

Testimony to the Local Government and Energy Committee
Feb 10th 2009



Why are we promoting Solar and the New Energy Economy?

1. Energy Independence as a nation
2. Less pollution so as to leave clean air and water and soil for the next generation
3. Economic investments and jobs creation in Colorado

Can we make access to Solar Energy more affordable?

Even with rebates, the price for solar has remained out of reach for many. In fact, as a nation and especially in **Colorado, the poor are subsidizing solar installations for the rich.** The solution that makes solar affordable for all Coloradans is **third party ownership** for systems under 10kW (typical home would have a 2-5 kW system).

Economics of a Ten kW or below sized solar installation

Costs and Benefits	\$/Watt	3 kW System
Installed Cost of a PV system	-\$7.50	-\$22,500
Federal Investment Tax Credit @ 30%	\$2.25	\$6,750
NPV of Federal Accelerated Depreciation Allowance (MACRS)	\$1.50	\$4,500
Total Benefit Monetized by an Investor i.e. cost reduction by using 3 rd party ownership is 50% of installed cost!	\$3.75	\$11,250

In Colorado, one in five households request bill payment assistance. Nationwide, the cost of this program has kept increasing with rising cost of energy. iCAST has initiated a program to provide free **solar energy to low-income families thru the weatherization program and philanthropy.** Providing energy efficiency and solar solutions will reduce the utility bill for low-income families for the life of the installation (30 years) and **end the annual bill payment assistance** needed by these families.

The Capitol Building, Museum and Governor's residence have solar panels thru third party ownership. Unfortunately, a low-income family or a non-profit organization is unable to avail of the same opportunity because **we are discriminating based on solar system size!**

Why discriminate on REC payment?

- A homeowner who can afford to own their PVs system will be paid upfront their REC payment of \$1.50/Watt.
- Xcel will be credited their Solar REC's by the PUC upfront.
- Currently, SB 51 states that 3rd party owned systems of Ten kW or below will be paid REC payments over 20 years based on production.

Besides being discriminatory, this is an **unnecessary measurement and verification cost burden to all ratepayers.** iCAST is asking that the playing field be level for all. If the issue is that upfront payments will empty the solar rebate coffers, then the **guaranteed REC payments can be made over an extended period,** as determined by the PUC.