



CSL # 868816

P.O. Box 721  
Nevada City, CA 95959  
530-273-4422  
[www.SustainableEnergyGroup.com](http://www.SustainableEnergyGroup.com)

## Incentive Funds Are Disappearing

Rebates for solar electric systems for existing homes from PG&E will drop by about 30% in less than a month from the time you're reading this. The rebates for new homes, which is a completely separate program, will drop by 10% on September 12<sup>th</sup>. And lastly, on the gas side of things, PG&E has suspended their program for gas energy-efficiency incentives and rebates as of September 1<sup>st</sup>.



For more information on these rebates use these links -

Solar electric for existing homes: <http://www.csi-trigger.com/>

Solar electric for new homes: <https://www.newsolarhomes.org/RebateLevels.aspx>

Gas energy-efficiency rebates: <http://www.pge.com/GasRebateInfo/>

In recent articles here in Going Green I've covered the value of solar electric and shown the cost of paying for solar with a loan is less than paying PG&E from the first year forward! And on top of that, as electric rates rise the savings each year grow. So the choice is clear; you can go solar and pay less and less every year for power or just stick with PG&E and pay more and more. If you missed that column you can download the article here - [http://www.theenergyguy.com/05-12-11\\_SlrNoBrnr.pdf](http://www.theenergyguy.com/05-12-11_SlrNoBrnr.pdf)

In another article I covered the value of solar electricity at the time of resale or refinance. A major new study of 2000 California homes sold with PV installed shows the PV systems added an average of \$5.50/Watt (DC power) to their resale values, and a ratio of between 14:1 and 22:1 times the estimated annual electricity cost savings associated with the PV system. A two-page summary of the report's key findings can be found here: <http://eetd.lbl.gov/ea/emp/reports/lbnl-4476e-rs.pdf>

The installed cost of solar electric for an existing home, after incentives, is typically less the resale value. It's kind of like buying a car that just goes up in value (although that's not generally the case). The report noted the average cost for simple (no battery-backup) solar electric systems in existing homes to be \$6/watt. We just finished installing a small battery-backup solar system in Nevada City for \$6.12/watt.

What I don't think most people appreciate is that these rebates won't last forever and, as the economy continues to worsen, they'll be less and less government assistance for people wanting to get their household economic

situation into a more sustainable, long-term position. And while interest rates will remain low for the next several years – we hope – high inflation is inevitable given the deficits, so solar and efficiency are fast becoming a do-it-now proposition.

What happened to PG&E's gas rebates is a harbinger of things to come. The recently approved State of California 2011-2012 Fiscal Year Budget (SB87) includes a provision that authorizes the transfer of funds from the Gas Public Purpose Program (PPP) Fund to the State General Fund. While PG&E is pleading with the CPUC to reinstate these rebates, this sort of thing will become increasingly difficult in the future as budgets are tightened and money becomes less available. As another example of the tightening money supply, a customer we had all signed up for solar got a letter from their bank saying their equity line had been frozen; this was rather traumatic for all involved as we were delivering the equipment that very same day!

So, the word to the wise is:

- 1) Don't put off solar or energy-efficiency projects. They typically save more than they cost, reducing monthly expenses immediately (and the savings just keep going up as energy costs escalate into the future).
- 2) Solar and energy-efficiency investments are the most secure of any these days and offer returns on the order of 15% to 25% or more (the higher your bills, the higher the return). That's why an increasing number of our customers are getting out of the market and investing in their household's economic security instead. Higher returns and more security! Your best investment these days is right under your own roof!
- 3) Always get at least two or three bids – and opinions – before signing a contract. I frequently get called to do an energy-efficiency audit and upgrade work for homes that already have solar power. About half the time the solar was installed by an out of town company and the homeowner was gouged on price and shorted on quality. This is especially common, even with some local companies, if the salesman thinks you won't get another bid or if he can get away with pressuring you into signed “right now” because some special pricing deal is “only good today”. Don't buy it. Get several opinions and prices before entering into a contract.
- 4) A blend of solar and efficiency typically saves the most money for the least cost. That's why Sustainable Energy Group doesn't just install solar power systems. We believe in this so strongly that we provide a comprehensive energy-efficiency audit and report at no added cost to every one of our solar installation customers. We've even helped customers do their own efficiency upgrade work. A number of past articles in Going Green have focused on the energy-efficiency side of things, this one being a recent example -

[http://www.theenergyguy.com/04-21-11\\_CostEffRetro.pdf](http://www.theenergyguy.com/04-21-11_CostEffRetro.pdf)

There are a number of other reasons why people shouldn't wait to invest in sustainable energy for economic security . The 30% Federal Tax Credit is due to expire in 2016. But could it be cut short due to increasingly difficult budget-balancing efforts by Congress? The mortgage interest deduction credit is being considered for elimination, and this helps make borrowing money for solar and efficiency pencil out more favorably, especially in the first few years of operation (see past articles on the cash yearly cash flow savings like this one [http://www.theenergyguy.com/05-12-11\\_SlrNoBrnr.pdf](http://www.theenergyguy.com/05-12-11_SlrNoBrnr.pdf)).

So, folks, let's get our households into a more sustainable energy and economic position while the gettin's good!

*Ray Darby is President of Sustainable Energy Group Inc., a Grass Valley company offering energy efficiency and solar services for residential and commercial buildings, from comparing the alternatives through installation and servicing of energy systems of all types. You can reach him at 530-273-4422, via email [RayDarby@SustainableEnergyGroup.com](mailto:RayDarby@SustainableEnergyGroup.com), or visit their web site at [www.SustainableEnergyGroup.com](http://www.SustainableEnergyGroup.com).*