

# GOING SOLAR

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HYATT VINEYARD CREEK  
SANTA ROSA, CALIFORNIA

# WHY GO SOLAR?

- We are in the early stages of an energy transition
- This transition is from fossil fuels to various alternatives, including solar
- As with any energy transition, the transition is for all, not just a select few

# PAST ENERGY TRANSITIONS

- Lighting:
  - whale blubber → kerosene → electricity:  
incandescent → CFL → LED
- Warships:
  - wind → wood → coal → oil → nuclear
- Electricity in California:
  - coal → natural gas
- Transitions are continuous processes

# ENCOURAGING OR FORCING THE TRANSITION

- Individuals, businesses, and communities have taken the initiative in leading the transition
- They have put pressure on governments - international, federal, state, and local - who have responded by formulating policies, passing laws, and providing incentives to encourage and/or compel the rest of us to change

# CALIFORNIA LEGISLATION

- Loading Order for investments in energy
- AB 32 - Global Warming Solutions Act
- 33% Renewable Portfolio Standard
- Net impact: **6.8%** annual increases in retail price of electricity projected
  - **Business as usual will bankrupt us!**

# FEDERAL INCENTIVES

- 30% federal tax credit
- 5-year accelerated depreciation
- For 2009 and 2010, you can apply to the U.S. Treasury for a cash grant in lieu of the tax credit once a solar electric system is installed

# CALIFORNIA INCENTIVES

- California Solar Initiative (CSI) Rebates
- Net Metering
- “Solar-friendly” rate schedule (A-6)
- Assembly Bill 920
- Resurrecting Senate Bill 7

# MAKING THE TRANSITION

- Assuming you can benefit from the subsidies, the best way to go solar is through the combination of net metering and CSI rebates to offset your own electricity needs
- Next, consider becoming an energy farmer and selling electricity to PG&E via a feed-in tariff

# HOW TO PAY FOR SOLAR

Tax paying entities	Non-tax paying entities
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Can use tax credits and/or depreciation	Cannot use tax credits and/or depreciation
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<b>Method of Payment</b>	<b>Cash</b>	<b>Bank Loan / Line of Credit</b>	<b>Tax Lease</b>	<b>NDC model</b>	<b>Power Purchase Agreement</b>
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High Risk / High Return

