



Bring Solar Home Campaign

**The Solar Surge
in San Antonio
August 14, 2011**

CPS ENERGY AND SOLAR

- THREE MAJOR SOLAR COMMITMENTS
 - CENTRAL GENERATORS
 - COMMERCIAL LEVEL INCENTIVES - FEED IN TARIFF - FIRST YEAR TEST
 - REBATES

CENTRAL GENERATORS

- Blue Wing Project 13.8 Megawatts + 500 Megawatts research and development - juwi solar, Inc./Duke Energy
- Sun Edison 30 Megawatts (3 x 10)
- RFP 50 Megawatts + economic development, education, and research and development
- 111 Responses
- Reissue RFP for 400 MW over 5 years
- Grid Parity for Solar

STEP PROGRAM

- \$850 million over 12 years for energy efficiency improvements and solar
- Rebates for 15 different items - Rebates recovered through past rate increase and fuel adjustment charge - social justice component
- Flexibility to adjust to demand
- Goal = to reduce energy demand by 771 Megawatts = eliminate need for new central generator

STEP RESULTS

- FY 2009 THROUGH FY 2011 = 162 MEGAWATTS REDUCED DEMAND
- FY 2011 GOAL = 45 MEGAWATTS
- FY 2011 REDUCTION = 86 MEGAWATTS
- PROGRAM CONSISTENTLY ACHIEVING HIGHER DEMAND REDUCTION PER DOLLAR THAN ANTICIPATED.

SOLAR REBATE

- One of STEP 15 rebates is solar
- Programmatic goal is 6% of total for each year
- FY 2011 = 979.05 kilowatts installed; \$2.8 million rebates paid; \$7 million value total
- Current rebate = \$2.50/AC Watt up to 25 kW, then \$1.65/AC Watt up to \$200,000 - local requirement

SOLAR TRENDS

- FY 2008 = 5 photovoltaic (PV) units
- FY 2009 = 17 PV
- FY 2010 = 38 PV
- FY 2011 = 157 PV
- FY 2012 (8/9/2011) = 165 PV*
- * 70 more in queue awaiting approval

SAN ANTONIO AND SOLAR

- San Antonio - DOE designated Solar America City
- National Renewable Energy Laboratory polling results:
 - 40% ready for solar hot water; 40% ready for solar electric
 - Obstacles: lack of information and upfront cost

SOLAR SAN ANTONIO CAMPAIGN

- Bring Solar Home Campaign
- Information = BringSolarHome.com
- Confidence Building = application on website, we select installers, we follow up with calls to applicants and installers
- Local lending institutions developing loan products for solar

