



## The Financial Case for Solar

Taking advantage of  
Tax Credits, Rebates,  
Power Purchase Agreements, Government  
Financing &  
Rising PG&E Energy Costs  
*to lock in low, fixed pricing for clean energy*  
*(Usually with no money out of pocket!)*

**You can get paid to go solar!!**



- “Green” solar electricity is generally less expensive than PG&E’s “brown” electricity per kilowatt hour
- No cash out of pocket required when using SCEIP (Sonoma County Energy Independence Program) or Sun Run Power Purchase Agreements (some restrictions apply)
- Homeowners paying more than \$125/mo average for electricity will be cash flow positive on Day 1 using SCEIP
- Business owners receive additional incentive: Depreciation
- PG&E rates increase on average 6% to 30% annually (last rate increase = Jan 2010)



1. State Rebate = approx 8-10% of installed cost
2. Federal Tax Credit = 30% of net of rebate cost
3. County Financing\* = 7% fixed, 20 year term
  - Stays with property if/when sold
  - Very simple qualifying guidelines
    - No credit check/score
    - no income/asset documentation
    - Newly introduced equity requirement (110% of value)
4. Sun Run Power Purchase Agreement\*\*
  - Usually no money down
  - Fixed energy costs, performance guarantees, panel washing, an 18 year warranty on installation and inverter (instead of 10), flexible moving/buyout options, and internet energy monitoring.

\* [www.SonomaCountyEnergy.org](http://www.SonomaCountyEnergy.org) aka "SCEIP"

\*\* [www.sunrunhome.com](http://www.sunrunhome.com)



Case Study: Gina and Andy T , Santa Rosa

\*Cash Purchase\*

- **Pre-Solar PG&E Electric Bill = \$8,400/yr**
- **Residual Annual PG&E Bill = \$1,300/yr (post solar)**
  - Gross Cost = \$83,700
  - Rebate = <\$9,000>
  - Tax Credit = <22,400>
- **Net Cost = \$52,300 (38% in incentives)**
- **Rate of Return on Cash Invested = 13.3% 1<sup>st</sup> year**
- **1<sup>st</sup> year savings = \$7100**
- **<6 years to recoup net cost**
- **\$235,000 in avoided energy costs over 25 years**



## Case Study: Ron and Julie M, Santa Rosa

*\*Financed through SCEIP\**

- **Pre-Solar PG&E Electric Bill = \$4000/yr**
- **Residual Annual PG&E Bill = \$300/yr (post solar)**
  - Gross Cost = \$46,000
  - Rebate = <\$6,000>
  - **Tax Credit = <12,000>**
  - Net Cost = \$28,000

Amount Financed from County = \$40,000

- Annual County Payment @ 7% = \$3721
- First Year Savings = **\$15,700** (includes tax credit)

**Cash Flow Positive Immediately with \$12,000 cash in hand, no cash out of pocket**



## Case Study: Barry and Libby O, Windsor

*\*Financed through SCEIP\**

- **Pre-Solar** PG&E Electric Bill = **\$1631/yr**
- Solar Installation Specs:
  - 10 Sunpower Brand Solar Panels
    - Gross Cost = \$16,000
    - Rebate = <\$1,900>
    - Tax Credit = <5,200>
  - Net Cost = \$8,900
  - Amount Financed from County = \$14,100
    - Annual County Payment @ 7% = \$1312
    - **Residual** Annual PG&E Bill = **\$876** (post solar)
    - First Year Savings = **\$4,764** (includes tax credit)

**Cash Flow Positive Immediately with \$3,500 cash in hand, no cash out of pocket**

(note: for smaller electricity users, a portion of the tax credit is used to supplement County payment until utility costs increase to match County payment)



## Case Study: David C, Santa Rosa

### *\*Financed through Sun Run\**

- **Pre-Solar PG&E Electric Bill = \$2316/yr**
- Solar Installation Specs:
  - 16 Kyocera Brand Solar Panels
    - Upfront Cost = **\$0**
    - Post Solar PG&E Bill = \$924/yr
    - Sun Run monthly payment = \$1383/yr
    - **New combined electric bill = \$2307/yr**
    - First Year Savings = **\$7/yr**
    - Fifth Year Savings = \$438/yr
    - Tenth Year Savings = \$1073/yr

**Cash Flow Positive Immediately with no cash out of pocket. Clean energy, fixed energy costs. Sun Run also delivers performance guarantees, panel washing, an 18 year warranty on installation and inverter (instead of 10), flexible moving/buyout options, and internet energy monitoring.**



## **SUMMARY**

- Returns on Investment range from 3% (smaller electricity users) to 25% (larger electricity users)
- No money out of pocket with SCEIP or Sun Run (some restrictions apply)
- Cash in hand in form of Federal Tax Credits
- Tax deductibility of interest on SCEIP
- Cash flow positive immediately in many cases
- Stabilized Energy Costs
- Improved Property Values\*
- Improved Marketability of Home\*

## **PLUS**

- Local Job Creation
- Positive Impacts on air quality, foreign oil, and national security concerns
- Energy Independence (e.g. earthquake preparedness)

\* **GreenWorks Realty** Seattle, WA Environmental Certification Report, May 2009  
[http://greenworksrealty.com/e-cert\\_report](http://greenworksrealty.com/e-cert_report)



### What to do next:

- Contact Pathways Solar Energy Brokers for a no-cost, no-obligation quote
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