

Renewable Energy at Austin Energy



April 22, 2014

Current Renewable Energy Goals

- Renewable Energy Goal: 35% by 2020
 - Has been mostly fulfilled with wind power purchase agreements (PPAs): 850.9 MW of wind farms operating under contract
 - New solar contract for 100-150 MW west Texas solar: \$48/MWh – projected to slightly reduce electric bills
 - 35% goal will be met by 2016
- Solar Energy Goal: 200 MW by 2020
 - At least 100 MW must be local
 - At least 50 MW must be customer controlled (residential and commercial)

Expanding Renewable Energy Goals

- Overall renewable energy goal should be expanded to 50% by 2020 and 60% by 2024
- Local Solar Advisory Committee (LSAC) appointed by City Council studied costs and benefits of solar and unanimously recommended:
 - 400 MW solar goal for 2020 (5.2-6.0% of AE electricity use – would offset projected growth in demand)
 - At least 200 MW local
 - At least 100 MW customer controlled (residential and commercial)
 - Access to solar should be expanded through new programs:
 - Expand Solar Financing
 - Community Solar
 - Solar Leasing
- 10% solar goal should be set for 2024

Investing in Local Solar Drives Local Economic Development

- LSAC report shows that investing ~\$60 million to meet a 200 MW local solar goal would yield a net of \$300 million in local economic benefits
- Almost half of all solar jobs are in installation
 - Installation jobs cannot be outsourced
 - Installers earn an average of \$23.63 per hour
- Electricians, roofers, designers, salesmen, plumbers, HVAC technicians all have needed skills for solar installation businesses.
- Over 142,000 solar jobs in the US (up 20% from 2012, compared to 1.9% job growth in all sectors)
 - Texas now home to 4,100 solar jobs (up 28% from 2012) – many in Austin and San Antonio

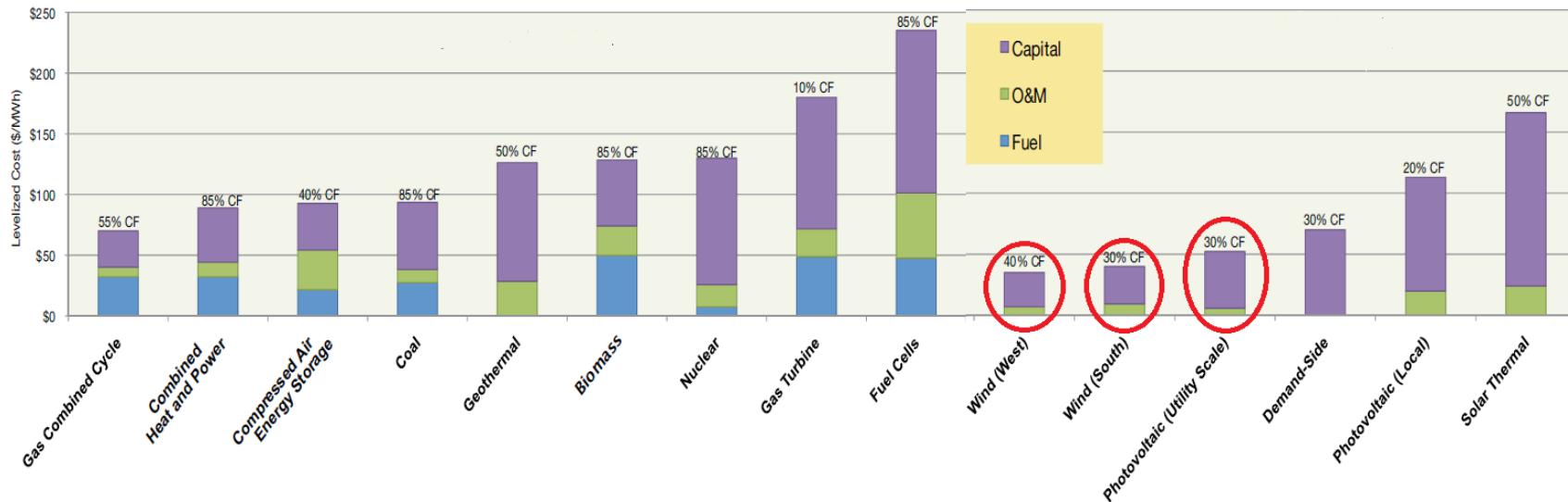
Solar Incentives

- Federal Solar Investment Tax Credit: up to 30% of cost with no upper limit
- Texas Property Tax Incentive: renewable energy 100% tax exempt
- Austin Energy
 - Residential Solar Rebate: \$1.25/installed watt
 - Commercial Performance Based Incentive (PBI): \$0.10/ kWh (10 year contracts)

Value of Solar Rate

- Value of Solar is an alternative to net metering
 - Net Metering (NEM)
 - Customers are charged nothing for energy produced and used on site
 - Customers offset energy used at night or when sun isn't out with production when they aren't using much energy
 - Energy from local solar is valued at the retail rate
 - Some utilities issue checks for excess energy produced in a given month or year (generally at the wholesale rate)
 - Value of Solar (VOS)
 - Customers pay full retail rate for all energy consumed – including energy they produce themselves
 - Customers are provided bill credits at a fixed per kWh rate for all energy produced – including what they use
 - VOS is based on value of services provided by local solar
 - VOS is adjusted annually
 - No checks are issued
 - LSAC recommended a floor

Estimated 30 Year Levelized Cost of Energy Sources



Source: Austin Energy

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