

AGENDA



Thursday, October 16, 2008

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 2

Subject: Authorize negotiation and execution of a 26-month Grant Agreement between the City of Austin, as coordinator for the Central Texas Clean Cities Program, and the Propane Education and Research Council, Inc. for grant funding in an amount not to exceed \$127,000 for the Texas Clean Cities Commercial Propane Mower Rebate Program.

Amount and Source of Funding: Funding in the amount of \$127,000 is available from the Propane Education and Research Council. Austin Energy will fund an in-kind match of \$15,000, available in the Fiscal Year 2008-2009 Austin Energy Operating Budget Special Revenue Fund.

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

For More Information: Fred Blood, Air Quality Manager, 482-5340; Stacy Neef, Central Texas Clean Cities Coordinator, 482-5343.

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

Prior Council Action: April 14, 1994 – Approved resolution establishing the City of Austin (COA) as a member of a regional Clean Cities Program; May 9, 1996 – Accepted \$30,000 grant from Texas Alternative Fuels Council; February 15, 2001 – Accepted \$50,000 grant from SECO; approved interlocal agreement with SECO allowing COA to act as fiduciary agent for Central Texas Clean Cities (CTCC) Program; August 22, 2002 – Accepted \$30,000 in pass-through grants from DOE and approved appropriation of \$30,000 in rebates for CTCC program stakeholders purchasing alternative fuel vehicles; approved interlocal agreement with SECO to administer rebates; September 26, 2002 – Approved \$6,000 grant from DOE for "Advancing the Choice" events.

Clean Cities is part of the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy's 'Vehicle Technologies Program.'

Clean Cities strives to advance the nation's energy security by supporting local decisions to adopt practices that contribute to the reduction of petroleum consumption. Clean Cities has a nationwide network of approximately 100 volunteer coalitions (seven in Texas), which develop public/private partnerships to promote alternative fuels and advanced vehicles, fuel blends, fuel economy, hybrid vehicles, and idle reduction.

The purpose of the Propane Education & Research Council (PERC) is to promote the safe, efficient use of odorized propane gas as a preferred energy resource through consumer and employee education and technology development and commercialization.

Through the PERC, the propane industry has committed itself to a multiyear, multimillion-dollar effort to improve consumer and employee safety, to support the research and development of new and more efficient propane equipment, and to expand public awareness of propane and its many uses and environmental advantages.

If approved, this agreement will provide \$127,000 in grant funds to the City of Austin's Central Texas Clean Cities (CTCC) program for the development and promotion of a rebate program for purchases of commercial propane or LPG-powered mowers and for retrofits of gasoline-powered commercial mowers. The seven active Texas Clean Cities Coalitions will be included in the rebate program: Dallas-Fort Worth, Houston-Galveston, Beaumont-Port Arthur, Tyler-Longview, Victoria, the Alamo Area (San Antonio), and the CTCC (Travis, Caldwell, Bastrop, Hays and Williamson Counties and Fort Hood).

The CTCC would act as the fiduciary agent for the Texas Clean Cities Commercial Propane Mower Rebate Program. Of the \$127,000 in grant funds, \$100,000 would be designated for rebates; \$19,000 would support program promotion in the other Texas Clean Cities Coalitions; and \$8,000 would be used for CTCC administrative support services and marketing. Austin Energy will provide an in-kind match of \$15,000 in administrative oversight of the grant program.

CTCC will share a joint mission with PERC to promote LPG as an alternative fuel for commercial landscapers, state agencies, municipalities, universities and governmental entities who use commercial-grade mowing equipment within the seven Clean Cities Coalition areas. To qualify for a rebate, these entities must be members of their Clean Cities coalitions.