Thursday, July 24, 2008

Austin Energy RECOMMENDATION FOR COUNCIL ACTION

Item No. 2

Subject: Approve issuance of a rebate in the amount of \$200,000 to Advanced Micro Devices at 7171 Southwest Parkway, Austin, Texas, for the installation of energy-efficient equipment including lighting, reflective roof coatings, efficiency motors, variable frequency drives and an uninterruptible power supply (UPS).

Amount and Source of Funding: Funding in the amount of \$200,000 is available in the Fiscal Year 2007-2008 Conservation Rebates and Incentives Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Fred Yebra, P.E., and Director, Energy Efficiency Services, at 482-5305 or Jerrel Gustafson, Unit Manager, at 482-5387.

Boards and Commission Action: Recommended by the Electric Utility Commission and by the Resource Management Commission.

Austin Energy (AE) requests authorization to issue a rebate in the amount of \$200,000 to AMD for the installation of energy-efficient interior lighting, reflective roof coatings, efficiency motors, variable frequency drives (VFDs) and an uninterruptible power supply (UPS) system at their Phase II new construction build out located at 7171 Southwest Parkway in Austin, Texas.

The Phase II project included the installation of high efficiency office interior lighting in all areas. Reflective roof coatings were used to minimize the cooling load in the facilities. National Electrical Manufacturers Association (NEMA)-standard premium efficiency motors were used throughout the project and VFDs were installed to allow motors to ramp up or slow down as demand increases or decreases. In addition, a UPS system was installed to protect equipment and provide protection from momentary power losses.

The demand (kW) savings associated with the high efficiency equipment installed in this project is estimated at 906.3 kW, at a program cost of \$221 per kilowatt saved. The avoided kWh, estimated at 5,347,030 kWh per year, represents a major benefit to the local environment. These savings are equivalent to an estimated 6,072,074 vehicle miles traveled, the removal of 757.9 cars from our roadways, or the planting of 118,579 trees or 5,928.9 acres of forest in Austin's parks. These improvements likewise will prevent 3,458 tons of CO2 from being emitted into the environment.

This program is one element of AE's comprehensive Energy Resource Plan, approved in December 2003 by City Council, designed to reduce local air pollution through energy conservation, reduce peak demand and to assist customers in reducing electric consumption.

Within currently approved budget finding levels for commercial conservation rebates, this effort will provide AE with a constructive market transformation opportunity while adding a value-added service to encourage customer retention.

The City will not exceed the rebate offer of \$200,000 should the final installed measures be eligible for a higher rebate at the time of the final inspection due to changes in quantity or efficiency of equipment.