

Austin Energy Proposing Reduction in Local Solar Budget

Austin Energy has proposed a \$2 million reduction to its solar incentive budget for FY 20. While a reduction in the solar incentive budget was envisioned in the Austin Energy Resource, Generation and Climate Protection Plan, there are several reasons that this change isn't prudent.

First, Council just voted to declare a climate emergency. Local solar is one important solution to the climate crisis and reducing the budget for any of our climate solutions makes no sense in the face of this emergency. Not only does local solar produce energy with zero emissions, it creates local jobs, avoids using more land, and provides valuable local generation. Austin Energy has repeatedly advocated for local generation because producing energy locally reduces the price they pay for the energy we use here.

Second, in the Resource Plan, Austin Energy committed to spend \$7.5 million on solar incentives for FY 18 and 19. In FY 18, \$1.6 million was left unspent. And this year, an estimated \$2 million will be unspent (on incentives). This is not because there are limited opportunities. According to [Google's Project Sunroof](#), Austin has about 189,000 buildings that are suitable for solar, for a total of 4.7 gigawatts of rooftop solar potential. Yes, it would be less once old buildings and old roofs are eliminated, but compared to the approximately 8,900 current solar installations in Austin, the potential is vast. The problem has been a lack of awareness in many segments of the community. The solar team at Austin Energy has started ramping up promotion of the solar programs and community outreach. Maintaining the budget will send a clear signal that it should continue.

Third, because Austin Energy did a "summer bonus" to increase the residential solar rebate from \$2,500 to \$3,500 through August 31, demand has increased. That's great, but many of those projects won't actually get installed until after the end of September, and therefore will be paid for from the FY 20 budget.

Adding \$2 million to the proposed solar incentive budget for FY 20 will keep funding constant with budgets for the past several years.

These funds have always been for incentives, not staff time or other administrative expenses and that should continue to be the case. Staff time is

important to maintain and expand the solar programs, but those expenses should not come out of the solar incentive budget. This is clearly stated in the [Austin Energy Resource, Generation and Climate Protection Plan that Council](#) adopted (see PDF page 10).

The solar incentive budget is paid for by the Energy Efficiency Services (EES) fee. This fee is adjusted every few years, based on average total spending on all energy efficiency and solar programs. Since AE didn't spend \$1.6 million of the incentive budget in FY 18 and didn't spend \$2 million of the solar incentive budget in FY 19, adding \$2 million to the FY 20 budget will only partially even the multi-year solar incentive budget out. Customers won't be paying any more than anticipated when the EES was set. This is a bright spot of opportunity in a budget process that is generally zero sum. There is actually a slice of pie being left on the table. Adding \$2 million to the solar incentive budget will allow Austin residents to get greater benefit from new and existing solar programs.