

**SOLAR PHOTOVOLTAIC COMMERCIAL 5-YEAR
PERFORMANCE-BASED INCENTIVE (PBI) PROGRAM GUIDELINES**

These guidelines govern the procedures and qualifications for Austin Energy’s Solar 5-Year PBI Program. Austin Energy reserves the right to refuse applications that do not meet program requirements. These guidelines are subject to change.

I. Performance-Based Solar Incentive Program

The performance-based incentive is an on-bill incentive that is credited to the customer's bill for a 5-year term.

A.

	Medium	Large	Extra-Large
Qualifying System Size (kW-ac*)	< 400	400 – 999	999 <
Incentive Level (\$/kWh)	0.08	0.06	0.04
Payment Calculation	[Monthly Solar Energy Production kWh] x [Incentive Level]		
Payment Term	5 Years		
Payment Method	Monthly On-Bill Credits		

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

B. Incentive Payment:

- i. The PBI will be provided as a monthly credit on the electric bill for the electric account associated with the meter. The credit is based on metered production for a period of 60 months. The credit rate is locked in at the rate identified in the Letter of Intent (LOI), provided that the system installed has not changed from the project information submitted at application. **The incentive may only be paid to the account holder.**
- ii. The total PBI amount is capped based on applicable prevailing incentive rates and the projected system production. The LOI includes a not-to-exceed incentive amount calculated as [5-Year PBI Rate \$/kWh] x [Projected Annual Generation (kWh/year) x 5 years] x [1.15 budgeting safety factor]. The incentive level is calculated by using 83% of the kW-dc system size.
- iii. The PBI is transferable upon sale of the property and/or change to a new account holder associated with the solar meter. Austin Energy must be notified by the new account holder for the PBI rate to be applied to the new electric account. Email solar@austinenergy.com.
- iv. Excess PBI credit is automatically applied to utility bill balances on the associated account, even if the charges are not related to the electric charges. However, the credit will not be applied to utility charges for other accounts not associated with the billing meter to which the solar is connected.
- v. In the case of excess solar PBI bill credit, Austin Energy can cut a check to the account holder no more often than once every 6 months. Contact solar@austinenergy.com for check requests.

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 be the account holder. If the Applicant is not the property owner, they must submit installation approval documentation from the property owner. Property-deed restrictions must not prohibit the installation of a system.
- C. Eligible Applicants may submit ONE application behind a single revenue meter.
- D. Austin Energy revenue meters with existing solar PBI projects are not eligible for this program.
- E. Nonprofit customers and customers installing systems < 100 kW-ac may be eligible to apply for a Capacity-Based Incentive (CBI) instead of the PBI but can only receive one incentive (CBI or PBI) per project.
- F. The Applicant must own the system. *Leased systems are not eligible for the incentive.*
- G. The system must be electrically interconnected and attached to a non-mobile structure on a permanent foundation.
- H. The system must remain interconnected to Austin Energy’s electrical grid for the useful life of the system.

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- I. Customers participating in this program are **not** eligible for smart meter opt-out.
- J. The 5-year PBI incentive is provided **in addition to** the applicable [Value of Solar](#) Tariff. All solar customers will be credited according to Austin Energy's [Value of Solar](#) rate.
- K. Payments made under the PBI program 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. The PBI is subject to annual budget appropriations and does not constitute indebtedness or a loan of credit. Neither the faith and credit nor the taxing power of the City is pledged to any potential PBI payment obligations.
- L. 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 an LOI. Refer to Section IV.D of this document.

III. Participating Solar Contractor Obligations

- A. 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](#).
- B. Participating Solar Contractors are required to release customers from contractual obligations upon request without penalty any time prior to the issuance of the LOI.
- C. 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. 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.
 - vi. Disclose subcontractors on the permit and Customer Agreement Form (CAF)
 - vii. Production models must be used to communicate expected annual production to customers. Production models shall include any production impacts due to losses from array azimuth, tilt, and shading specific to the project proposed. Austin Energy uses the National Renewable Energy Laboratory's (NREL) [PVWatts](#) tool as a baseline for internal review.
- D. Participating Solar Contractors must request a final electrical inspection for completed project within 180 days of the LOI date. Projects not completed within the allotted time require a new incentive application at the prevailing incentive level. It is the contractors' obligation to notify the applicant and Austin Energy if a rebate is cancelled or if they are no longer pursuing a rebate.

IV. Installation Requirements

- A. System sizing requirements to quality per incentive level:
 - i. **Medium Commercial Incentive Level:** final system size less than 400 kW-ac.
 - ii. **Large Commercial Incentive Level:** final system size must be between 400-999 kW-ac.
 - iii. **Extra-Large Commercial Incentive Level:** final system size must be 1000 kW-ac or greater.
- B. **Maximum Sizing:** 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.

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- 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 on which the system is installed must have a minimum of 10 years of usable, warranted 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](#).
- 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 electric 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 PBI 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 (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) – Installation Professional or Design Specialist
 - 4. Customer name and address, including unit number if applicable
 - iii. (As needed) Designated Applicant verification – Any LOAs or W9s as delineated in Section II.B., required for incentive recipient eligibility.
 - iv. (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

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2. Participating Solar Contractor name and contact address
 3. Total solar installation price – costs not eligible for the Federal Tax Credit or local incentives 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)
- ii. Distributed Generation Planning Application (DGPA)
 1. Filled out with system details consistent with those on the CAF and the application
 2. Complete with required endorsements per [Austin Energy's Distribution Interconnection Guide based on system size](#)
 3. Systems sized 1 MW or larger (based on inverter output rating) will be subject to a more rigorous interconnection process, including a screening study, Full Interconnection Study (FIS), Quarterly Stability Analysis, and other requirements.
 - iii. Incentive amounts with anticipated annual expenditures 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. **PBI 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:
- E. Project completion within the 180-day timeline
- i. Installation meeting all eligibility requirements outlined in these guidelines
 - ii. Once a project received approval from council and an LOI is received, the not-to-exceed incentive limit cannot increase in value if there is an increase in system size
 - iii. Final inspection passed by Austin Energy solar inspectors
 - iv. 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.
 - v. LOI Extensions may be requested through 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
- F. **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.
- G. **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

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- 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 and incentives must be itemized.
- iv. The Installation workflow step process in EECF.
 - v. The installation will be inspected for its compliance with national, local, and program guidelines. The customer will be notified of the inspection results via email. Successful pass of final inspection is required for system operation.
- H. During the Quality Assurance workflow step in EECF process, contactors must update any documentation and address any comments no more than 10 business days after a request for updates has been sent.
 - 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 Applicant'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 Applicant *must* contact REAdmin@austinenergy.com to request an exception.
 - J. **Incentive:** The incentive payment will be a line item on the customer's bill once the system has passed city inspection and all project documentation has been approved. This PBI bill credit will remain on the customer's bill for 5 years or until the system is removed, whichever comes first. If the customer sells the property before either occurs, the PBI bill credit will be transferred to the next owner.

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