



Recommendation for Action

File #: 20-2972, **Agenda Item #:** 2.

9/17/2020

Posting Language

Authorize issuance of energy efficiency program rebates by Austin Energy during Fiscal Year 2020-21, in an amount not to exceed \$2,700,000 for multifamily energy efficiency rebates and \$3,350,000 for commercial and small business energy efficiency rebates, for a total combined amount not to exceed \$6,050,000.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Fiscal Year 2020-2021 Operating Budget of Austin Energy.

For More Information:

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Council Committee, Boards and Commission Action:

September 14, 2020 - To be reviewed by the Electric Utility Commission.

September 15, 2020 - To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy's energy efficiency rebate programs provide customer incentives to reduce energy demand and associated costs, benefiting all electric utility customers and the utility. This authorization will allow Austin Energy to issue rebates to multifamily, commercial and small business customers during Fiscal Year 2020-2021 (FY21) for energy efficiency improvements in accordance with program guidelines and up to a combined amount of \$6,050,000.

The aggregate rebate approval request approved in FY20 reflects a continued commitment to be responsive and flexible to customer needs by reducing the wait time needed to be reimbursed for energy efficiency upgrades. Based on recent experience and input received from customers and contractors, the prior lengthy process and uncertainty caused many prospective applicants to not participate in Austin Energy's rebate programs. The benefits of this effort really came to fruition in the Multifamily program, which provides rebates for both market-rate and income-qualified properties. Despite interruptions caused by COVID-19, program and contractor participation have increased significantly in FY20-a projected 5,300 unique tenant units will be upgraded (2,300 completed and 3,000 in process), almost double the number completed in FY19. These customers will receive an average of three upgrades per unit (e.g. smart thermostats, lighting, solar screens, HVAC tune-up, etc.), helping to reduce their energy costs during this period of economic uncertainty. The aggregate approval ensured program continuity by assuring that contractors and property managers/owners would receive rebate funding promptly which is even more important in these uncertain economic times. In FY21, Austin Energy will also revamp the Small Business Lighting Program to include additional incentives for smart thermostats, HVAC tune-up, and other technologies. This new 'Express' program concept will encourage adoption of bundled upgrades for small and medium businesses, non-profit organizations, and houses of worship. This market segment has been significantly impacted by the COVID-19 pandemic, and as such, we want to remove barriers to participation.

As per current practice, Austin Energy staff will continue to provide a monthly report that summarizes the Commercial, Small Business, and Multifamily program pipeline (including leads, active, and paid projects).

For all projects that will exceed \$61,000 in rebates, the report will also include measures installed, expected savings, and other relevant data.

Therefore, Austin Energy requests authorization to issue up to \$2,700,000 in multifamily energy efficiency rebates and \$3,350,000 in commercial and small business energy efficiency rebates during Fiscal Year 2020-2021. The combined program funding represented in this request is \$6,050,000 and is included in Austin Energy's Fiscal Year 2021 operating budget approved by Council on August 12, 2020. The annual cap will remain at \$300,000 pursuant to Resolution 20140807-006.

Strategic Outcome(s):

Government that Works for All.