

AGENDA



Thursday, August 6, 2009

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION****Item No. 2**

Subject: Approve the issuance of a Letter of Intent for a rebate to Criterion Onion Creek Apts., L.L.C. for the installation of a solar photovoltaic system at the project located at 8515 S. IH-35, Austin, Texas, 78744, in the amount of \$100,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy Conservation Rebates and Incentives Fund.

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

For More Information: Fred Yebra, Director, Demand Side Management, 482-5305; Leslie Libby, Solar Rebate Program Manager, 482-5390.

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

Austin Energy (AE) requests authorization to issue a Letter of Intent in the amount of \$100,000 to Criterion Onion Creek Apts., L.L.C. for the installation of a solar photovoltaic system at the project located at 8515 S. IH-35, Austin, Texas, 78744. The total installed cost is estimated to be \$163,249.89 and the rebate will cover approximately 61% of the cost. The rebate level for this project is \$3,720 per kW. The solar equipment, which meets AE program requirements, includes a total of 160 solar modules rated at 175 watts and the associated inverter is rated 96% efficiency. A total of 23.2 kW in demand savings is expected.

On March 13, 2009, Austin Energy revised the rebate amount from \$4.50 to \$3.75 per watt as a result of new enhanced federal tax credits designed to offset a greater share of the costs for individuals and businesses installing solar energy systems. Lowering the rebate was necessary for budgetary reasons, as Austin Energy saw an immediate and expected increase in solar energy rebate applications upon passage of the new tax credit legislation. This reduced rebate is still one of the largest in the nation and coupled with the enhanced federal tax credits, will further reduce the out-of-pocket cost of solar installations to Austin Energy customers.

This energy improvement will save an estimated 37,945 kWh per year—enough to provide electricity to three average Austin homes for a year—and produce an estimated 38 Renewable Energy Credits per year. These savings are equivalent to the planting of 841 trees or 42 acres of forest in Austin's parks or the removal of 43,090 vehicle miles or 5 cars from Austin roadways. This project will save 24.5 tons of Carbon Dioxide (CO₂), 30.9 pounds of Sulfur Dioxide (SO₂), 34.2 pounds of Nitrogen Oxide (NO_x), and 24 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.

The Commercial Energy Efficiency programs are elements of AE's comprehensive effort to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

This effort will provide AE with a constructive market transformation opportunity while adding a value-added service to encourage customer retention.