



Austin Energy Local Solar

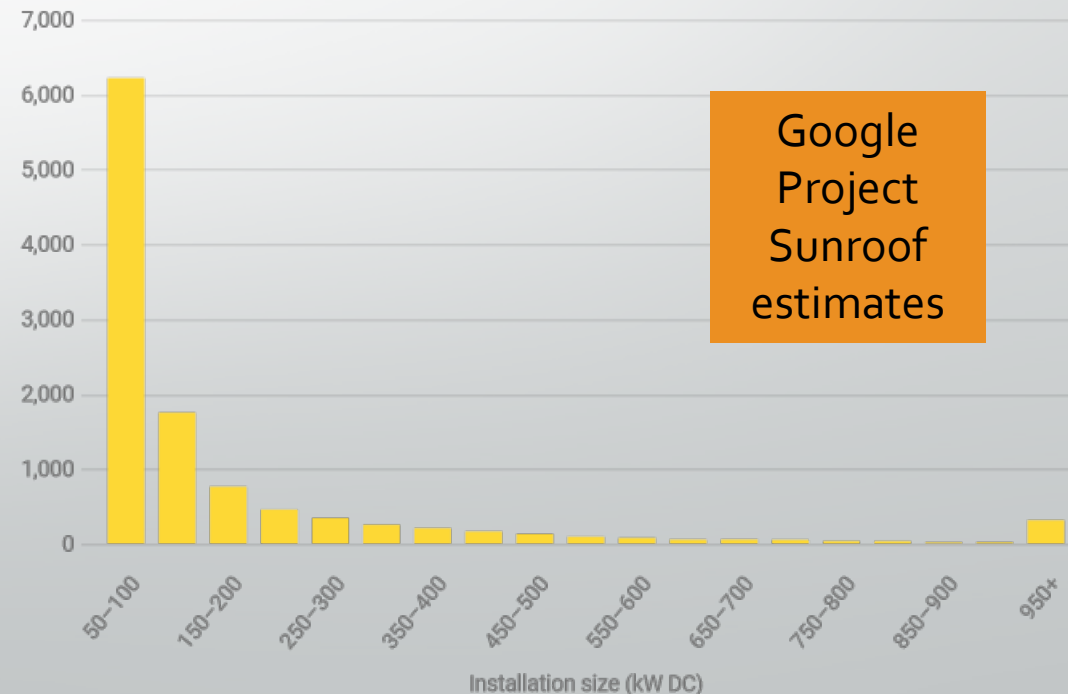
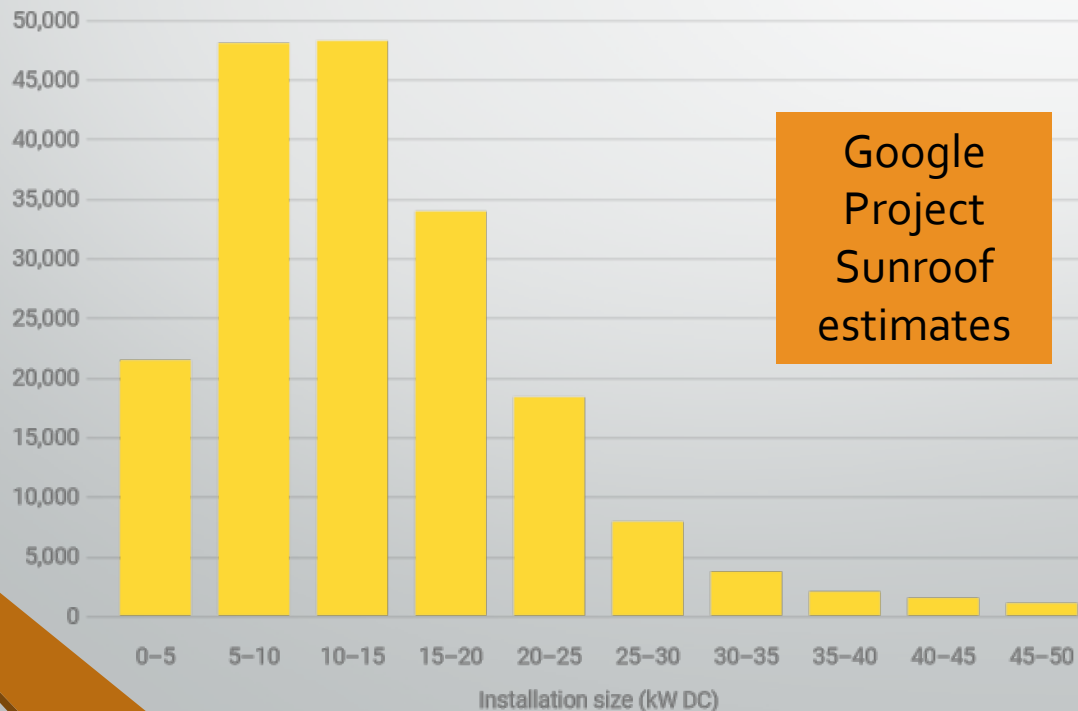
Presentation for Electric Utility Commission Resource Planning Working Group

