



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 6  
AGENDA DATE: Thu 05/27/2004  
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**SUBJECT:** Approve a resolution authorizing Austin Energy's Solar Photovoltaic Rebate Incentive Program and associated rebate limits and rebate caps for residential and commercial customers.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$933,000 is included in the Fiscal Year 2003-2004 Amended Operating Budget of the Austin Energy Conservation Rebates and Incentives Fund.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Austin Energy  
**DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:** Juan Garza

**FOR MORE INFORMATION CONTACT:** Roger Duncan, VP, Governmental Relations, Energy & Environmental Policy/ 322-6157

**PRIOR COUNCIL ACTION:** Ordinance No. 040325-2 Amending the Fiscal Year 2003-2004 Austin Energy Operating Budget of Ordinance No. 030909-01 to Fund the First Two Years of the Holly Power Plant Decommissioning Costs and to Implement the Austin Energy Strategic Plan Approved by City Council on December 4, 2003.

**BOARD AND COMMISSION ACTION:** Recommended by the Electric Utility Commission and the Resource Management Commission.

**PURCHASING:** N/A

**MBE / WBE:** N/A

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The attached Resolution authorizes Austin Energy's Solar Photovoltaic Rebate Incentive Program and the associated rebates and rebate caps. It recognizes Austin Energy's desire to develop and implement the solar photovoltaic rebate incentive program in order to encourage its customers to purchase and install grid-connected solar energy systems. The Resolution recognizes that through adopting the Resolution, the Austin City Council desires that Austin become a participant in the solar energy market and that it remain a leader in the development and use of clean, renewable energy.

The rebate incentives approved by the resolution are \$5.00 per watt for photovoltaic systems made outside of Austin and \$6.25 per watt for photovoltaic systems that are manufactured or assembled (excluding installation) locally within the City of Austin's electric service area. Rebates for residential customers are limited to eighty per cent of installed cost or \$15,000 per recipient, whichever is less. Rebates for commercial customers are limited to eighty per cent of installed cost, or \$100,000, whichever is less. Austin Energy will seek City Council approval for those commercial rebate amounts that require such approval under the limits established in the City Charter.

Later this year, Austin Energy will initiate a Value of Solar Energy Study. The study will assess and quantify the value of solar energy for Austin Energy's electric system and its customers. Upon completion of the study, Austin Energy will reassess the rebate levels and net metering approach and



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payment under the Rebate Incentive Program. Under a separate initiative, Austin Energy will address the eligibility requirements for the \$6.25 rebate incentive for photovoltaic systems that are manufactured or assemble locally and will return to City Council for approval of those eligibility requirements.

The Austin Energy fiscal year 2003-2004 budget includes a council approved amount of \$933,000 for solar photovoltaic rebates (See Ordinance No. 040325-2).



**Electric Utility Commission**  
April 19, 2004  
Meeting

Approve a resolution authorizing Austin Energy's Solar Photovoltaic Rebate Incentive Program and associated rebate limits and rebate caps for residential and commercial customers.

Motion by: Skeith

Seconded by: LeGette

Ayes: Carr, Fath, LeGette, Owens, Sarma, Shaw, and Skeith

Nays: NONE

Abstaining: NONE

Off the dais: NONE

Absent: Fernandez

The motion passed on a 7 – 0 vote.

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**RESOLUTION NO. 04** \_\_\_\_\_

**WHEREAS**, the City of Austin, Texas, a Texas home rule municipality, owns and operates a municipal electric utility, doing business as Austin Energy; and

**WHEREAS**, on August 28, 2003 the Austin City Council, as the governing body of Austin Energy, adopted Resolution No. 030828-38 recognizing that through tangible support of clean energy Austin Energy can play a strategic economic development role by helping create new jobs in Austin; and resolving to have Austin Energy develop and incorporate strategies in its Strategic Plan that will ensure Austin remains a national and international leader in the development and use of clean energy; and

**WHEREAS**, on December 4, 2003, Austin Energy incorporated into its *Strategic Plan* initiatives in response to City Council direction related to clean energy and the environment, including a strong commitment to use solar energy; and

**WHEREAS**, Austin Energy as part of its commitment to solar energy, desires to develop and implement a solar photovoltaic (PV) rebate incentive

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program that will encourage its customers to purchase and install grid-connected solar energy systems; that will encourage the development of the local solar energy industry and the solar energy industry on a national and international level; and that will ensure that Austin remains a local, national and international leader in the development and use of clean, renewable energy; and

**WHEREAS**, effective September 1, 1989, Section 380.001 was added to the Local government Code, which the legislature enacted pursuant to article III, section 51-a of the Texas Constitution, to authorize municipalities to offer a range of incentives designed to promote state or local economic development; and

**WHEREAS**, through adoption of this resolution the Austin City Council desires that Austin become a participant in the solar energy market and that it remain a leader in the development and use of clean, renewable energy; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The Austin City Council hereby finds that a solar photovoltaic rebate incentive program serves a public purpose and will benefit the citizens of Austin and the customers and ratepayers of Austin Energy by promoting the use of the environmentally-friendly and energy efficient renewable energy resource of solar

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energy; by promoting economic development in Austin for the successful development, recruitment and retention of clean, renewable energy enterprises; and by ensuring that Austin remains a local, national, and international leader in the development and use of clean, renewable energy.

The Austin City Council hereby approves Austin Energy's Solar Photovoltaic Rebate Incentive Program.

In addition, the Austin City Council delegates to the City Manager or her designee the authority to implement and oversee compliance with the program; furthermore, the Austin City Council delegates to the City Manager or her designee the authority to enter into agreements as may be necessary and to make rebates to electric utility customers under the program; furthermore, the Austin City Council authorizes rebates of \$5.00 per watt for photovoltaic made outside of Austin's electric service area and \$6.25 per watt for photovoltaic manufactured or assembled (excluding installation) locally within City of Austin's electric service area, with a residential customer rebate cap per recipient of eighty per cent of installed cost or \$15,000, whichever is less, and a commercial customer rebate cap of eighty per cent of installed cost or \$100,000, whichever is less.

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**ADOPTED:** \_\_\_\_\_, 2004

**ATTEST:** \_\_\_\_\_

Shirley A. Brown  
City Clerk