

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	64072	Agenda Number	4.
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Meeting Date:	11/3/2016	Department:	Austin Energy
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Subject

Authorize negotiation and execution of a 12-month agreement with THE UNIVERSITY OF TEXAS, through its Austin Technology Incubator, for mutual assistance in the clean energy field, in the amount of \$195,000, with one 12-month extension option in the amount of \$195,000, for a total amount not to exceed \$390,000.

Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
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Prior Council Action:	
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For More Information:	Jeff Vice, Director, Local Government Issues (512) 322-6087; Karl Popham, Manager, Electric Vehicles & Emerging Technologies (512) 322-6005.
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Council Committee, Boards and Commission Action:	October 17, 2016 – Recommended by the Electric Utility Commission on a 6-0-2 vote with Commissioners Biedrzycki and Stout abstaining, Commissioners Mahmood and Roa absent and one vacancy. October 18, 2016 – Recommended on consent by the Resource Management Commission on a 6-0 vote with Commissioners Gill, Madison and White off the dais, Commissioner Saum absent and one vacancy.
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

The Austin Technology Incubator (ATI) at The University of Texas at Austin is well situated to help Austin Energy achieve its clean energy strategic goals and to assist Austin Energy in formulating a strategy to move Austin forward towards becoming the nation’s clean energy capital. Austin Energy intends to assist ATI in its mutually-beneficial clean energy goals by providing financial support to quantify and track the clean technology economic impact, support energy leadership via a fellowship program, support electric vehicle technology, and to help expand the role of Austin as the global headquarters of choice for clean energy thought leadership and investment.

This will be the seventh agreement between ATI and Austin Energy, with the original agreement dating back to Fiscal Year 2008. Austin Energy and the City of Austin receive direct assistance from ATI in the development of local companies in the clean energy space and the identification of candidates for beta testing and pilot projects within the emerging technology space. In addition, ATI is a leading voice in the community discussion around clean technologies, as evidenced by their being a partner with Austin Energy in Texas’ premier clean energy venture funding event—currently a featured element at the South By Southwest Eco conference. This Startup Showcase is an event

that brings together promising early stage companies in the clean energy space with potential funders.

Specific ATI success metrics during the program to date are summarized below.

About ATI: The Austin Technology Incubator, the startup incubator of The University of Texas at Austin, is the longest-established venture incubator in the nation. ATI works with both university-derived and non-university-derived startups, preparing them to compete in the capital markets. ATI is among the most successful incubators in the nation. In October 2015, it was selected by the Kauffman Foundation as one of eight “best in class” startup support programs (out of more than 300). Over the past seven years that the current team and model have been in place, roughly 90% of ATI companies have received investment, totaling almost \$900 million dollars. (Over the same time period, ATI companies have accumulated total book value of \$1.5-2 billion.) ATI alumni have contributed almost \$1 billion and over 6,500 jobs to Central Texas; each public dollar invested in ATI has yielded \$66 of economic activity.

ATI Clean Energy Incubator: ATI’s Energy & Cleantech program is also a national leader, recognized by the U.S. Department of Energy as one of the three “best practices” energy/cleantech incubators. ATI is a node in the DOE’s National Incubator Initiative for Clean Energy, presently known as Incubatenergy. ATI also coordinates the Southwest Regional Clean Energy Incubation Initiative, a network of clean energy and water incubators across the state of Texas, all of which are university-based. Over the past two years, companies in the network have raised \$12.4 million in outside investor capital and \$7.1 million in revenue. Since 2007, ATI’s Energy & Cleantech companies have raised more than \$300 million in investor capital (including one IPO and a number of acquisitions). These companies have generated more than \$150 million in economic impact.

ATI/Austin Energy Partnership: The ATI/Austin Energy partnership is a nationally distinctive model that delivers significant value to startup companies in Austin. In particular, the Austin Energy Beta-Test program is a best practice developed by Austin Energy in collaboration with ATI-CEI. Through this program, Austin Energy provides expertise, test access, and translational funding to vetted clean energy technology solutions that could impact Austin Energy. To date, 16 grants have been awarded to ATI companies in the Clean Energy Incubator (CEI) and awardees have raised more than \$43 million in follow-on funding. Beta-grant awardees have raised an additional \$109 million in outside funding for each beta-grant dollar contributed and created over 105 direct jobs to-date.

Starting in 2016, Austin Energy’s partnership will also allow ATI to expand its capacity to include a dedicated Transportation/Mobility incubator. The ATI-Transportation/Mobility incubator will:

- Promote innovative solutions to clean, electric vehicle-related technology;
- Identify and vet transportation/mobility technology companies sourced through ATI’s local, regional, national, and international networks of partners,
- Leverage the expertise of ATI’s 350+ member mentor network on behalf of selected companies;
- Design and deploy pilot programs with strategic partners, including Austin Energy; and
- Prepare incubated companies for success in the capital markets (“get them funded”).