



Recommendation for Action

File #: 19-1633, **Agenda Item #:** 2.

4/25/2019

Posting Language

Authorize execution of an agreement with Accesso Services LLC (DBA BRI 1969 Parmer LLC), to provide performance-based incentives for the generation of solar energy at its office park at 7700 W. Parmer Ln., for an estimated \$142,790 per year, for a total amount not to exceed \$1,427,900 over a 10-year period.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy.

For More Information:

Jeff Vice, Director, Local Government Issues (512) 322-6087; Tim Harvey, Solar Program Manager (512) 482-5386.

Council Committee, Boards and Commission Action:

April 8, 2019 - Recommended unanimously by the Electric Utility Commission on a 9-0 vote, with Commissioners Hopkins and Wray absent. April 16, 2019 - To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests authorization to enter into an agreement with Accesso Services LLC, DBA BRI 1969 Parmer LLC, to provide performance-based incentives (PBI) in an amount not to exceed \$1,427,900 over 10 years for the generation of solar energy at its facilities located at 7700 W. Parmer Lane, in Council District 6. The project comprises solar installations at four buildings at the office park (Buildings A, B, C, and D).

The total installation cost is \$4,059,869.40 and the incentive will cover up to 35% of the cost. The PBI levels for this project are at \$0.03 or \$0.04 per kilowatt hour (kWh) for 10 years. (The PBI levels differ based on system sizes according to PBI program guidelines and the ramp-down schedule.) The solar equipment, which meets Austin Energy's program requirements, includes a total of 6,750 solar modules rated at 360 watts. The combined solar installations will have a total capacity of 2,016.90 kW-AC.

Austin Energy's solar program helps meet the community's solar goal of 950 megawatts (MW) by 2025, including 200 MW of local solar capacity, established in the updated Resource, Generation and Climate Protection Plan approved by City Council in August 2017. The solar program is designed to reduce the amount of electricity Austin Energy must purchase from the market and reduce associated greenhouse gas emissions.

The new energy improvements covered by this agreement will together generate an estimated 3,443,922 kWh per year- enough to power 305 average Austin homes for a year. This project is estimated to prevent the production of the following emissions each year: 2,280 tons of Carbon Dioxide (CO₂); 2,874 pounds of Sulfur Dioxide (SO₂); 3,178 pounds of Nitrogen Oxide (NO_x); and 2,209 pounds of Carbon Monoxide (CO). These emissions reductions are equivalent to planting 53,127 trees or 2,656 acres of forest in Austin's parks or the removal of 4,643,036.

The Austin City Council launched Austin Energy's original solar photovoltaic (PV) rebate incentive program in 2004 (Resolution No. 040527-06) to benefit Austin residents and utility customers by: promoting the use of an environmentally-friendly and energy efficient renewable energy resource; promoting economic development for the development, recruitment and retention of renewable energy enterprises; and ensuring that Austin remains a local, national and international leader in the development and use of renewable energy.

In 2010, City Council approved Resolution No. 20100204-003, which revised Austin Energy's solar program for commercial customers by replacing the upfront rebate with "performance-based" payments. The PBI solar program offers commercial customers payments based on the metered solar production of their approved PV system for the first 10 years of operation. Payments are made as a monthly billing adjustment to the customers' electric account.