

## SOLAR PHOTOVOLTAIC SMALL COMMERCIAL AND NONPROFIT CAPACITY-BASED INCENTIVE (CBI) PROGRAM GUIDELINES

*These guidelines govern the procedures and qualifications for Austin Energy’s Solar Small Commercial and Nonprofit CBI Program and are subject to change. Applications that do not meet these requirements may be denied.*

### I. Capacity-Based Solar Incentive Program (CBI)

The CBI solar incentive program is designed for small business and nonprofit customers. In this program, the rebate is in the form of a check paid to the customer at installation.

	Nonprofit	Small Commercial
<b>System Size (kW-AC)</b>	Any	> 100
<b>Rebate Level (\$/W-DC)</b>	\$0.70	\$0.50
<b>Maximum Rebate Amount</b>	\$168,675	\$60,240
<b>Payment Calculation</b>	[System Size (W-DC)] x [Rebate Level]	
<b>Payment Method</b>	One-time check at project completion	

*\*Note: For all Austin Energy Solar Programs, eligibility is determined by kW-ac, equivalent to 83% of the kW-dc system rating.*

### II. Eligibility and Funding

- A. The proposed system must be installed and interconnected at a service address that has, or will have, an Austin Energy commercial electric utility service.
- B. The Applicant must fall into one of the following categories and provide all necessary documentation during the initial application stage:
  - i. Electric Account Holder or an Authorized User designated in the billing system
  - ii. Property Owner – verifiable in the Appraisal District databases
  - iii. Property Manager, Parent Company, or Subsidiary – with a provided W9
  - iv. Property Tenant
  - v. City/state/federal department ownership can be verified internally
- C. Customers and their contractors will receive a Letter of Intent to Fund (LOI) via email to notify them when funding has been allocated for their project. The rebate amount will be specified in the letter once the application is approved. Funding will not be allocated to projects that have been installed prior to receiving a LOI. Refer to Section V.D of this document. If the Applicant is not the property owner, they must submit installation authorization documentation from the property owner. Property deed restrictions must not prohibit the installation of a solar system.
- D. Capacity-based incentivized solar systems shall not be installed behind existing solar meters receiving Performance-Based Incentive (PBI) credits.
- E. For nonprofits, please visit <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status> for more information on tax exempt status
- F. Proposed solar systems must be less than 100 kW-ac to qualify for the **small commercial incentive**.
- G. To qualify for the **nonprofit incentive** rate, Applicants must provide proof of nonprofit status (acceptable forms of proof listed in Section V.B.v)
- H. The Applicant must own the system. Systems involving leasing arrangements are not eligible for the incentive.
- I. The system must be electrically interconnected and attached to a non-mobile structure on a permanent foundation.
- J. The system must remain interconnected to Austin Energy’s electrical grid and operating for the useful life of the system, otherwise the Applicant may be required to forfeit any incentives received from Austin Energy.
- K. Customers participating in this program are **not** eligible for smart meter opt-out.
- L. The CBI is provided in addition to the applicable Value of Solar rate. Commercial solar customers will be credited according to Austin Energy’s [Value of Solar](#) rate.
- M. Applications for meters that receive Performance-Based Incentive credits are not eligible for Capacity-Based Incentives.

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- N. CBI are special limited obligations of the City of Austin, payable solely from the revenues of Austin Energy, and not from any tax revenues of the City.

### III. Participating Solar Contractor Obligations

- A. The Participating Solar Contractor agrees to conduct business ethically and follow Austin Energy's contractor handbook and [Austin Energy Code of Conduct and Ethical Requirements](#).
- B. The system must be contracted and permitted by the Participating Solar Contractor submitting the application on the customer's behalf. Participating Solar Contractors are listed on [Austin Energy's Solar Solutions website](#).
- C. Participating Solar Contractors are required to release customers from their contractual obligations upon request without penalty any time prior to the issuance of the LOI.
- D. Participating Solar Contractor must:
  - i. Be listed as the promisor on the solar installation contract with the Applicant or general contractor.
  - ii. Submit an incentive application on the Applicant's behalf.
  - iii. Obtain and maintain the City of Austin electrical permit for installation of the system prior to inspection.
  - iv. Disclose any subcontractors employed for the solar project on the Customer Agreement Form (CAF).
  - v. Disclose subcontractors on the permit and on the (CAF).
  - vi. Provide a 10-year warranty (minimum) for the workmanship of the installation and transfer the equipment warranties to the system owner. The warranty statement must be signed by the customer.
- E. Production models based on azimuth, tilt, and shading factors must be used to communicate expected annual production to customers. Austin Energy uses the National Renewable Energy Laboratory's (NREL) [PVWatts](#) tool as a baseline for internal review.
- F. Participating Solar Contractors must request a final electrical inspection for completed project within 180 days of the LOI issuance date. Projects not completed within 180 days may require a new incentive application at the prevailing incentive level. It is the contractors' obligation to notify the customer and Austin Energy if a rebate is cancelled or if they are no longer pursuing a rebate.

