

# Solar on City Facilities

Response to Council Resolution 20250522-052



December 2, 2025  
Climate, Water, Environment, and Parks  
Council Committee



# Agenda

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- Executive Summary
- Background and Approach
- Solar Options
- Initial Site Screening
- Request for Proposals
- Schedule and Next Steps

# Resolution

## 20250522-052



- Conduct an analysis of City property and make recommendations for the areas that would **maximize the installation of solar generation**, prioritizing general fund properties.
- **Annually calculate any energy cost savings or revenue generated** and utilize an equivalent amount of funding for projects that have a beneficial environmental impact.
- Evaluate opportunities for the **installation of solar capacity on properties owned or operated by other local governmental entities** within the Austin Energy load zone.
- Analyze and make recommendations for **requiring solar contractors who install City-owned solar installations to comply with the highest level of worker protections**, wage rates, benefits and utilization of Department of Labor registered apprenticeship programs and/or graduates from the Austin Infrastructure Academy.



# Collaborative Team Effort

## *Austin Climate Action and Resilience*

Project management and coordination.

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## *Austin Facilities Management*

Site screening and analysis, outreach to building-managing departments, outreach to operations staff.

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## *Austin Energy*

Subject matter expertise, electric service analysis, support for RFP development and evaluation.

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## *Finance and Procurement*

Guidance on timelines and requirements, early engagement to expedite processes.

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## *Rocky Mountain Institute*

Detailed site analysis, financial modeling, procurement strategy design.

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- We analyzed over 250 facilities for solar potential, narrowed down to ~120 feasible sites with a likely solar potential of 75 sites and 25 MW-ac.
- Financial Modeling shows a potential positive Net Present Value to the City, but once we receive bids, we will have some choices to make about ownership models, debt and risk management
- Uncertainty and changing guidance on federal tax credits has created very tight timelines for starting construction, and if they aren't secured, it's possible that none of this is financially viable.
- Planning to issue an RFP, asking respondents to propose a solar portfolio that maximizes scale, cost-effectiveness, and community benefits.

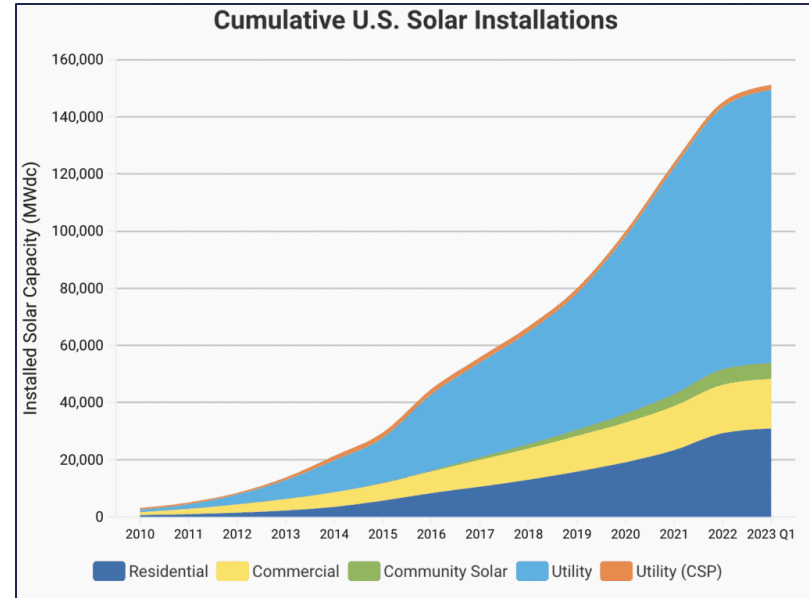
# A Changing Federal Solar Landscape

## Inflation Reduction Act (2021)

- Elective pay / direct allows cities to benefit from existing tax credits
- 30% tax credit available (+10% for domestic content)

## One Big Beautiful Bill Act (2025)

- Phases out tax credits for clean energy (including solar).
  - Projects must “commence construction” by July 4, 2026 to get tax credits.
- OR
- Projects must be placed into service before the end of 2027 to get tax credits.





## Decide and Build

Select winning proposal(s)  
and identify funding (if  
applicable)

## Build Solar ASAP to leverage tax credits

## Build O&M into the contract for long-term performance

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# There are three types of sites for municipal solar projects



Rooftop



Canopy



Ground-mounted





## City Ownership

- **Ownership:** City directly owns the solar.
- **Upfront cost:** City would need to pay upfront or finance over time. Federal tax credits will reduce costs.
- **O&M:** City could manage itself, or contract to a third party (our plan).
- **Savings:** City would save money on electricity bills.
- **Bottom Line:** Higher risk, likely greater savings, control over system.

