



Recommendation for Action

File #: 22-1539, **Agenda Item #:** 6.

4/7/2022

Posting Language

Approve issuance of a capacity-based incentive to Saint Stephens Episcopal School for the installation of solar electric systems on their facility located at 6500 St. Stephens Drive, Austin, TX 78746, in an amount not to exceed \$481,928.

Lead Department

Austin Energy.

Fiscal Note

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

For More Information:

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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 8-0, with Commissioner Davis abstaining, Commissioner Angoori absent, and one vacancy.

Additional Backup Information:

Austin Energy requests approval to issue this capacity-based incentive (CBI) to Saint Stephens Episcopal School (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:

Saint Stephens Episcopal School	
Number of Modules	1052
Module Rating (W-DC)	475
Total System Size (kW-DC)	500
Total System Size (kW-AC)	415
Annual Estimated Production (kWh)	755,912
Total System Cost (\$)	\$790,277
Total Incentive (\$)	\$481,928

Percent of Cost Covered	61%
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*All solar equipment meets Austin Energy program requirements

Saint Stephens Episcopal School is a private coeducational preparatory boarding and day school serving around 700 students in grades 6-12. The school maintains an 8:1 student-teacher ratio and serves children from 17 countries. This solar system will offset 23% of the Customer's historic annual energy usage.

According to US Energy Information Administration, based on the [state-wide electricity profile](https://www.eia.gov/electricity/state/texas/), [<https://www.eia.gov/electricity/state/texas/>](https://www.eia.gov/electricity/state/texas/) [<http://www.eia.gov/electricity/state/texas/>](http://www.eia.gov/electricity/state/texas/), this system is estimated to prevent the production of the following emissions each year: 355 tons of Carbon Dioxide (CO2); 453 pounds of Sulfur Dioxide (SO2); and 529 pounds of Nitrogen Oxide (NOX). According to the 'Environmental Protection Agency's Greenhouse Gas Equivalency [Calculator](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator), [<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator) [<http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>](http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator), these emissions reductions are equivalent to planting 5,325 trees or 395 acres of forest in Austin's parks or the removal of 809,377 vehicle miles or 70 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> [<https://austinenergy.com/wcm/connect/1374fb2d-6dd0-4df7-a499-%2072970cfdb62e/Commercial-CBI-Guidelines-2021.pdf?MOD=AJPERES&CVID=nPdPUB>](https://austinenergy.com/wcm/connect/1374fb2d-6dd0-4df7-a499-%2072970cfdb62e/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.