### IV. Installation Requirements

- A. Minimum System Size: 2.5kW-ac (3kW-dc)
- B. Maximum System Size:
  - i. **Small Commercial:** 100 kW-ac
  - ii. **Nonprofit:** No maximum limit, but Applicants are subject to incentive caps noted in Section I.
  - iii. Systems shall not be sized to produce more than 110% of the historical annual energy consumption of the connected load. Exceptions must be notated on the CAF.
- C. The system must be sited in a location where a minimum average of 75% of the total solar resource fraction (TSRF) is available to the system. An on-site, in-person shade analysis must be made available within 10 business days of a request by Austin Energy or will result in a violation.
- D. All installed system components must be new, listed by the [California Energy Commission](#), and under warranty for a minimum of 10 years (workmanship and equipment).
- E. Installations that include framed solar panels must be installed at a pitch of 5 degree or greater.
- F. The roof must have a minimum of 10 years of usable, warrantied life remaining.
- G. All systems must be interconnected to Austin Energy's electrical grid, at the Customer's expense, in accordance with the [Austin Design Criteria Manual](#) and Austin Energy's [Distribution Interconnection Guide](#).

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- H. Installation must comply with all applicable local, state, and federal regulations, and in accordance with manufacturer's standards. Individual jurisdictions should be contacted for local requirements, the City of Austin may not be aware of other local jurisdictional requirements.
- I. An electrical permit and a separate building permit are required for all commercial installations within the City of Austin's jurisdiction. A separate building permit may be required for structural engineering review by the Authority Having Jurisdiction (AHJ) in other regions. If the commercial installation is on a property located outside of the City of Austin's jurisdiction, and does not require a building permit, Austin Energy will require an engineer stamped structural drawing for final incentive approval.

### V. Incentive Process and Required Documentation

- A. **Choose a contractor:** Qualifying Applicants (Section II), or their general contractor, must choose a contractor from the [Austin Energy's Participating Solar Contractors](#) list.
- B. **Application submittal:** The Participating Solar Contractor must initiate the application on behalf of the Applicant. Applications for solar incentives must be successfully submitted by the Participating Solar Contractor through the [Energy Efficiency Collaboration Platform](#) (EECP) under the Solar Commercial CBI program. The following documents must be fully completed and uploaded by the Participating Solar Contractor:
  - i. Customer Agreement Form (CAF) and REC Agreement – filled out with system details, then endorsed by the primary contractor (if different from the solar contractor), subcontractor/Participating Solar Contractor (where applicable), and the Applicant.
  - ii. Proposed System Layout, including the following:
    - 1. Solar panel and inverter equipment details – make, model, quantity
    - 2. Panel orientation – azimuth and tilt
    - 3. NABCEP endorsement (number and signature) – PV Installation Professional or PV Design Specialist
  - iii. Customer and address, including unit number, if applicable
    - 1. A reference to the Applicant organization's listing in the Internal Revenue Service's (IRS) list of tax-exempt organizations described in section 501(c)(3) of the IRS Code.
    - 2. A copy of a currently valid IRS tax exemption certificate.
    - 3. A statement from a State taxing body, State Attorney General, or other appropriate State Official certifying that the Applicant organization has a nonprofit status and that none of the net earnings accrue to any private shareholders or individuals.
    - 4. A certified copy of the organization's certificate of incorporation or similar document that clearly establishes nonprofit status.
    - 5. Any of the above proof for a State or national parent organization and a statement signed by the parent organization that the Applicant organization is a local nonprofit affiliate.
  - iv. (As needed) Designated Applicant verification – Any LOAs or W9s as delineated in Section II.B., required for incentive recipient eligibility.
  - v. (As needed) Written authorization for installation – Required in the case where the Applicant is not the property owner or a designee of the property owner.
- C. **120 Day Encumbrance:** This letter, sent to both the submitting contractor and the Applicant, confirms the Applicant's eligibility and potential incentive amount for the proposed project. This letter does not guarantee funds, but encumbers the funding pending the submittal of the following documents:
  - i. Installation Contract – the document that matches the installation details entered on the CAF and entered into the incentive application.
    - 1. Customer (should be the same as the Applicant from the CAF) name and installation address
    - 2. Participating Solar Contractor name and contact address