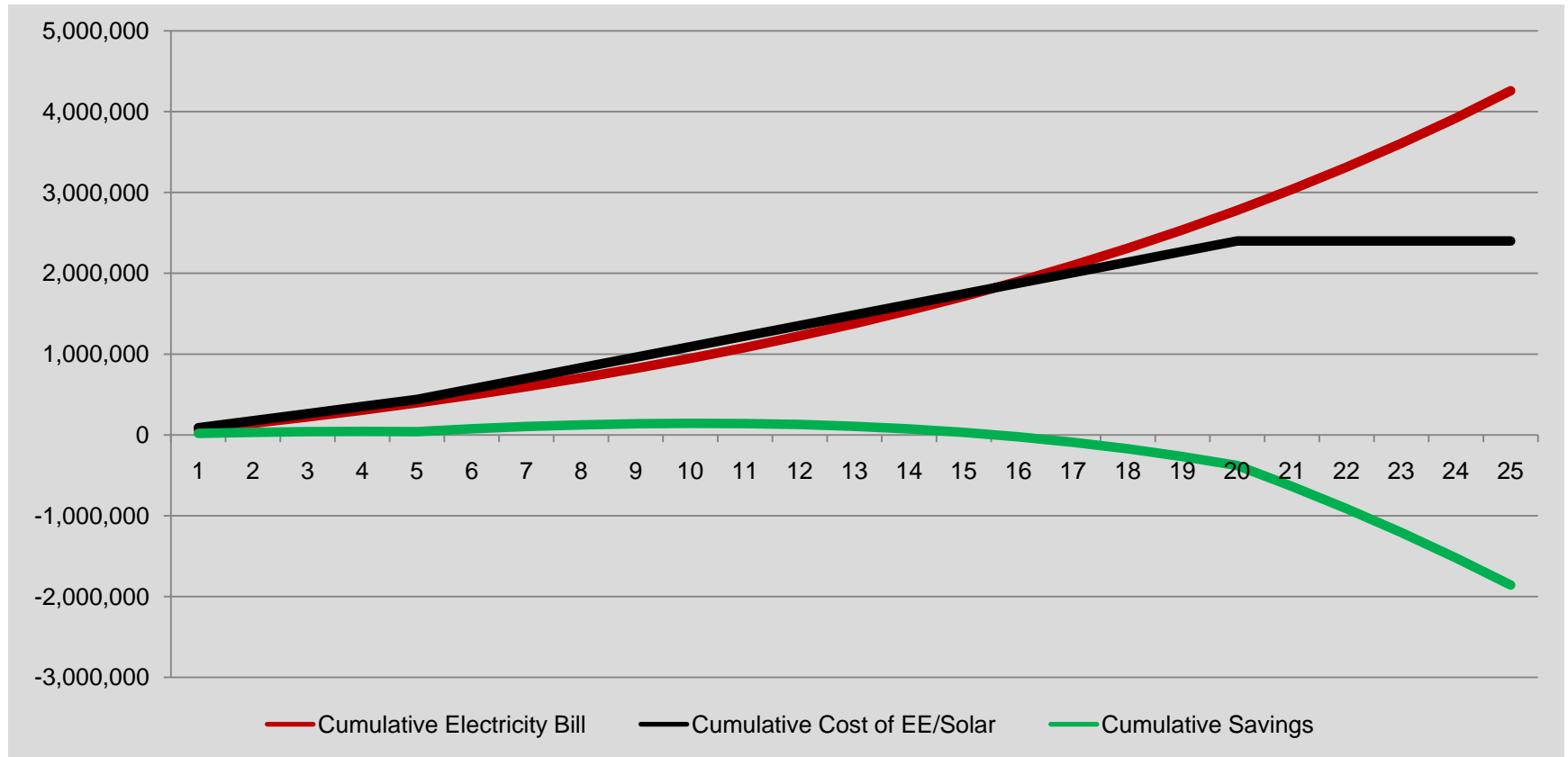


Low Risk / Low Return

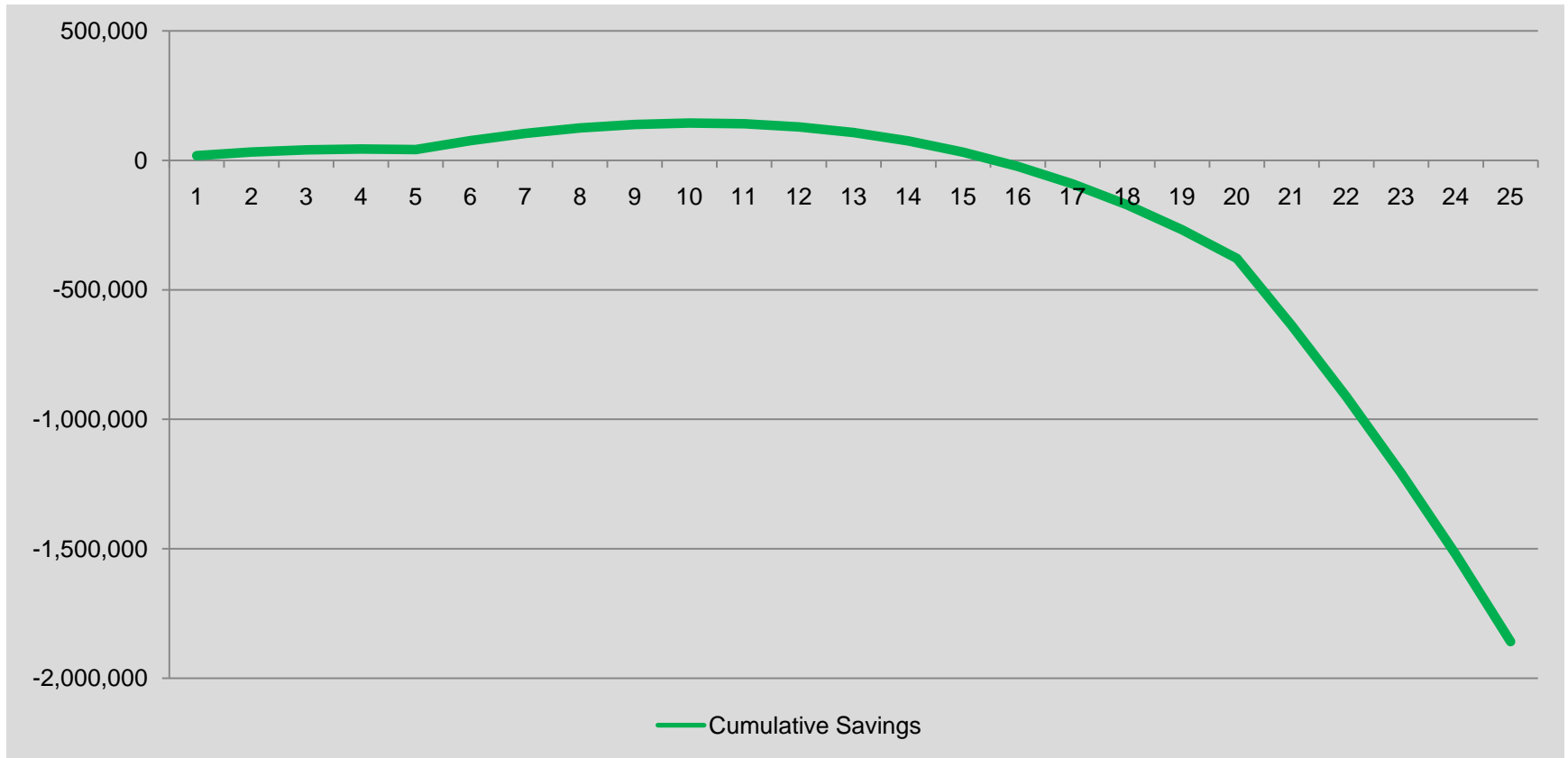
# NEW FINANCING OPTION

- Assembly Bill 811
- The local government pays for the customer's energy efficiency upgrades and solar and recoups the investment through property taxes increments spread over 20 years
- Available in Sonoma already, being considered in Napa

# Projected cumulative cash flows for a non-profit



# Projected cumulative savings for a non-profit



# CONCLUSION

- The combination of subsidies and financing can make the returns on an investment in energy efficiency and solar very attractive
- Although there are still financial, technical, and regulatory hurdles, the biggest obstacle is psychological
- Start transitioning now, because the benefits extend far beyond mere economic returns

# CONTACT INFORMATION

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