

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	71131	<b>Agenda Number</b>	3.
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<b>Meeting Date:</b>	6/8/2017	<b>Department:</b>	Austin Energy
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**Subject**

Approve issuance of a rebate to GW BLOCK 23 OFFICE, LLC, for performing energy efficiency improvements at 500 West 2nd Street, in an amount not to exceed \$81,453. (District 9)

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy.

**Fiscal Note**

A fiscal note is not required.

<b>Purchasing Language:</b>	
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Jeff Vice, Director, Local Government Issues (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.
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<b>Council Committee, Boards and Commission Action:</b>	May 15, 2017 - Recommended unanimously by the Electric Utility Commission on a 9-0 vote, with two vacancies. May 16, 2017 - Recommended unanimously by the Resource Management Commission on a 7-0 vote, with Commissioners Lesnau and Santiago absent and two vacancies.
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<b>MBE / WBE:</b>	
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<b>Related Items:</b>	
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**Additional Backup Information**

Austin Energy requests authorization to issue a rebate to GW BLOCK 23 OFFICE, LLC, in an amount not to exceed \$81,453, for energy efficiency measures completed at its office tower, 500 West 2nd Street, located in Council District 9.

500 West 2nd Street is a new construction 29-story office tower located in the Green Water Treatment Plant redevelopment site along the extensions of 2nd and Nueces Streets. It is Austin’s newest Class A office space, defined as having a good location and access and high-quality construction among other features. It contains 500,511 square feet of rentable office space and about 10,000 square feet of ground floor retail space. The project incorporates sustainable elements and is set to achieve a LEED® Gold certification and a 2-Star Austin Energy Green Building rating.

The energy efficiency rebate measures implemented at this property are: high efficiency air conditioners, regenerative elevators, high efficiency lighting, lighting controls, and variable frequency drives on pumps and fans. The estimated total cost of the measures is \$9,418,750; the rebate will cover 0.88% of the total cost. These improvements were made in accordance with Austin Energy’s Commercial Rebate Program guidelines and the Energy Conservation Audit and Disclosure (ECAD) Ordinance.

This program is one element of the comprehensive Austin Energy Resource, Generation and Climate Protection Plan to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan, approved by City Council in April 2010 and updated in December 2014, is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation and assist customers in

reducing electric consumption.

The avoided kilowatt hours (kWh) estimated at 1,087,852 kWh per year represents a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 566.5 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.242 metric tons of Nitrogen Oxides (NO<sub>x</sub>), and 0.572 metric tons of Sulfur Dioxide (SO<sub>2</sub>). The project savings is equivalent to the planting of 14,556 trees (728 acres of forest) in Austin's parks, the removal of 109 cars from our roadways, or the powering of 96 average Austin residences for a year.