

**Exclusive to the *Denver Post***  
**By Neshama Abraham**

### **Cost of Solar Power Comes Down to Earth – Third Party Ownership Makes Solar Affordable for Homeowners**

Currently, 50% of U.S. electricity is generated from coal with emissions equivalent to 1 balloon of CO<sub>2</sub> per home sent into the atmosphere every 5 minutes. Plus, electricity rates are predicted to increase nationally at an average of 6.7% per year. What can we do to stop polluting our planet and protect our pocket books from escalating utility bills?

Individually and as a society we need to dramatically begin reducing our energy usage. A simple and immediate conservation step: replace your incandescent bulbs with compact fluorescent light bulbs (CFL) which use about 75% less energy than standard bulbs and lasts up to 10 times longer. Turn off your lights when you leave the room.

The next step is to produce more of our electricity from on-site renewable energy sources like solar photovoltaic and small wind. Applying the 30% federal tax credit and Colorado utility rebates of \$2.35 a watt, can reduce the cost of a solar system by 50% with an estimated 5-7 year payback period.

What if you don't have \$30,000 to put toward buying 3.5 kW of solar panels on your roof? A new financing option has recently emerged in Colorado – third party ownership of your solar system. In September 2009, Senate Bill 09-051 created “clean energy loans” whereby residential on-site solar electric systems could be owned and financed by an independent third party. The legislation makes solar energy affordable for everyone as long as you have a good credit rating – 680 or above.

In these agreements the system owner is responsible for system permitting, insurance, 24/7 monitoring, and maintenance. Currently, three companies offer third party financing in Colorado: SunRun, SolarCity, and Sungevity for a rooftop system. In SunRun's solar power service, the average homeowner pays from \$0 to \$250 down with a set payment schedule for 20 years and can choose between a fixed rate or a rate that escalates annually at .9 percent, 1.9%, or 2.9%.

“Having a fixed rate that is lower than the traditional utility company's allows homeowners control and predictability, and it saves them money,” said SunRun's Susan Wise. “You pay the same rate every year with no change, and your savings increase over time.”

Saving money was a motivator for Thornton homeowner Ronald Ruth who paid no money down with SunRun and a fixed fee of \$69 per month for 20 years to finance a 7.1 kW solar system on two portions of his roof.

“Why a solar lease? Because it's a lot of money to buy a solar system and the payback is much longer. By the time it's paid for I may be dead,” said Ruth. “The 20-year plan was a no brainer. They (SunRun) guarantee the energy the system produces. If it doesn't do that, SunRun will pay you the difference. This opportunity enabled me to get a solar system, help the environment, and it cost me nothing out-of-pocket.”

SunRun, who pioneered the Power Purchase Agreement model for residential solar, currently works with five experienced reputable solar installers in the Denver/Boulder market able to offer the SunRun solar power service: Real Goods Solar, Namaste Solar, Independent Power Systems, Bella Energy, and SolSource Inc. The latter – SolSource and Bella Energy – offer SunRun through Home Depot stores.

Namaste Solar installed Ruth's home, which took five months. However that included a two-month wait from his HOA Design Review Committee. Scott Skender, Marketing Manager from Real Goods Solar, says “On average you can expect three months to have your solar panels installed through a lease agreement.”

What happens to the solar system if you move? “It's easy to switch the system to a new homeowner, and solar gives your house a marketable home improvement with pre-installed clean power,” said Wise.

At the end of the 20-year agreement, you can 1) renew your contract, 2) buy the system for its market value (likely to be a very small cost), or 3) have the system owner remove your panels.

How do you get started? Simply contact one of the PPA providers or the Colorado solar installers through their website and they will set up a time to visit your home for a free solar consultation. In this initial visit, they will evaluate your roof structure and solar exposure, and can estimate the size of your system to generate up to 120% of your annual energy usage.

So, if you have a good credit score, want the dependability of knowing what your electricity bills will be over the next 20 years and you don't want to send 12 balloons of CO2 into the earth's atmosphere every hour now may be a good time to consider a solar lease.

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**Box:** For a clear explanation of how our electricity is currently produced in the U.S., check out SunRun’s animated 4-minute video on their website: “The Story of Coal” (<http://www.sunrunhome.com/why-solar/solar-video/the-story-of-coal>)

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