



## Recommendation for Action

**File #:** 22-1538, **Agenda Item #:** 5.

4/7/2022

### **Posting Language**

Approve issuance of a capacity-based incentive to Texas Facilities Commission for the installation of solar electric systems on their facility located at 6506 Bolm Road, Unit B, Austin, TX 78721, in an amount not to exceed \$75,360.

### **Lead Department**

Austin Energy.

### **Fiscal Note**

Funding is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy.

### **For More Information:**

Richard Génécé, Vice President, Customer Energy Solutions (512) 322-6327; Tim Harvey, Solar Program Manager (512) 482-5386.

### **Council Committee, Boards and Commission Action:**

March 21, 2022 - Recommended by the Electric Utility Commission on a vote of 7-0, with Commissioners Bowen, Cardenas, Chapman and Funkhauser absent.

March 22, 2022 - Recommended by the Resource Management Commission on a vote of 8-1, with Commissioner Stone against, Commissioner Angoori absent, and one vacancy.

### **Additional Backup Information:**

Austin Energy requests approval to issue this capacity-based incentive (CBI) to Texas Facilities Commission (Customer) for the installation of solar electric system(s)\*, detailed in the table below at their facility to produce renewable energy for on-site consumption.

The table below provides a summary of the system sizes, costs, and proposed incentives:

Texas Facilities Commission - Unit B	
Number of Modules	157
Module Rating (W-DC)	480
Total System Size (kW-DC)	75.36
Total System Size (kW-AC)	62
Annual Estimated Production (kWh)	109,581
Total System Cost (\$)	\$349,390.50
Total Incentive (\$)	\$75,360

Percent of Cost Covered	21%
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\*All solar equipment meets Austin Energy program requirements

The Texas Facilities Commission disposes of salvage and surplus personal property from Texas state agencies such as DPA, TXDOT, TCEQ, and Texas Parks and Wildlife. The property is then made available for purchase to the public at a retail store front. This solar system meets 128% of the Customer's historic needs at this facility but is designed to meet future energy needs as the Customer expands operations.

According to US Energy Information Administration, based on the [state-wide electricity profile](https://www.eia.gov/electricity/state/texas/), [this system is](https://www.eia.gov/electricity/state/texas/) estimated to prevent the production of the following emissions each year: 52 tons of Carbon Dioxide (CO<sub>2</sub>); 66 pounds of Sulfur Dioxide (SO<sub>2</sub>); and 77 pounds of Nitrogen Oxide (NO<sub>x</sub>). According to the ' Environmental Protection Agency's Greenhouse Gas Equivalency [Calculator](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator), [these](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator) emissions reductions are equivalent to planting 780 trees or 58 acres of forest in Austin's parks or the removal of 118,557 vehicle miles or 10 cars from Austin roadways.

According to the updated Austin Energy Resource, Generation and Climate Protection Plan, approved by Austin City Council in March 2020, "Austin Energy will achieve a total of 375 MW of local solar capacity by the end of 2030, of which 200 MW will be customer-sited (when including both in-front-of-meter and behind-the meter installations)." In order to meet these goals, Austin Energy has funded the Solar Photovoltaic (PV) Programs, which are designed to reduce the amount of electricity Austin Energy must purchase from the market and reduce associated greenhouse gas emissions.

The purpose of the Austin Energy Solar PV CBI Program is to expand adoption of solar by nonprofit organizations by helping to offset the capital investment for customers who are unable to benefit from the federal tax credit. Under this program, customers who qualify as nonprofit entities (outlined in Section V.B.iv of the [program guidelines](https://austinenergy.com/wcm/connect/1374fb2d-6dd0-4df7-a499-72970cfdb62e/Commercial-CBI-Guidelines-2021.pdf?MOD=AJPERES&CVID=nPdPUB), <https://austinenergy.com/wcm/connect/1374fb2d-6dd0-4df7-a499-72970cfdb62e/Commercial-CBI-Guidelines-2021.pdf?MOD=AJPERES&CVID=nPdPUB>), are eligible to receive \$1.00/W-DC up to \$482,000. Per program guidelines, the installation is expected to continue producing for a minimum of 20 years or may be subject to repay the incentive at a pro-rated amount, if it stops producing for any reason short of the stated minimum.

This project will advance the stated goals of expanding locally-sited solar, carbon reduction and resiliency, extend the adoption of solar to entities historically excluded from the investment benefits of solar, and continue to demonstrate the value and importance of renewables as part of the individual and collective generation portfolio in Austin Energy territory.

#### **Strategic Outcome(s):**

Government that Works for All.