

RESOLUTION NO. 20100204-003

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

WHEREAS, on May 27, 2004, the Austin City Council adopted Resolution No. 040527-06, approving a solar photovoltaic rebate incentive program to encourage the installation of solar resources by Austin Energy customers; and

WHEREAS, since adoption of the solar rebate program, Austin Energy has issued \$13,752,191 in rebates to residential customers and \$5,753,643 in rebates to commercial customers, resulting in the installation of 4 MW of solar capacity in the Austin Energy service territory; and

WHEREAS, the City Council desires that Austin Energy continue the development and implementation of solar photovoltaic incentive programs that encourage its customers to purchase and install grid-connected solar energy systems; that encourage the development of the local solar energy industry and the solar energy industry on a national and international level; and that ensure that Austin remains a local, national and international leader in the development and use of clean, renewable energy; **NOW THEREFORE**,

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

1. That the Austin City Council finds that a solar photovoltaic incentive program will serve a public purpose, and will benefit the general welfare of the citizens of Austin and the ratepayers of Austin Energy, by promoting the use of cost-free and non-emitting solar energy; by offsetting the need for the construction of additional fossil-fuel peak-load generating capacity; by promoting economic development in Austin under Chapter 380 of the Texas Local Government Code by encouraging the successful development, recruitment and retention of clean, renewable energy businesses and enterprises; and by ensuring that Austin remains a local, national, and international leader in the development and use of clean, renewable energy.
2. That the City Manager is authorized to design, implement, and administer a solar photovoltaic incentive program for Austin Energy residential customers having the following criteria:
 - a. The program shall provide upfront rebates that offset a portion of the customer's purchase and installation costs on a dollar-per-kilowatt of installed capacity basis (alternating current), with the rebate level to be determined by staff in accordance with market and budget considerations so as to optimize the use of rebate funds and maximize the amount of installed solar capacity per rebate dollar.
 - b. The rebate shall not exceed eighty percent of the customer's installed cost per residential meter, or such lesser level as may

be determined by staff. Staff may also establish an aggregate lifetime cap on rebates per customer. The rebate level may set be higher for systems

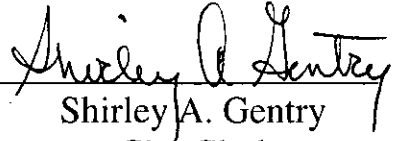
- i. manufactured or assembled (excluding installation) within the City of Austin or Austin Energy's service territory, or
 - ii. installed on low income properties.
- c. Developers of residential properties shall be eligible for a rebate for each residential home or unit constructed, subject to the same per-meter cap stated above.

- 3. That the City Manager is authorized to design, implement, and administer a solar photovoltaic incentive program for Austin Energy commercial and multi-family customers having the following criteria:
 - a. The program shall pay a fixed performance-based incentive (PBI) to the customer over a ten-year period on the basis of kilowatt-hours of solar energy produced. The PBI level may be higher for systems manufactured or assembled (excluding installation) within the City of Austin or Austin Energy's service territory. The PBI shall be determined by staff in accordance with market and budget considerations so as to optimize the use of rebate funds and maximize the amount of installed solar capacity per incentive dollar.
 - b. The program shall be designed to result in the installation of five megawatts of installed solar capacity within five years.

Unless extended by Council, the program shall be closed to new customer applications after such time.

- c. The maximum capacity for eligible systems shall not exceed the amount eligible for net metering under the Distributed Generation from Renewable Sources Rider contained in the City Electric Rate Schedule.
4. The rebate amount for residential customers and the PBI amount for commercial customers will be determined by the City Manager at the beginning of each program year and re-evaluated every four months in consultation with industry and community stakeholders to ensure predictability and market appropriateness. The rebate and PBI levels are to decrease over the life of the program.
5. The City shall require a customer who receives rebate or incentive funds to assign to the City all Renewable Energy Credits and other environmental credits, benefits, or offsets (other than tax benefits) associated with or derived from solar energy produced by systems having received rebates or PBIs under these program.
6. The City Manager shall provide updates concerning these programs to the Electric Utility Commission and the Resource Management Commission not less than semi-annually.

7. This resolution supersedes and replaces Resolution No. 040527-06.

ADOPTED: February 4, 2010 **ATTEST:** 
Shirley A. Gentry
City Clerk