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3. Total solar installation price – non-solar costs must be itemized separately
  4. System details – major solar components (make, model, quantity, and total system size).
  5. Minimum 10-year warranty statement (as detailed in Section III.C)
  6. The contract must be endorsed by at least two of the signatories on the original CAF (Applicant, general contractor, subcontractor, or Participating Solar Contractor)
  7. Singing Log or signature certificate must be submitted with contract for all signatures
  - ii. Distributed Generation Planning Application (DGPA)
    1. Filled out with system details consistent with those on the CAF and the application
    2. Approved per [Austin Energy's Distribution Interconnection Guide based on system size](#)
    3. Generators 1 MW or larger will be subject to a more rigorous interconnection process, including a screening study, Full Interconnection Study (FIS), Quarterly Stability Analysis, and other requirements.
  - iii. Rebate amounts exceeding the City Manager Spending Authority requires City Council approval. The Austin Energy Customer Renewable Solutions team will submit the project for approval on behalf of the Applicant.
- D. **CBI Solar Installation Letter of Intent (LOI):** This letter, sent to both the submitting contractor and the Applicant, confirms the incentive amount is locked in for the Applicant pending:
- i. Project completion within the 180-day timeline
  - ii. Installation meeting all eligibility requirements outlined in these program guidelines
  - iii. Once a project receives approval from council and an LOI is received, the rebate value cannot increase in value if there is an increase in system size.
  - iv. Final inspection passed by Austin Energy solar inspectors
  - v. All final required documentation submitted. Any changes that occur after the LOI is issued which result in a change of system size (kW) or system performance (kWh) must be submitted through EECF and may result in disqualification from the CBI.
  - vi. LOI Extensions may be requested through [solar@austinenergy.com](mailto:solar@austinenergy.com) and are subject to program review. Extensions request approvals are not guaranteed.
    1. Extensions must be requested before expiration
    2. Extensions must provide Austin Energy with a reason for project delays
    3. Extension must provide a timeline for completion
- E. **Installation:** The contractor has 180 days from the date of the LOI to install the system and request final inspection. An optional Pre-Construction (100) meeting to ensure compliance with federal, local, and program guidelines may be requested prior to installation.
- F. **Final Inspection:** Once the installation is complete the Participating Solar Contractor must:
- i. Ensure that all applicable permits are open and have not expired.
  - ii. Request inspection through the [Austin Build + Connect Permit Portal](#)
  - iii. Submit the following documentation:
    1. (As needed) Final System Layout and/or Change Orders – if the installed system differs from the original application and CAF. Please note that changes made to the system size and production must remain consistent with the eligibility requirements listed in this document. System changes may result in disqualification for the incentive and should be considered *prior to* implementation.
    2. Final system Invoice, all costs eligible for the Federal Tax Credit or incentives must be itemized.
  - iv. Complete the Installation workflow step process in EECF.
- G. During the Quality Assurance workflow step in EECF, contractors must update any documentation and address any comments no more than 10 business days after a request for updates has been sent.

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- H. **Incentive Payment:** The incentive check will be issued by the City of Austin and mailed to the Applicant at the address provided in the CAF once the system has passed city inspection and all project documentation has been approved.
  
- I. **REC Retirement:** Austin Energy will retain the renewable energy credits (RECs) and other environmental attributes (other than tax credits) from energy generated by systems receiving Value of Solar bill credits.
  - i. For any interconnected system over 1 MW, Applicants must coordinate with ERCOT and Austin Energy on REC requirements.
  - ii. RECs will not be specifically retired on the customer's behalf, though Applicant requests to have RECs retired on their behalf may be considered. Exceptions may be granted in cases where RECs are required for reporting or sustainability program certification. The customer *must* contact [REAdmin@austinenergy.com](mailto:REAdmin@austinenergy.com) to request an exception.

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