

## A G E N D A



## Recommendation for Council Action

Austin City Council		Item ID	15634	Agenda Number	2.
Meeting Date:	5/24/2012			Department:	Austin Energy
Subject					
Approve an ordinance amending the Fiscal Year 2011-2012 Austin Energy Operating Budget (Ordinance No. 20110912-005) to decrease the Austin Energy Operating Fund Ending Balance by \$1,630,000 and increase the transfer to the Conservation Rebates and Incentives Fund by \$1,630,000, and amend the Conservation Rebates and Incentives Fund to increase the transfer from the Austin Energy Operating Fund by \$1,630,000.					
Amount and Source of Funding					
Funding in the amount of \$1,630,000 is available from the ending balance of the Austin Energy Operating Fund.					
Fiscal Note					
A fiscal note is attached.					
Purchasing Language:					
Prior Council Action:	September 12, 2011 - Approved the FY 2011-2012 Budget.				
For More Information:	Karl Rábago, Vice President, Distributed Energy Services 322-6098.				
Boards and Commission Action:	Recommended by the Resource Management Commission. To be reviewed by the Electric Utility Commission on May 21, 2012.				
MBE / WBE:					
Related Items:					
Additional Backup Information					
<p>Since 2004, Austin Energy (AE) has operated a highly successful solar program that provides rebates and, more recently, Performance Based Incentives (PBI) to customers for installing qualifying solar photovoltaic (PV) electric generating systems and solar hot water heater systems on their homes and businesses. The program has rapidly stimulated the development of a strong solar installation industry in Austin and has resulted in more than 1,600 rooftop solar installations and 6.5 MW of solar PV installed in Austin. As a result of AE's efforts, the number of solar installers in Austin has grown from 4 to 34 over the past eight years. According to Solar Austin, a local not-for-profit organization, over 600 jobs have been created. By all accounts, the solar incentive program has been a success.</p> <p>The budget for the residential PV rebate program in FY2012 is \$2.7 million, out of a total approved budget for solar incentives of \$3 million. As of April 30, 2012, Austin Energy had paid \$1.9 million or 70%, of the FY12 residential rebate budget at a level \$2.50 per installed watt of capacity. Additionally there were \$1.5 million in pending applications. AE now estimates that at the current rate of customer participation, the end-of-year budget will fall short by \$1,630,000. Austin Energy is seeking authorization to amend Ordinance No. 20110912-005, the Fiscal Year 2012 Operating Budget to increase the Conservation Rebates and Incentives Fund by transferring \$1,630,000 from the Operating Budget ending fund balance to fund this additional demand in residential solar rebates. Given the pending rate review and potential new value of solar rate, Austin Energy concludes that it would not be prevalent to institute a reduction in the rebate amount, a tool used in the past to slow demand, at least until AE has a clearer view of current market conditions.</p>					