

Posting Language

Approve issuance of a capacity-based incentive to Riverbend Church for the installation of solar electric systems on their facility located at 4214 N Capital of Texas Highway Austin, TX 78746, in an amount not to exceed \$217,800.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2021- 2022 Operating Budget of Austin Energy.

Prior Council Action:**For More Information:**

Richard G  n  c  , Vice President, Customer Energy Solutions (512) 322-6327; Tim Harvey, Solar Program Manager (512) 482-5386.

Council Committee, Boards and Commission Action:

April 11, 2022– To be reviewed by the Electric Utility Commission.

April 19, 2022 – To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests approval to issue this CBI to the Customer for the installation of solar electric system(s), detailed in the table below at their facility to produce renewable energy for on-site consumption. The table below provides a summary of the system size, cost, proposed incentive, and environmental benefits.:

Solar System Details*	
Total System Size (kW-DC)	217.8
Total System Size (kW-AC)	180.774
Annual Estimated Production (kWh)	295,728
Total System Cost (\$)	\$394,218
Total Incentive (\$)	\$217,800
Percent of Cost Covered	55%
Environmental Benefits** and Emission Reduction Equivalencies***	
Reduction of Carbon Dioxide (CO2) in tons	139
Reduction of Sulfur Dioxide (SO2) in pounds	177
Reduction of Nitrogen Oxide (NOX) in pounds	207
Equivalency of Vehicle Miles Driven	316,911
Equivalency of cars on Austin roadways	27.4
Equivalency of Trees Planted	2,085
Equivalency of Forest Acreage Added	154

*All solar equipment meets Austin Energy program requirements

** Environmental Benefits based on the [US Energy Information Association's state-wide electricity profile](#)

*** According to the [Environmental Protection Agency \(EPA\)'s Greenhouse Gas Equivalency Calculator](#)

Riverbend Church's mission is to serve the bruised, battered, broken and bored through their religious services. They offer modern, contemporary, and traditional style services and host a variety of community groups to support their members. This solar system will offset 61% of the Customer's historic annual energy usage.

According to the updated Austin Energy Resource, Generation and Climate Protection Plan, approved by Austin City Council in March 2020, "Austin Energy will achieve a total of 375 MW of local solar capacity by the end of 2030, of which 200 MW will be customer-sited (when including both in-front-of-meter and behind-the meter installations)." In order to meet these goals, Austin Energy has funded the Solar Photovoltaic (PV) Programs, which are designed to reduce the amount of electricity Austin Energy must purchase from the market and reduce associated greenhouse gas emissions.

The purpose of the Austin Energy Solar PV CBI Program is to expand adoption of solar by nonprofit organizations by helping to offset the capital investment for customers who are unable to benefit from the federal tax credit. Under this program, customers who qualify as nonprofit entities (outlined in Section V.B.iv of the [program guidelines](#)), are eligible to receive \$1.00/W-DC up to \$482,000. Per program guidelines, the installation is expected to continue producing for a minimum of 20 years or may be subject to repay the incentive at a pro-rated amount, if it stops producing for any reason short of the stated minimum.

This project will advance the stated goals of expanding locally-sited solar, carbon reduction and resiliency, extend the adoption of solar to entities historically excluded from the investment benefits of solar, and continue to demonstrate the value and importance of renewables as part of the individual and collective generation portfolio in Austin Energy territory.

Strategic Outcome(s):

Government That Works for All.

Posting Language

Authorize negotiation and execution of an eighth amendment to lease agreement with David B. Edelman, for approximately 8,000 square feet of warehouse and office space for Austin Energy's ("AE") Meter shop, located at 4122 Todd Lane, Austin, Travis County, Texas, for a term of 24-months with two additional 1-year options to extend, in an amount not to exceed \$535,520.

(District 2).

Lead Department

Financial Services Department.

Fiscal Note

Funding in the amount of \$117,120 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy. Funding for the remaining lease term is contingent upon available funding in future budgets.

Prior Council Action:

November 30, 1995 - Council approved original lease agreement for Health and Human Services Department, Vector Control Program, per Resolution No. 951130-24;

November 9, 2000 - Council approved lease renewal, per Resolution No. 001109-11; September 1, 2005 - Council approved lease renewal;

November 16, 2006 - Council approved lease renewal;

November 8, 2007 - Council approved lease renewal;

September 25, 2008 - Council approved lease renewal;

February 11, 2010 - Council approved lease renewal;

April 13, 2017 - Council approved a 60-month lease renewal.

