

## AGENDA



Thursday, January 13, 2011

**Austin Energy  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 3**

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**Subject:** Approve an ordinance authorizing acceptance of \$86,774 in American Recovery and Reinvestment Act grant funds from the U.S. Department of Energy through the Texas Department of Housing and Community Affairs as the administering agency, and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$86,774 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 through the Texas Department of Housing and Community Affairs as a result of the American Recovery and Reinvestment Act of 2009 for the grant period of September 1, 2009 to August 31, 2011. The General Fund will not be required to contribute to this grant.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Karl R. Rábago, Vice-President, Distributed Energy Services, 322-6098; Fred Yebra, Director, Energy Efficiency Services, 482-5305.

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

**Prior Council Action:** November 19, 2009 – Approved an ordinance accepting \$2,900,000 in grant funds from the U.S. Department of Energy; December 17, 2009 – Approved an ordinance amending the FY 2010 budget to add four FTEs to assist in implementation of the program.

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The U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) awarded Austin Energy grant funds to weatherize homes for low-income, elderly, and disabled customers within Austin Energy's service area. The award was through the American Recovery and Reinvestment Act (ARRA) for the 2009 Weatherization Assistance Program (WAP).

This budget amendment is to accept an additional \$86,774 in grant funds included in the amended version of the contract, which disbursed the second year allocation of funds. The new budget total for this grant award is \$5,969,774. The grant period is from September 1, 2009 to August 31, 2011. The General Fund is not required to contribute to this grant. When the grant funds expire, Austin Energy's need for its four grant-funded positions will be evaluated and the positions may be eliminated.

The acceptance of these funds allows Austin Energy to continue 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.

The Federal Weatherization Assistance Program's goals are consistent with 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. As outlined in the grant, Austin Energy will also

increase its education initiative to provide customers with energy saving information to keep their energy usage low after the weatherization work is completed on their home.

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

Weatherization Assistance Program Results to Date:

- Austin Energy has generated green jobs by contracting with 24 vendors to conduct initial assessments, weatherization construction measures, and final inspections of eligible homes.
- As of November 30, 2010, vendors have weatherized 323 homes.
- An additional 372 homes are designated eligible and are assigned to vendors to be weatherized.
- Preliminary November numbers show the Weatherization Assistance Program has expensed and encumbered a total of \$2.7M of the grant budget.