

AUSTIN CITY COUNCIL

AGENDA



Thursday, August 24, 2006

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Austin Energy RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 2

Subject: Approve issuance of a rebate in the amount of \$52,246.92 to FREESCALE SEMICONDUCTOR, Austin, TX, for the installation of high efficiency custom energy technologies at their location at 6501 West William Cannon Drive.

Amount and Source of Funding: Funding in the amount of \$52,246.92 is available in the Fiscal Year 2005-2006 Amended Operating Budget of the Conservation Rebates and Incentive Fund of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material

(click to open)

[RMC Recommendation](#)

For More Information: Fred Yebra, Director, Demand-Side Management / 482-5305; Jerrel Gustafson, Manager, Energy Services / 482-5387.

Boards and Commission Action: Recommended by the Resource Management Commission.

Austin Energy requests authorization to issue a rebate in the amount of \$52,246.92 for the installation of high efficiency custom energy technologies, specifically variable frequency drives on supply pumps and fans, in accordance with the City of Austin's Commercial Rebate Program guidelines. A variable frequency drive (VFD) is an electronic device which allows pumps and fan motors to ramp up and ramp down based on the load/need of the equipment it serves. The Commercial Rebate Program is one element of Austin Energy's comprehensive Energy Resource Plan approved in December 2003 by the Austin City Council.

The energy efficient equipment was installed at Freescale's facility located at 6501 W. William Cannon Drive. The demand (kW) savings associated with this project is estimated at 215.99kW at a program cost of \$242.00 per kW. The variable frequency drives installed as part of this energy efficiency project are estimated to provide yearly energy (kWh) savings of 1,893,348 kWh.

The City will not exceed the rebate offer of \$52,246.92 should the final installed measures be eligible for a higher rebate at the time of the final inspection due to changes in quantity or efficiency of equipment.



Resource Management Commission
RESOLUTION
Request for Rebate, Freescale Semiconductor
July 18, 2006
Vote: 5-0-0-2-0

Motion by: R. Amato

Second by: A. Donoho

For: K. Strnad, A. Martinez, J. Hoffner

Against: 0

Abstain: 0

Absent: G. Hsieh, C. Barron, J. Beckage, D. Venhuizen

Vacant: 0

Motion: Passed

The Resource Management Commission supports the City's Commercial Energy Efficiency Programs and recommends that the City Council approve a rebate in the amount of \$52,246.92 for the installation of Variable Frequency Drives on chilled water pumps and cooling tower fans for Freescale Semiconductor located at 6501 W. William Cannon Blvd. in Austin, Texas. The Variable Frequency Drive installation, which meets all Austin Energy program requirements, places VFD units on production and general cooling related fans and pumps. This project saves 215.99 peak kW in this manufacturing plant at a program cost of \$242.00 per kW saved.

These energy efficiency improvements will save an estimated 1,893,348 kWh per year. These savings are equivalent to an estimated 2,115,298 vehicle miles traveled, the removal of 264 cars from our roadways, or the planting of 41,309 trees or 2,065 acres of forest in Austin's parks.

The Commercial Energy Efficiency programs are elements of Austin Energy's comprehensive effort to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption. Within currently approved budget finding levels for commercial conservation rebates, this effort will provide Austin Energy with a constructive market transformation opportunity while adding a value-added service to encourage customer retention. Funds for this rebate will come from the existing commercial rebate budget; therefore there is no anticipated fiscal impact.


Approved, Adam Martinez, Chair

July 18, 2006