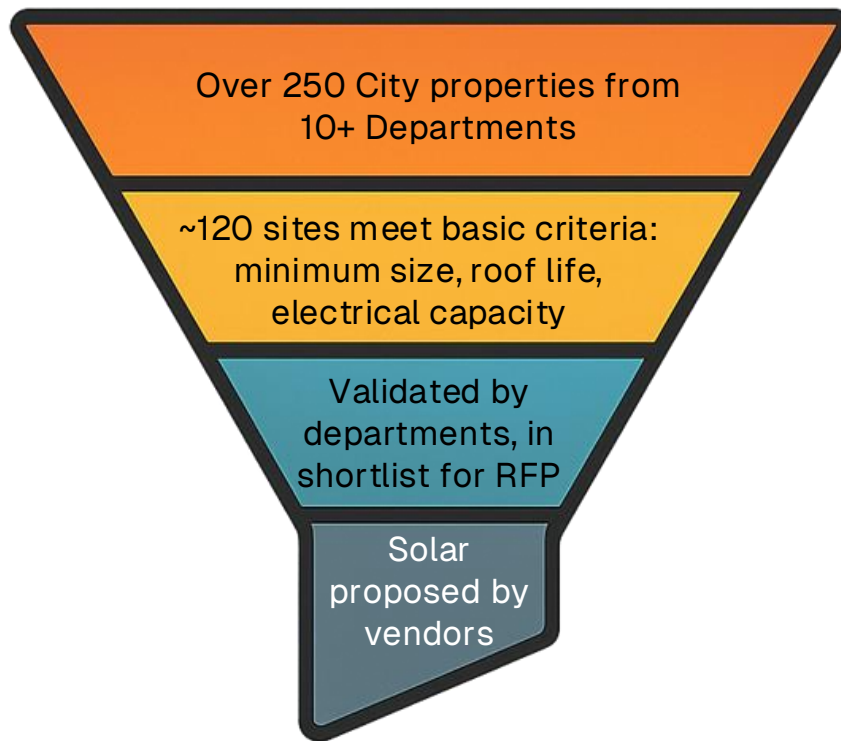
## Solar Standard Offer

- **Ownership:** Third-party owns.
- **Upfront cost:** Third party pays upfront cost.
- **O&M:** Third-party managed.
- **Savings:** No bill savings, but city would receive payments as the system host. Power purchased by AE at SSO rate, supports Community Solar Program.
- **Bottom Line:** Lower risk, likely lower savings, third-party control over system.

# Ownership Options

# Facilities Screening

**Goal:** Identify technically feasible sites to put forward, ask solar developers to propose a portfolio that maximizes scale, cost-effectiveness, and community benefits. De-risk RFP and improve bids through upfront analysis.



# Likely Solar Opportunity

Based on the theoretical maximum solar capacity of all ~120 sites, a solar portfolio that optimizes for scale, cost-effectiveness and community benefits will likely represent:



25 MW-ac



75 Sites

Rooftops and Parking Canopies

If built, this would represent:

- The power needed for **3,600 homes**
- **~13% of all customer-sited solar energy** in Austin Energy service territory
- **1.3x as much solar as Austin Energy installed in FY2025**, a record year

# Requests for Proposals



- **Two Phase RFP:** Qualifications evaluated first, then proposals and pricing.
- **Optimized portfolio:** Goal is an optimized portfolio that balances scale, cost-effectiveness, and community benefits.
- **Considering both City-Owned and Solar Standard Offer:** Accept bids as either or a combination of both.
- **Batteries can be included as an option:** Not required; this is a developing space and we don't want to limit ourselves.
- **Review Team:** Plans to include Austin Climate Action and Resilience, Austin Energy, Austin Facilities Management on review team, plus departmental asset owners.
- **Work Site Agreement:** Will include labor language agreed on by both Unions and Austin Energy.



# Schedule and Next Steps

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1

**CWEP Council Committee:** Update on our approach, process, and RFP release. (Dec 2)

2

**RFP Release:** Two-steps: qualifications + proposal, detailed site list, clear requirements. (Dec)

3

**RFP Response Analysis and Decision:** Evaluate bids, decide on approach/financial model. (Jan - Mar)

4

**City Management Approval:** Final signoff and go-ahead to City Council. (Mar - Apr)

5

**City Council Agenda:** Approval and start construction. (Apr - May)



# Thank you!

