



Business Models Driving Solar

BY LORI SINGLETON

◆ YOU DON'T HAVE to look too far these days to read a headline that conveys a sense of urgency about global climate change or the need to increase our use of renewable-energy resources. Salt River Project (SRP) is concerned about these important issues. As well, we listen to what our customers have to say about greenhouse-gas emissions, air quality and cleaner energy. It is not only a topic of discussion, but has become a call to action for our residential and business customers.

As the largest provider of electricity to the Phoenix metropolitan area, SRP understands the need for a diverse energy portfolio that relies not only on traditional generating sources but also renewable resources and energy-efficiency programs. Last spring, SRP's board of directors approved a sustainability portfolio with a target of 15 percent of SRP retail sales to be met through sustainable resources by 2025. Currently, we are at 5 percent.

We know that residents as well as business owners are asking the question: What can we do to advance the use of energy that is emission free and sustainable?

To help address that question, SRP offers incentive programs for our customers that, combined with state and federal tax credits, allow customers to participate in renewable-energy projects at a variety of investment levels.

One example, the SRP EarthWise Energy Program, encourages customers to pay a small premium above their monthly electric bill that is used to help fund renewable-energy resources. So far, more than 6,600 SRP customers have said they believe in our quest to diversify our portfolio and to ensure a clean energy supply for the future.

With funds donated by EarthWise Energy customers, SRP installed 3.7-kilowatt solar electric systems on 18 Habitat for Humanity homes in Apache Junction, a city with a growing population located east of Phoenix. This project is one of our first opportunities to fund solar in new-home construction with the added benefit of helping low-income customers manage their electric bills.

For SRP customers willing to invest at a higher level, SRP offers incentives to homeowners and businesses that install solar energy systems. The EarthWise Solar Energy program provides up to \$30,000 for homeowners and \$500,000 for business owners who invest in solar electric systems. The combination of SRP incentives, state and federal tax credits

typically reduces the total installed cost by more than 50 percent. To date, SRP has invested more than \$2.8 million in solar incentives across the Valley.

While most EarthWise Solar Energy program customers are installing solar equipment on existing homes, a local builder of energy-efficient houses, VIP Homes, has become one of the first local builders to include solar electric as an integrated feature in a new, single-family residential community. In 2006, VIP Homes began



▲ Homebuilder VIP Homes has partnered with Salt River Project to offer homebuyers a solar electric system for their new home.

▲ SRP installed a 200 kilowatt solar electric system at a generating station in Glendale, Ariz.

▲ A solar energy program provides up to \$30,000 for homeowners and \$500,000 for business owners who invest in solar electric systems.

Photos provided by SRP

offering homebuyers the option of adding 2-kilowatt solar electric systems at virtually no cost, or 4-kilowatt systems at an estimated cost of \$8,000.

SRP has also partnered with Modus Development to do something no other Valley homebuilder has done before – provide each homebuyer with solar panels as a standard feature in the base price of their home. Located in the heart of Scottsdale, nine town homes will be equipped with a 2-kilowatt system.

NewsFLASH

YUCCA LAYOFFS

Several hundred workers could lose jobs at the Yucca Mountain nuclear storage facility after 35 were recently terminated, according to the *Las Vegas Review-Journal*.

Budget constraints were blamed.

The U.S. Department of Energy is seeking congressional approval of \$494.5 million for the program in the federal fiscal year starting Oct. 1. DOE is scheduled to file for a federal license for the repository in June 2008.

Even with full funding, job cuts may be necessary, according to a DOE official. The Yucca Mountain project employs 2,550.

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Modus Development was able to take advantage of the EarthWise Solar Energy incentives from SRP as well as state and federal tax credits.

Investing in solar on new-home construction provides some economies of scale in the purchase, design and installation phases. The savings might be 10 to 15 percent today, but as homebuilders become more familiar with this technology and the solar industry adapts to the special needs of the new home market, the cost savings will surely increase.

Projects such as Modus and VIP Homes are where we hope to see the market develop. This seems especially important in regions like Arizona with great solar resources and tremendous new-home growth. As recent history has proven, the more we invest in renewable technologies, the more affordable they become. At SRP, our customers are aware of the need to tap into renewable energy, and together we are taking action.

Lori Singleton is manager of environmental initiatives at Salt River Project.

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