

A G E N D A



Thursday, November 19, 2009

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 2

Subject: Approve an ordinance authorizing acceptance of \$2,900,000 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as the administering agency, and amending the Fiscal Year 2009-2010 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20090914-002 to appropriate \$2,900,000 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy's service area.

Amount and Source of Funding: Funding is available from the Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of October 1, 2009 to August 31, 2011. No match is required.

Fiscal Note: A fiscal note is attached.

For More Information: Karl Rabago, Vice-President, Distributed Energy Services, 322-6098; Steve Saenz, Acting Program Delivery Manager, Energy Efficiency Services, 482-5325.

Boards and Commission Action: Recommended by the Electric Utility Commission and the Resource Management Commission. Related to Item #3.

The Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) awarded Austin Energy \$2,900,000 in grant funds to weatherize homes for low-income, elderly, and disabled customers within Austin Energy's service area. This program will also generate jobs that will help infuse the green construction industry, while increasing home energy efficiency for low income households, reducing their cost burden, and creating a healthier environment.

TDHCA awarded \$288 million in federal stimulus funding to 66 cities, counties, and eligible nonprofit organizations across the state to weatherize the homes of an estimated 40,000 low income Texans. The awards were made through the American Recovery and Reinvestment Act (ARRA) for the 2009 Weatherization Assistance Program (WAP).

The acceptance of these funds will allow Austin Energy to provide weatherization services to approximately 500 homes a year, for the two-year grant period, including single-family homes, manufactured homes, duplexes, and qualifying multi-family complexes. The ARRA sets the income limit for eligibility at 200 percent of the Federal Poverty Guidelines.

Austin Energy will receive \$2,900,000 a year for two years, of which a maximum of 20 percent will be allocated to health and safety related costs (carbon monoxide testing, installation of smoke detectors, ventilation, etc.) and five percent to administrative costs (hiring of four temporary employees) for this federally-funded home weatherization program. The grant period is from October 1, 2009 to August 31, 2011.

This newly created Federal Weatherization Assistance Program complements Austin Energy's existing Free Home Energy Improvement Program. The goals of both programs are to increase the energy

efficiency of the home, increase the comfort level of the home's inhabitants, reduce energy consumption, lower utility bills, and improve the health and safety of residents.

In order to comply with DOE and TDHCA guidelines, Austin Energy will ensure each home weatherized will achieve a savings to investment ratio of one or greater. TDHCA will monitor Austin Energy's performance onsite to ensure compliance with program guidelines.

Through the implementation of this grant, Austin Energy will share a joint mission to maximize energy efficiency while protecting the environment, and promoting community education through the ARRA Weatherization Assistance Program. The grant guidelines include a requirement to educate the public on energy conservation and energy efficiency measures that can be implemented at the customer level.