THERMAL ENERGY STORAGE FEASIBILITY STUDY AGREEMENT

This Thermal Energy Storage Feasibility Study Agreement (hereinafter the "Agreement") is made and entered into between the City of Austin (hereinafter "City"), a home rule municipality and political subdivision of the State of Texas, acting by and through its municipally owned electric utility, Austin Energy, (hereinafter "AE"), and ________________(hereinafter "Customer"). By entering into this Agreement, the City will further its efforts to:

1. maximize the efficient use of electricity and reduce peak demand by its in order to delay or postpone having to construct electric generation or otherwise obtain new supplies of electricity;
2. reduce the emissions of air pollutants affecting the Austin area;
3. address competitive issues associated with AE; and
4. provide resources supporting the community and the local economy.

RECITALS

WHEREAS, Customer seeks to have AE provide technical assistance and funds up to $12,000 to perform an evaluation of the technical feasibility and economic viability of installing a Thermal Energy Storage (TES) system at its facility with a potential demand shift exceeding 100 KW; and

WHEREAS, AE is experienced in evaluating and designing TES systems, and is willing to assist its customers in evaluating the cost effectiveness and technical viability of installing a TES system, to further the goal of maximizing the efficient use of electrical energy by Customer; and

WHEREAS, Customer desires to enter into this Agreement with AE for the purposes stated above;

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Customer and AE agree as follows:

I. INTRODUCTION. AE has, in providing funds for this Feasibility Study, conducted a preliminary energy survey, analyzed efficient and cost-effective thermal storage measures and practices, and received and approved a TES Feasibility Study application.

It is understood that the Customer intends to enter into an Agreement with AE to utilize AE’s TES rate in conjunction with the installation of a TES system for the building(s) at Austin, Texas ________________(hereinafter referred to as the "Facility"), if the Feasibility Study confirms that the TES system opportunities are feasible and cost effective.

It is further understood that the Customer has agreed to seek funding to install, operate, and maintain the TES system if the Feasibility Study prepared under this agreement has a simple payback estimate of ___ years or less.
II. **BASIC SERVICES.** After authorization to proceed, the **Customer** shall engage the services of a Texas registered professional engineer to perform the following professional services:

1. Perform an analysis of the technical feasibility of adding a TES system for the **Customer’s** facility.
2. Provide an economic assessment of the likely costs the **Customer** would incur to install, own, and operate a thermal energy storage system at the **Customer’s** facility and the probable electric demand shift and cost savings for the **Customer**.
3. For new facilities in the design phase, the economic assessment will additionally consider any construction cost credits in first costs due to reduced chiller sizes.

III. **CUSTOMER’S RESPONSIBILITIES.** **Customer** shall cooperate with **AE** and the **Customer’s** engineer to provide the following in a timely manner in order for **AE** and the **Customer’s** engineer to perform its services:

1. Furnish to the **Customer’s** engineer and to **AE**, as requested, all relevant studies, reports and other available data including existing structural, architectural, mechanical, and electrical design or as-built drawings of pertinent areas of the facilities. The **Customer’s** engineer and **AE** shall use and rely upon all such information in performing services under this agreement.
2. Arrange for the **Customer’s** engineer and **AE** to have access to Customer’s facilities as required to perform services hereunder.
3. Allow the **Customer’s** engineer and/or **AE** to install instrumentation and sub-metering equipment to monitor performance, equipment and loads.
4. Provide a suitable location for the TES system on the **Customer’s** premises.
5. **Customer** is required to complete the *Feasibility Study* within 90 days of execution of this agreement.
6. **Customer** is solely responsible for remedying any lack of performance by the **Customer’s** engineer or seeking any remedy or relief from such engineer.

IV. **PERFORMANCE OF SERVICES BY **AE**.** **AE** will perform services for **Customer** under this *Agreement* as follows:

1. **AE** will provide utility billing histories and 15-minute demand data, when available.
2. **AE** will meet with the **Customer** and the **Customer’s** engineer to review the engineer’s proposed solution with the **Customer**.
3. **AE** will provide its portion of the funding to the **Customer**, if due, within 45 days of approval of the *Feasibility Study*. 
V. MISCELLANEOUS

1. This Agreement is subject to termination by either the Customer or AE, should the other party fail to perform its obligations hereunder. In the event of termination, not the fault of AE, then AE shall not compensate the Customer for any services performed.

2. The Customer information gathered or compiled by AE pursuant to this Agreement, as well as the feasibility studies produced by the Customer’s engineer or AE hereunder, will be considered jointly owned. All such information will be for the exclusive use and benefit of Customer and will be handled in a confidential manner by AE.

3. This Agreement may only be amended, supplemented or modified by a duly executed written agreement.

4. Customer shall indemnify and hold harmless the City and AE, and their officers, agents, and employees, from and against all claims, losses, damages, judgments, and costs, including reasonable attorney’s fees and expenses, arising out of or resulting from performance of this Agreement.

5. The Agreement, and all disputes arising hereunder, shall be governed by the laws of the State of Texas. Venue for any lawsuit or litigation arising out of or relating to this Agreement shall be proper and lie exclusively in Travis County, Texas.

Executed by the parties, acting through their duly authorized representatives, effective as of the later of the two signature dates entered below (the “Effective Date):

CUSTOMER: AUSTIN ENERGY:

Signature: ___________________________ Signature: ___________________________

Printed name: ______________________ Printed name: ______________________

Title: ______________________________ Title: ______________________________

Date: ______________________________ Date: ______________________________

The Austin Energy guidelines and rebate levels are subject to change at any time, without notice.