

SOLAR PHOTOVOLTAIC (PV) COMMERCIAL PERFORMANCE-BASED INCENTIVE PROGRAM GUIDELINES

These guidelines govern the procedures and qualifications for incentives under the Austin Energy Solar Photovoltaic (PV) Commercial Performance-Based Incentive (PBI) Program.

I. Eligible Customers

- A. PBI applicants must either have an Austin Energy commercial electric utility service or own the property that has, or will have, an Austin Energy commercial electric utility service at the service address where the PV system is to be installed and interconnected.
- B. If the applicant is not the owner of the property, the applicant must submit documentation of approval from the property owner.

II. Incentive Program Structure, Caps, and Incentive Funding

- A. In these guidelines, unless otherwise indicated:
 - 1. **“kW”** means alternating current (AC) kilowatts, where AC kilowatts are calculated by multiplying the direct current (DC) kilowatts by 0.83. References to megawatts (MW) are also in AC.
 - 2. **“Project Capacity”** means the kW capacity of a proposed commercial PV system located behind a single revenue meter.
 - 3. **“Customer”** means an individual, partnership, association, firm, public or private corporation, governmental authority, or other legal entity or entities under a single federal tax identification number or employer identification number, or as deemed by Austin Energy to be related legal entities (affiliate, parent, subsidiary, etc.), whether or not separate legal entities, in relation to the customer applicant and property owner where the PV system is to be installed. Thus, one Customer could have multiple electric accounts and addresses.
 - 4. **“Customer Capacity”** means the aggregated kW capacity of Customer’s commercial PV systems receiving Austin Energy Incentives (including completed projects still receiving incentives, pending applications, or projects committed by an Austin Energy letter of intent).
- B. The PBI Program consists of three incentive tiers: Small Commercial, Medium Commercial, and Large Commercial. These tiers are based on Project Capacity and Customer Capacity¹.
 - 1. To qualify for the Small Commercial incentive, the Project Capacity must be no more than 75 kW, and the Customer Capacity must be no more than 400 kW.
 - 2. To qualify for the Medium Commercial incentive, the Project Capacity must be no more than 400 kW, and the Customer Capacity must be no more than 400 kW.
 - 3. Large Commercial incentive funding is in three steps of 4 MW each. Customers may only receive up to 800 kW of incentives from each 4 MW funding step, for a maximum

¹ Exceptions: For non-profit organizations and governmental entities (as defined under Article VII(A) of these guidelines), the incentive level will be based on Project Capacity only, and not subject to Customer Capacity limits. Non-profit organizations and governmental entities (under Article VII of these guidelines) with a Project Capacity of no more than 400 kW qualify for the Small Commercial incentive.

Austin Energy guidelines and incentive levels are subject to change without prior notice, and Austin Energy reserves the right to refuse any application or request for incentive payment for systems that do not meet all program requirements.



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of 2.4 MW. In the event the Project Capacity exceeds the available capacity in a step, the project will be incentivized in the subsequent step and a Customer's unused available capacity will be transferred to the subsequent step. To qualify for a Large Commercial incentive (at the applicable incentive step), the Project Capacity must be less than 1000 kW.

- B. Current incentive levels and the remaining capacity for each tier are displayed at www.austinenergy.com/go/currentsolar
- C. Only one new PBI project will be permitted behind a single revenue meter.
- D. The PBI will be provided as a monthly credit on the electric bill for the electric account associated with the PV meter, based on metered production for a period of 120 months, and is locked at the rate identified in the Letter of Intent (LOI).
- E. Letters of Intent (LOIs): Austin Energy makes no financial commitment to PBI applicants until a signed LOI is issued.
 - 1. LOIs will be issued at Austin Energy's discretion, pending submission of complete application package, verification of solar access, and budget approval.
 - 2. City Council approval is required for customers whose cumulative annual PBI projected incentive expenditures exceed the City Manager's administrative spending authority under the City Charter.
 - 3. The total PBI amount is capped based on applicable prevailing incentive rates, Project Capacity, and projected production. LOIs will include a not-to-exceed incentive amount calculated as [115% of PV-Watts modeled annual production at the default setting of 83% derate factor] x [10 years] x [prevailing PBI rate].
 - 4. Encumbrance LOIs are valid for an initial 90 day period where in the contractor must supply the approved Distributed Generation Permit Application and the installation contract. If these documents are not provided within 90 days, the LOI will expire and the application will be voided.
 - 5. If the required documentation is received within the 90 day period, and Austin Energy approves the application, a new LOI will be issued for 120 days for existing construction and 365 days for new construction.
 - 6. Under extenuating circumstances, applicants may request extensions to their LOI. Requests for LOI extensions must be submitted prior to LOI expiration, in writing, accompanied by a detailed explanation of the reason for the delay and need for extension. Contractor must demonstrate that the cause of the delay is out of their control along with substantial progress toward project completion. Extensions will be granted at the sole discretion of Austin Energy.
 - 7. If an LOI expires, the applicant may reapply for the PBI program at the prevailing incentive level.