By Jim Sanway and Kaiba White

November 7, 2023

Austin Rooftop Solar Potential

- 2016 NREL study: Texas rooftop solar potential ~62,700 MW
- 2019 Google Project Sunroof study: Texas rooftop solar potential ~125,000 MW
- 2019 Google Project Sunroof study: Austin rooftop solar potential ~4,800 MW
- NREL study more robust and results in 50% of Google Project Sunroof study
- Estimate Austin Rooftop solar potential ~2,400 MW



Austin Energy Solar Goals and Achievement

- Local Solar Goal: 375 MW, with 200 MW customer-cited by 2030
- Current AE Local Solar: 298 MW, with 120 MW customer-cited
- 2023 local solar installations, as of Aug
 - Residential: 10.55 MW installed
 - Commercial: 1.62 MW installed
- Proposed and In Progress:
 - 35 MW Solar for All grant proposal submitted by AE – for low-income single family and multifamily homes and nonprofits
 - Standard Offer for Distributed Solar under development at AE – would provide path for building rooftop solar without a cost to building owners and could therefore greatly increase the pace of rooftop solar deployment
 - RPF for installing solar on the FM 812 landfill that Austin Resource Recovery manages recently closed – solar would be on the landfill cap

Austin Energy Value of Solar Tariff

Solar System Size (AC) Per Customer Meter	VoS kWh Rate*
< 1 MW	\$0.0991
1 MW or more (ERCOT)	\$0.0724

**as of March 1st, 2023*

- The VoS bill credit applies to all energy produced, whether it is consumed on-site or sent back to the grid.
- The VoS is nontransferable and is only associated with the electric account to which it is interconnected. Excess VoS credits will roll-over and remain on the account until they can be applied. Vos credits will not be cashed out.
- The VoS cannot be combined with the Load Shifting Voltage Discount Rider, though Customer still saves on demand reductions
- VoS is recovered through the PSA, not the CBC.
- The VoS rate will be assessed on an annual basis. Rate changes will be implemented no less than every 3 years.

AE Residential Solar Incentives

Program	Incentive	Details
Residential	\$2,500	Min 3 kW-DC system
Multifamily	60¢/watt	Capped at \$2,500/unit
Nonprofit Multifamily	\$1/watt	Capped at \$2,500/unit

- Residential customers must complete AE solar education to qualify for rebate.
- Rebate is paid to contractor, so customer never pays that amount
- Customers must use an Austin Energy Participating Contractor to qualify for incentive offerings - austinenergy.com/go/solarcontractors

Austin Energy Commercial Solar Incentives

	Capacity-Based Incentive (CBI)		Performance-Based Incentive (PBI)		
Payment Method	One-time check		On-bill credits or check to customer (upon request)		
Payment Calculation	System Size (W-DC) x Rebate Level		Monthly Production (kWh) x Rebate Level		
Duration	N/A		Five years		
Rebate Category	Nonprofits	Small	Small - Medium	Large	Extra Large
System Size (kW-AC)	<400	<75	<75	400-999	>1000
Rebate Level	90¢/W-DC	55¢/W-DC	9¢ per kWh	7¢ per kWh	5¢ per kWh

- Eligible nonprofit and commercial customers who install a solar system smaller than 75 kW may choose to receive a PBI or a CBI
- The CBI payment amount caps at \$433,800
- Customers must use an Austin Energy Participating Contractor to qualify for incentive offerings - austinenergy.com/go/solarcontractors
- Leased systems are not eligible to receive an incentive – unless lease is only for equipment with no energy production guarantee

