

**OPERATING BUDGET
FISCAL NOTE**

DATE OF COUNCIL CONSIDERATION:	12/11/14
CONTACT DEPARTMENT(S):	Austin Energy
FUND:	Enterprise Fund

SUBJECT: Approve an ordinance amending the Fiscal Year 2014-2015 Austin Energy Operating Budget Enterprise Fund (Ordinance No. 20140908-001) to appropriate \$5,015,000 from the Better Buildings Grant Fund to continue the Better Buildings Program, including two temporary positions for continued implementation of the program, beyond the conclusion of the grant period.

CURRENT YEAR IMPACT:			
	2014-15	This	2014-15
	<u>Approved</u>	<u>Action</u>	<u>Amended</u>
Enterprise Fund			
Better Buildings Fund	0	5,015,000	5,015,000
Total	0	5,015,000	5,015,000
FTEs	0.00	0.00	0.00

FIVE-YEAR IMPACT:					
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Total Revenue	5,015,000	0	0	0	0
Total Expenditures	5,015,000	0	0	0	0
Net Impact	0	0	0	0	0

ANALYSIS/ADDITIONAL INFORMATION: In 2010, the U.S. Department of Energy (DOE) awarded the City of Austin (Austin Energy) \$10,000,000 in American Recovery and Reinvestment Act (ARRA) competitive grant funds to design, develop and implement an ARRA “Retrofit Ramp-Up Program.”

Austin Energy successfully designed, developed and implemented the grant program by establishing the Better Buildings Grant Fund which featured financing products for the next generation of energy-efficiency lending programs in Austin. Of the original award, Austin Energy deposited \$5,015,000 into an account with its financial partner Velocity Credit Union. These deposited funds were used for low interest loans to Austin Energy customers who made energy efficiency improvements to their homes through the Home Performance with ENERGY STAR® (HPwES) program. The program was advertised as “The Best Offer Ever” and it successfully Funded \$5,600,000 worth of energy efficiency loans to over 600 qualifying applicants in Austin Energy’s service area. It was designed to help homeowners overcome cost barriers to making improvements that would make their homes more energy efficient and comfortable. Continuing the program is expected to support long-range planning that includes 800 MW of peak demand savings by 2020.

Council authorization will allow Austin Energy to move funds from its Better Buildings Grant Fund to its Enterprise Fund to continue This highly successful program by promoting, developing and offering similar financing mechanisms, including a lower credit score threshold for customers.