For More Information:

Diana Justice, Financial Services Department, (512) 974-7170; Michael Gates, Financial Services Department, (512) 974-5639; Greg Warren, Austin Energy, (512) 322-6172.

Council Committee, Boards and Commission Action:

March 20, 2017 - Recommended by the Electric Utility Commission on a vote of 6-0, with Chair Hadden and Commissioner Biedrzycki absent, and with three vacancies.

April 11, 2022 - The Electric Utility Commission will review the proposed 24-month lease amendment.

Additional Backup Information:

Authorize negotiation and execution of an eighth amendment to lease agreement with David B. Edelman, for approximately 8,000 square feet of office and warehouse space for Austin Energy's Meter shop, located at 4122 Todd Lane, Austin, Travis County, Texas, for a term of 24-months with two additional 1-year options to extend, in an amount not to exceed \$535,520.

In April 2015, Austin Energy assumed the warehouse and office lease at 4122 Todd Lane, previously occupied by the Health and Human Services Department's Vector Control Program. On April 13, 2017, the lease was amended for an additional 60 months.

This proposed lease amendment is needed to support AE's mission until a new warehouse facility is built. A new facility should be completed within 3 to 4 years. AE will not use the extension options if the new facility is available sooner. The continued leasing of the warehouse at 4122 Todd Lane will allow AE to continue to receive new meters, store inventory, refurbish meters, retire old meters, and work on special projects until a new facility is constructed. The Meter Shop's responsibility is to ensure that they will deliver accurate reads for consumption usage when each meter is installed in the field.

The table below illustrates the proposed annual rental costs and estimated operating expenses. After the first year, the base rent will be adjusted annually by the Consumer Price Index for All Urban Consumers (CPI-U) as reported by the U.S. Bureau of Labor Statistics. The current 12-month CPI-U increase was 7.5%*, and the future increases are estimated at 10% annually.

The proposed rental cost per square foot is within the market rate per a rent study conducted by a third-party appraiser. In addition to the monthly rent, AE will be responsible for utilities, taxes, and insurance. The operating expenses are estimated to increase 10% per year.

Base Term

Year	Rent Schedule:	Base Rent Per SF/Year	Annual Rent	Estimated OpEx Per SF/Year	Annual OpEx	Total Annual Rent + OpEx
1	05/01/2022-04/30/2023	\$12.00	\$96,000	\$2.64	\$21,120	\$117,120
2	05/01/2023-04/30/2024	\$12.90*	\$103,200*	\$2.90	\$23,200	\$126,400
Extension Option Periods						
3	05/01/2024-04/30/2025	\$14.19	\$113,520	\$3.19	\$25,520	\$139,040
4	05/01/2025-04/30/2026	\$15.61	\$124,880	\$3.51	\$28,080	\$152,960
Total Annual Rent + OpEx = \$535,520						

Strategic Outcome(s):

Government That Works for All.

Posting Language

Authorize reimbursement of costs to Waller Creek Owner, LLC., for the heat exchanger skids to interconnect the Waller Building to the Austin Energy (AE) downtown District Cooling System in an amount not to exceed \$1,619,816.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2021-2022 Capital Budget of Austin Energy.

Prior Council Action:

For More Information:

Pat Sweeney, Vice President, Power Production, (512) 322-6292; James Kassim, Director, District Energy and Cooling, (512) 322-6424

Council Committee, Boards and Commission Action:

To be reviewed by the Electric Utility Commission on April 11, 2022.

Additional Backup Information:

AE operates several district cooling systems providing chilled water to customer buildings through a network of underground pipes. These systems serve multiple large buildings within a particular service area including Downtown Austin, the Domain, the Mueller Redevelopment Zone and Austin Community College Highland Campus.

A district cooling plant distributes chilled water to the customer's building through a set of heat exchangers located in the building's mechanical room. A single district cooling plant can meet the cooling needs of many buildings. For example, the Downtown District Cooling System currently serves forty-seven customers, including City Hall, the main library, Austin Convention Center, Whole Foods, Ballet Austin, hotels, residential buildings, and office towers.

