

A G E N D A



Recommendation for Council Action

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| Austin City Council | | Item ID | 38333 | Agenda Number | 8. |
| Meeting Date: | 12/11/2014 | | Department: | Austin Energy | |
| Subject | | | | | |
| Approve an ordinance amending the Fiscal Year 2014-2015 Austin Energy Operating Budget Enterprise Fund (Ordinance No. 20140908-001) to appropriate \$5,015,000 from the Better Buildings Grant Fund to continue the Better Buildings Program, including two temporary positions for continued implementation of the program, beyond the conclusion of the grant period. | | | | | |
| Amount and Source of Funding | | | | | |
| Funding in the amount of \$5,015,000 is available in the Fiscal Year 2014-2015 Austin Energy Operating Budget Better Buildings Grant Fund. | | | | | |
| Fiscal Note | | | | | |
| A fiscal note is attached. | | | | | |
| Purchasing Language: | | | | | |
| Prior Council Action: | September 8, 2014 - Approved the Fiscal Year 2014-2015 Austin Energy Operating Budget of Ordinance No. 20140908-001; April 7, 2011 - Approved escrow agreement and contract with Velocity Credit Union; May 27, 2010 - Approved Ordinance No. 20100527-002, accepting \$10,000,000 in grant funds from the DOE and amending the budget. | | | | |
| For More Information: | Jeff Vice, Director, Local Government Issues (512) 322-6450; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138. | | | | |
| Boards and Commission Action: | November 17, 2014 – Unanimously approved by the Electric Utility Commission. November 18, 2014 – Approved by the Resource Management Commission on a vote of 6-0 with Commissioner Krishna absent. | | | | |
| MBE / WBE: | | | | | |
| Related Items: | | | | | |

Additional Backup Information

In 2010, the U.S. Department of Energy (DOE) awarded the City of Austin (Austin Energy) \$10,000,000 in American Recovery and Reinvestment Act (ARRA) competitive grant funds to design, develop and implement an ARRA "Retrofit Ramp-Up Program." The purpose of the program was to create jobs and accelerate the number of residential and commercial comprehensive building retrofits in the Austin Energy service area by providing enhanced marketing and outreach and a new financing option to complement existing energy efficiency and solar programs.

Austin Energy successfully designed, developed and implemented a Retrofit Ramp-Up Grant Program by establishing the "Better Buildings Grant Fund" which featured financing products for the next generation of energy-efficiency lending programs in Austin. Of the original award, Austin Energy deposited \$5,015,000 into an account with its financial partner Velocity Credit Union. These deposited funds were used for low interest loans to Austin Energy customers who made energy efficiency improvements to their homes through the Home Performance with

ENERGY STAR® (HPwES) program. The HPwES is a whole-house approach to energy efficiency with improvements that could include: a new central air conditioning or heat pump system, replacement of window units with a central air or heat system, adding attic insulation, repair of leaking ducts, installing Low-E windows and/or a radiant barrier.

The program was advertised by Austin Energy and Velocity Credit Union as “The Best Offer Ever” and it successfully funded \$5,600,000 worth of energy efficiency loans to over 600 qualifying applicants in Austin Energy’s service area. It assisted customers in overcoming cost barriers to make improvements that would make their homes more energy efficient and comfortable. Continuing the program will support long-range planning that includes 800 MW of peak demand savings by 2020.

Council authorization will allow Austin Energy to move funds from its Better Buildings Grant Fund to its Enterprise Fund to continue this highly successful program by promoting, developing and offering similar financing mechanisms, including a lower credit score threshold for customers.