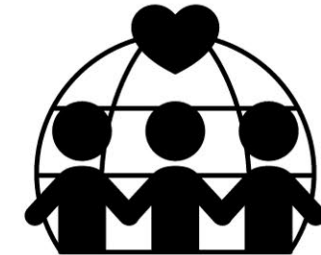
AE Shared Solar and Community Solar

- **Shared Solar** – billing system feature that allows Value of Solar credits from a single solar installation at a multifamily property to be divided among multiple units and applied as credits to those residents' bills
- **Community Solar** – subscription program that supports development of local solar installations by replacing the Power Supply Adjustment (PSA) fee with a Community Solar Adjustment (CSA) charge
 - Covers 100% of energy usage
 - CSA is fixed in until Oct 2033
 - Only available to residential customers
 - 50% of program allocated to low-income customers at a discounted rate that ensures no bill increase
 - ~4.5 MW capacity from 3 installations: Palmer Event Center, La Loma solar farm, and airport parking
 - Fully subscribed – market rate sells out quickly with each new addition



IN DEVELOPMENT: AE Standard Offer for Distributed Solar

Community Solar subscribers pay Austin Energy to receive energy from local solar installations.



Community Solar Subscribers

Austin Energy

Austin Energy pays solar developers a fixed rate for energy produced from local distributed solar installations through a power purchase agreement.



Solar Developers

Building owners pay nothing to install or maintain solar systems. The occupants pay their Austin Energy electric bill as normal. No Value of Solar credits are issued on bills.

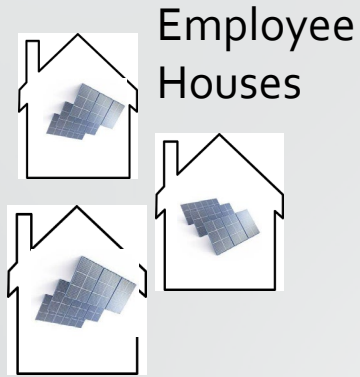


Building Owners / Solar Hosts

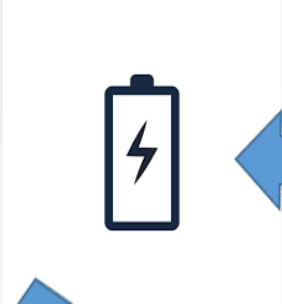
Solar developers pay building owners / solar hosts a fee to rent roof space. The developers then pay to build and maintain distributed solar systems.

Challenges with Value of Solar for Large Commercial and Industrial Customers

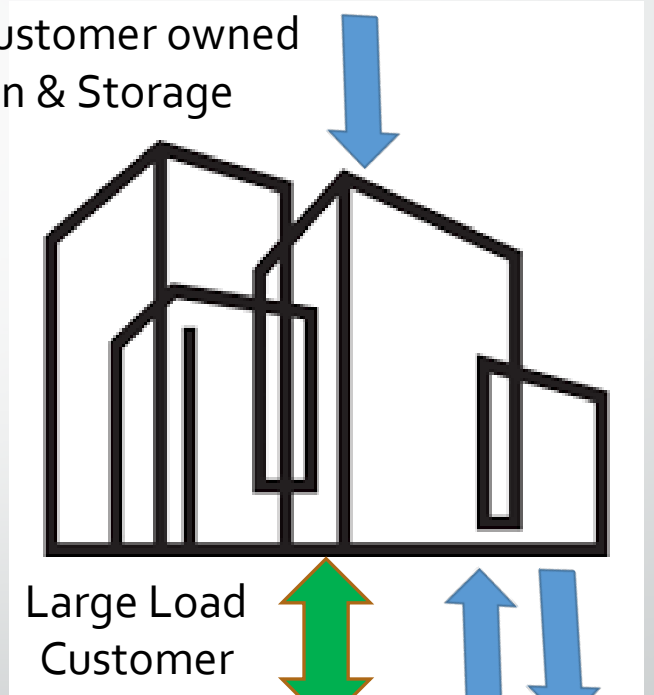
- Value is changed every 3 years, not allowing defined cash flows
- RECs are retained by AE (thus, a customer cannot claim they use RE)
- The value is set by looking at previous AE procurement costs and not forward expectations
- PPA's and lease arrangements are prohibited
- Solar installations cannot be used to hedge power costs
- No storage value



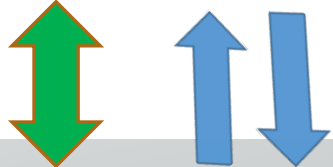
Employee Houses



Large Load customer owned Generation & Storage



Large Load Customer



Employee & Fleet EVs

- Customer funded Capital Expenses
- Maximizes Asset utilization (Empty homes/empty cars)
- Transaction costs reduced (Employee Marketing)

Green square: Money
Blue square: Power