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- F. 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.
- G. 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.
- H. PBI credits are provided in addition to the applicable prevailing solar rates. Adopted rates are published online at: <https://austinenergy.com/ae/rates>

III. Solar Access Requirements

- A. The contractor or builder must submit to Austin Energy, upon request, an onsite report such as those generated by Solmetric Suneye or Solar Pathfinder, describing the percentage of the available solar resource that the solar array will receive, accounting for losses, shading, array azimuth, and tilt. All points of the array are required to have a minimum of 75% total solar resource fraction (TSRF). Contractors found to be installing systems where any point on the array has less than 75% TSRF are subject to disciplinary action according to the Solar Contractors' Handbook.
- B. Production models must be used to communicate expected annual production to customers. Production estimates will include any production impacts due to losses, array azimuth, tilt and shading specific to the project proposed

IV. Installation and Warranty Requirements

- A. Systems must be contracted, permitted and installed by a participating contractor, listed on Austin Energy's [Commercial Solar Photovoltaics \(PV\) Incentives](#) website.
- B. The PV system must be electrically interconnected and attached to permanent, non-mobile structures.
- C. Equipment must be listed by the California Energy Commission on its website, www.gosolarcalifornia.org, to be eligible.
- D. All major solar energy system components eligible for incentives must be new and have a minimum 10-year warranty to protect against defects and undue degradation of electrical generation output.
- E. The participating contractor must warrant the PV system installation for a minimum of 10 years.
- F. The roof on which the PV system is to be installed must have a minimum of ten years of usable (warrantied) life remaining.

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- G.** All roof penetrations must be flashed, unless pre-approved by Austin Energy. Requests for approval should be accompanied by compatibility documentation from the racking system manufacturer specific to the roof type that it is to be installed on, and written acknowledgement by the owner that they have been notified that the roof will be penetrated and what method of attachment will be used.
- H.** Clamping attachments (such as S-5 Clamps) must be rated by the manufacturer to be compatible with the roofing system.
- I.** All PV systems must be interconnected to Austin Energy's electrical grid, at customer's expense, in accordance with Austin Energy's *Austin Energy Design Criteria Manual* and *Distribution Interconnection Guide*, which can be found at the [Electric Service Design & Planning](#) section of the Austin Energy website.
- J.** Contractor must include all costs, including any required service upgrades (such as service panel, wiring, etc.), in the original bid. Costs that are not eligible for federal tax credits or local incentives must be itemized separately.
- K.** An electric permit and a separate building permit are required for all commercial PV 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 PV installation is on a property located outside of the City of Austin's jurisdiction, and not requiring a building permit, Austin Energy will require an engineer stamped structural drawing for final incentive approval.
- L.** The work must be performed in accordance with all applicable federal, state, and local regulations, codes, and permitting jurisdictions, along with equipment manufacturer's standards.
- M.** A NABCEP PV Installation Professional must review the layout and system design prior to submittal, and include NABCEP certification number and signature on each document.
- N.** Contractors are required to use best practices to assure that PV systems are sized appropriately for their customers; modeled annual production of the PV system must not exceed 110% of actual/modeled annual consumption.
- O.** Property deed restrictions at the service address must not prohibit the installation of a PV system.
- P.** The customer must transfer to Austin Energy all renewable energy credits (RECs) and other environmental attributes (other than tax credits) from power generated by PV systems receiving incentives from Austin Energy. If the proper documents are submitted proving that the RECs are required to achieve LEED certification, RECs may be retained by customer, and Austin Energy, as the REC aggregator, will reserve and finally retire the RECs on customer's behalf as required for LEED certification. (See Appendix A: Austin Energy Renewable Energy Credit Agreement).

