



Commercial Rebates

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 Customers in order to delay or postpone having to construct additional 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 matching funds up to \$7,000 to perform an evaluation of the technical feasibility and economic viability of installing a thermal energy storage system at its facility with a potential demand shift exceeding 100 KW; and

WHEREAS, **AE** is experienced in evaluating and designing Thermal Energy Storage ("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, **Customer** and **AE** agree as follows:

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

It is understood that **Customer** intends to enter into an Agreement with **AE** to utilize **AE's** Time-of-Use (TOU) thermal storage system Rate Riders 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 **Customer** has agreed to provide 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. If the *Feasibility Study* determines the simple payback estimate is _____ years or less

and the **Customer** chooses for whatever reason not to install the system, AE will not reimburse the **Customer** for **AE's** share of the study.

The **Customer** has considered issues related to modifications in chiller operation, water treatment, TES system location, and building or control modifications and agreed these are not valid reasons to reject a cost effective TES system installation.

- III. 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 thermal energy storage system for **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 **Customer's** facility and the probable electric demand shift and cost savings for **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.
- IV. 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 **Customer's** engineer and **AE** to have access to Customer's facilities as required to perform services hereunder.
 3. Allow **Customer's** engineer and/or **AE** to install instrumentation and sub-metering equipment to monitor performance and equipment and loads.
 4. Provide a suitable location for the TES system on **Customer's** premises.
 5. **Customer** is required to complete the *Feasibility Study* within 60 days of execution of this agreement.
 6. **Customer** is solely responsible for remedying and lack of performance by **Customer's** engineer or seeking any remedy or relief from such engineer.
- V. 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 review the *Feasibility Study* for technical completeness and adherence to the *Feasibility Study* format.
 3. **AE** will meet with the **Customer** and the **Customer's** engineer to review the engineer's proposed solution with the **Customer**.
 4. **AE** will provide it's portion of the funding to the **Customer**, if due, within 45 days of approval of the *Feasibility Study*.

VI. MISCELLANEOUS

1. This **Agreement** is subject to termination by either **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. If the **Customer** agrees to proceed with a cost effective TES system project and later chooses not to install the system, **AE** shall have the right to bill the customer for the portion of the feasibility study funded by **AE**. The customer shall have 12-months from the time the **Customer** invoice **AE** for it's portion of the Feasibility Study to complete the installation of the system and enter into a separate TOU rate agreement.
5. **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**.
6. 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.