Additionally, by using thermal energy storage, AE shifts electric load from peak times (3:00 p.m. to 6:00 p.m.) to off-peak times, helping AE meet council's thermal energy storage goal of 40MW by 2030. Adding chilled water customers increases the load to AE's District Cooling System and thereby increases the amount of potential electrical demand shifted from on-peak to off-peak hours. This project will connect the Waller Building at the corner of Cesar Chavez and Red River.

The piping will provide chilled water service to the existing mechanical room as specified in a Chilled Water Services Agreement between AE and Waller Creek Owner, LLC. AE recovers the cost for reimbursable items through the chilled water rate specified in the agreement.

This project is located in zip code 78701 and Council District 9. AE will manage the project.

Strategic Outcome(s):

Government That Works for All.

Posting Language

Authorize negotiation and execution of a contract with Crown Texas Inc., or one of the other qualified offerors to Request for Proposals 1100 DTB3010, to provide prefabricated substation control houses, for a term of five years in an amount not to exceed \$10,000,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$833,333 is available in the Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals (RFP) 1100 DTB3010 for these goods and services. The solicitation was issued on September 13, 2021, and it closed on October 12, 2021. Of the three offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](#).

Prior Council Action:**For More Information:**

Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: DeJuan Brown, at DeJuan.Brown@austintexas.gov.

Council Committee, Boards and Commission Action:

April 11, 2022 – To be reviewed by the Energy Utility Commission.

Additional Backup Information:

The contract is for prefabricated substation control houses and installation to be ordered on an as needed basis. These control houses provide a weatherproof and controlled environment to protect vital utility equipment, such as relays, communication equipment, and batteries. This equipment is necessary for safely and reliably operating and managing Austin Energy's transmission and distribution system.

An evaluation team with expertise in this area evaluated the offers and scored Crown Texas Inc. as the best to provide these goods and services based on relevant company experience, program concept and strategy / sample work project, price, local preference, and service-disabled veteran business enterprise.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new

contract negotiations.

Strategic Outcome(s):

Government that Works for All.

Posting Language

Authorize amendments to contracts with Pro Serv Industrial Contractors LLC and Thielsch Engineering Inc. for continued power plant and chiller maintenance services, to increase the amount by \$4,800,000 and to extend each term by seven months, for revised total contract amounts not to exceed \$21,183,000.

(Note: These contracts were awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program by meeting the goals with 2.00% MBE and 1.75% WBE participation; and 1.87% MBE and 1.64% WBE participation, respectively).

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$2,000,000 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy. Funding in the amount of \$2,800,000 is available in the Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendments.

Prior Council Action:

November 19, 2015 – Council approved the original contracts, item 74, on a 10-0 vote with Council Member Zimmerman abstained.

For More Information:

Inquiries should be directed to Julia Finn, at 512-322-6060 or Julia.Finn@austintexas.gov.

Council Committee, Boards and Commission Action:

April 11, 2022 - To be reviewed by the Electric Utility Commission.

Additional Backup Information:

The proposed amendments will provide Austin Energy additional funding for continued specialized maintenance and repair services at Sand Hill Energy Center, Decker Creek Power Station, and District Energy Cooling locations. The services provided by these contracts allow Austin Energy to maintain operations critical for grid stabilization during extreme weather. The additional funding also supports required winterization of four electric heaters as well as time to establish replacement contracts.

The original authorization request was based on anticipated need for locations in service over six years. Three District Cooling Plants have opened since the original authorization in November 2015 resulting in the need for increased funding.

Contract Detail:

Contract Term	Length of Term	Current Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	2 yrs.	\$ 5,400,000		\$ 5,400,000
Contract Amendment		\$ 58,000		\$ 58,000
Contract Amendment		\$ 59,000		\$ 59,000
Extension Option 1	2 yrs.	\$ 5,400,000		\$ 5,400,000
Extension Option 2	2 yrs., 4 mos.	\$ 5,400,000		\$ 5,400,000
Contract Amendment		\$ 66,000		\$ 66,000
Proposed Amendment	7 mos.		\$4,800,000	\$ 4,800,000
TOTAL	6 yrs. 11 mos.	\$16,383,000	\$4,800,000	\$21,183,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Government that Works for All.