were successful in meeting the criteria in that solicitation. Two were Guadalupe Saldana properties and one was a Foundation Communities property.

The pilot is intended to run through FY 2019 and requires modifications to the billing system in order to bill customers and credit them with the value of solar. We expect the billing adjustments to be completed in the January time frame, and monthly manual billing may be required for 177 customers for the period until the system upgrades are complete and tested.

One of the projects encountered delays and staff has granted an extension so that the customer can participate in the pilot.

In FY 2019, Austin Energy estimates that \$585,000 will be spent on low income solar as shown below:

FY 2019 Low Income Solar Budget	Projected Low Income Expenditures
Residential (carry over Shared Solar Pilot)	\$ 200,000.00
Commercial (PBI for Low Income)	\$ 160,000.00
Community Solar (CAP)	\$ 30,000.00
Multifamily Incentive (affordable housing)	\$ 130,000.00
O&M (staff time)	\$ 65,000.00
Total	\$ 585,000.00

- One of the Guadalupe Neighborhood Development Corporation projects in the Shared Solar Pilot will not be completed in time to pay out of the FY 2018 Budget. An extension has been granted and the \$200,000 incentive will be funded from the FY 2019 Residential Incentive Program Budget.
- We currently have 24 Commercial performance-based incentive (PBI) projects at low income multifamily facilities. The expected PBI expenditures based on the modeled production is approximately \$160,000 for FY 2019.
- The Customer Assistance Program's (CAP) Community Solar Program buys down the premium for CAP participation at a cost of roughly \$30,000.
- We expect the Housing Authority of the City of Austin to install roughly 220 kilowatts at two facilities with a total of 230 units. At a \$.60/watt incentive, roughly \$130,000 will come from the residential incentive budget.
- Staff time was calculated by multiplying the solar operations and maintenance budget by the percent of budget expenditures for low-moderate income customers and estimated at \$65,000.

All of the foregoing can be accommodated within the existing \$7.5 million solar budget which conforms to the generation resource plan. Increases to the budget would require an increase in the Community Benefit Charge, which would negatively impact all customers, including low income customers.