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- Q.** Customer must sign the Renewable Energy Credit Microgenerator Listing Form.
- R.** The PV system must remain interconnected to Austin Energy's electrical grid for the useful life of the system (a minimum of 20 years or longer based on the modules' warranty length), or may be required to forfeit any incentives received from Austin Energy.
- S.** Austin Energy solar program guidelines, incentive levels, and electric tariffs are subject to change without prior notice, and Austin Energy reserves the right to refuse any application or request for incentive payment for any project that does not meet all requirements.

V. Equipment Lease Pilot

- A.** In an effort to increase options for financing solar, Austin Energy has added 8MW of incentive availability for systems utilizing leasing on a first come first serve basis.
- B.** Qualifying leased systems will receive a PBI incentive level of \$.02/kWh for ten years.
- C.** Leased systems are capped at 999kW per meter, and 2.8 MW per customer.
- D.** Austin Energy is the exclusive provider of electricity within its service territory. State law prohibits other owners of electric equipment from furnishing electricity for compensation. Therefore, leases must be *flat monthly payment* leases and may not be based on volumetric charges or multipliers for kWh output of the PV equipment or production. Likewise, any true-ups or performance guarantees may not be denominated in kWh.
- E.** Lessor and lessee must have an agreement in place, which ensures the proper function of the leased PV equipment and appropriately allocates ongoing maintenance responsibility of the equipment.
- F.** Both lessor and lessee must transfer to Austin Energy, in writing, all RECs and other environmental attributes through the execution of the REC Assignment Agreement form by both parties.
- G.** Information detailing the total equipment and installation costs of the PV system paid by lessor and contractor must be provided to Austin Energy.
- H.** All contracts associated with the lease, installation, and on-going maintenance/performance of the PV system and all attachments must be provided to Austin Energy.

VI. Required Documentation

- A.** At the time of application:
 - 1.** Proposed system layout, including a NABCEP PV Installation Professional's endorsement
 - 2.** Austin Energy Customer Agreement Form (CAF), including customer's endorsement
- B.** Within 90-days of Encumbrance LOI:
 - 1.** Austin Energy Approved Distributed Generation Planning Application (DGPA)
 - 2.** Installation Contract, including customer endorsement and:

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- a. Customer name and installation address.
 - b. Participating contractor name and contact address.
 - c. Make, model, and quantities of all solar module and inverter equipment included in costs.
 - d. Installation 10-year warranty statement.
 - e. Total solar installation cost. Costs that are not eligible for federal tax credits or local incentives must be itemized separately.
- C. At the time of final inspection request:
1. Final system layout, if changed from proposed.
 2. Wire diagram, including a NABCEP PV Installation Professional's endorsement.
 3. String sizing calculations for all string inverter configurations or a compatibility statement in the case of micro inverters or optimizers.
 4. Customer signed final contract(s) and amendments.
 5. Customer signed Microgenerator Listing Form.
 6. Photograph(s) of the following:
 - a. Completed array showing all installed modules
 - b. Racking (prior to panel installation)
 - c. Conduit runs leading from the array to the equipment wall
 - d. Label(s) of one panel including serial number and watt rating
 - e. Inverter label(s) including serial number and rating (one required for micro inverters, all required for string inverters)
 - f. Wall mounted equipment showing at least 2 meter locations, service panel, AC disconnect, and all string inverters (if used)
 7. Any addition agreements regarding maintenance and or performance of the leased system.
- D. Electronic signatures must not be a type font unless they include a verifiable tracking method

Austin energy is not a manufacturer, supplier, or guarantor of PV equipment or contractors. Austin energy, whether by making available a list of registered contractors and equipment sources or otherwise, makes no representations or warranties of any nature, directly or indirectly, express or implied, as to performance of the contractor or reliability, performance, durability, condition, or quality of any PV system.

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