



City of Austin

Recommendation for Action

File #: 24-3956, **Agenda Item #:** 3.

2/29/2024

Posting Language

Approve issuance of a capacity-based incentive to Kensington Apartments, LLC, for the installation of solar electric systems on its facility located at 3300 Manor Road, Austin, Texas, in an amount not to exceed \$184,802.

Lead Department

Austin Energy.

Fiscal Note

Funding in the amount of \$184,802 is available in the Fiscal Year 2023-2024 Operating Budget of Austin Energy.

Prior Council Action:

For More Information:

Amy Everhart, Director Local Government Issues (512) 322-6087; Tim Harvey, Customer Renewable Solutions Manager (512) 482-5386.

Council Committee, Boards and Commission Action:

February 12, 2024 - Recommended by the Electric Utility Commission on a 8-0 vote and three vacancies.
February 20, 2024 - To be reviewed by the Resource Management Commission.

Additional Backup Information:

Austin Energy requests approval to issue this capacity-based incentive (CBI) to Kensington Apartments, LLC (the customer) for the installation of a solar electric system at their facility to produce renewable energy for on-site consumption. The table below provides a summary of the system size, cost, proposed incentive, and environmental benefits.

Solar System Details*	
Total System Size (kW-DC)	205
Total System Size (kW-AC)	170
Annual Estimated Production (kWh)	290,555
Total System Cost (\$)	\$615,000.00
Total Incentive (\$)	\$184,801.50
Percent of Cost Covered	30%
Environmental Benefits** and Emission Reduction Equivalencies***	
Reduction of Carbon Dioxide (CO ₂) in tons	130
Reduction of Sulfur Dioxide (SO ₂) in pounds	145

Reduction of Nitrogen Oxide (NOX) in pounds	203
Equivalency of Vehicle Miles Driven	302,330
Equivalency of Cars on Austin Roadways	26.2
Equivalency of Trees Planted	1,950
Equivalency of Forest Acreage Added	141

*All solar equipment meets Austin Energy program requirements

** Environmental Benefits based on the [US Energy Information Associations state-wide electricity profile](https://www.eia.gov/electricity/state/texas/)
<<https://www.eia.gov/electricity/state/texas/>>

*** According to the [Environmental Protection Agency \(EPA\)s Greenhouse Gas Equivalency Calculator](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator)
<<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>>

The Kensington Apartments, LLC consists of over 100 units, all of which are intended for those making at or below 60% of the area's median income. This proposed system is estimated to offset 43% of the interconnected meters' historic annual energy consumptions.

According to the updated Austin Energy Resource, Generation and Climate Protection Plan, approved by 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. Under this program, customers who qualify as nonprofit entities are eligible to receive \$0.90/W-DC up to \$433,800. 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.