SOLAR IMPROVEMENT LOAN

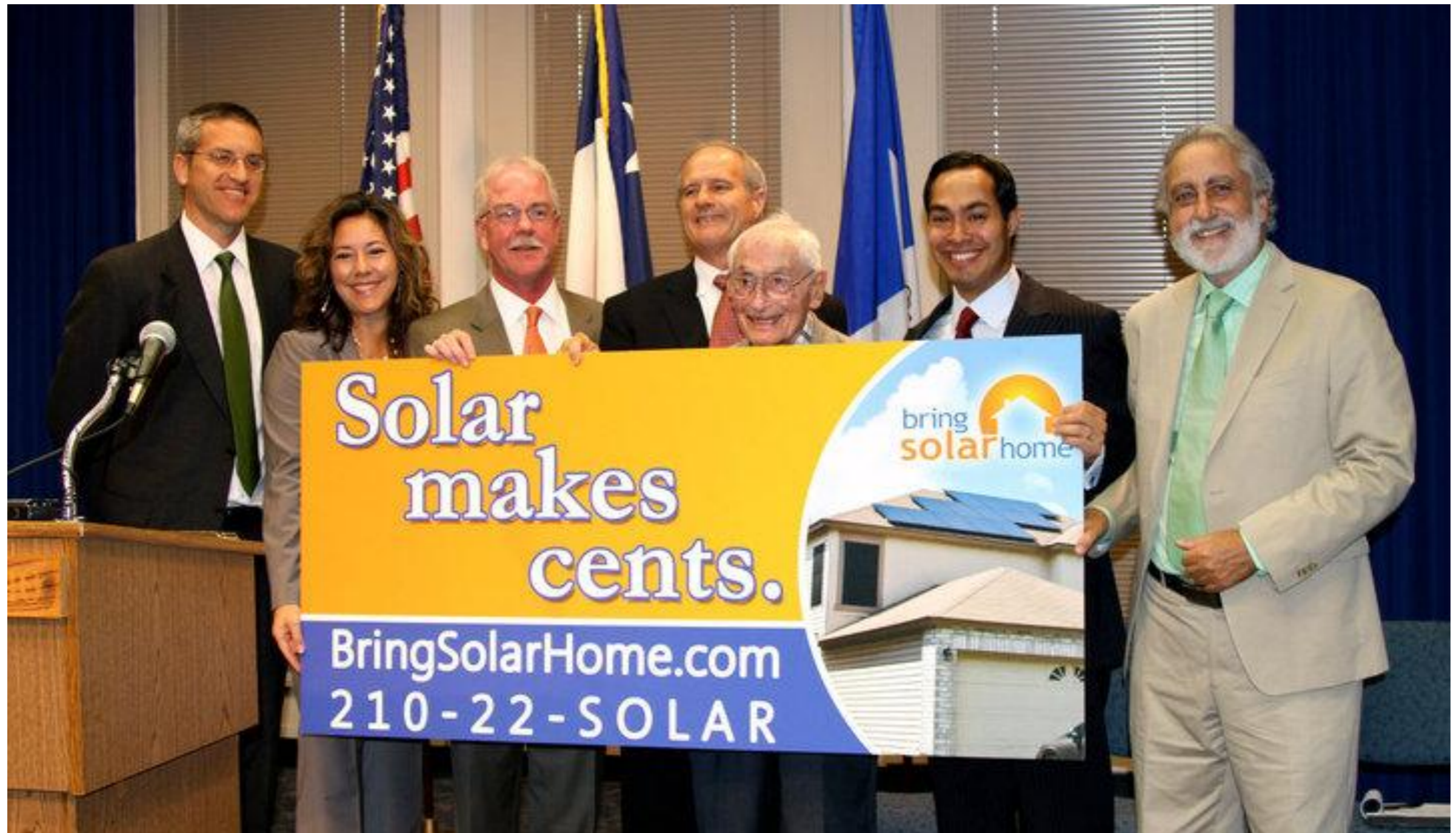
- **LOAN FOR TOTAL COST OF INSTALL**
- **WHEN REBATE PAID, CAN BE APPLIED TO LOAN**
- **WHEN FEDERAL TAX CREDIT CALCULATED,
CAN BE APPLIED TO LOAN**
- **LOAN INTEREST IN 5% TO 6% RANGE**

Solar Financing Example

SYSTEM SIZE: 5 KILOWATTS
TOTAL INSTALLATION COST PER KILOWATT:\$5.50

Rate	5.50%	5.25%	5.00%
Loan Amount	\$27,500	\$27,500	\$27,500
Term	20 Years	15 Years	10 Years
Phase 1 Payment (First month)	\$189.17	\$221.07	\$291.68
CPS Energy Rebate	\$11,250	\$11,250	\$11,250
Balance (11 months)	\$16,186.87	\$16,149.25	\$16,072.90
Phase 2 Payments (after first payment & rebate)	\$111.60	\$130.30	\$171.58
Balance (after 12 months)	\$15,765.76	\$15,478.61	\$14,897.89
Federal Tax Credit	\$4,875	\$4,875	\$4,875
New Loan Balance	\$10,890.76	\$10,603.61	\$10,022.89
Phase 3 Payments (remaining life of loan)	\$77.09	\$89.26	\$115.44
Projected Monthly Energy Savings	\$68.08	\$68.08	\$68.08
Net Monthly Cost	\$9.01	\$21.18	\$47.35

PRESS CONFERENCE LAUNCH



CAMPAIGN ELEMENTS

- Leadership cooperation = press conference with Mayor, County Commissioner, CPS Energy, and local lending institution
- Outreach cooperation = CPS Energy bill insert, newspaper articles, local weatherman
- Purchased media - billboards, newspaper ads, television time
- Staff support = 2,500 calls

CAMPAIGN RESULTS

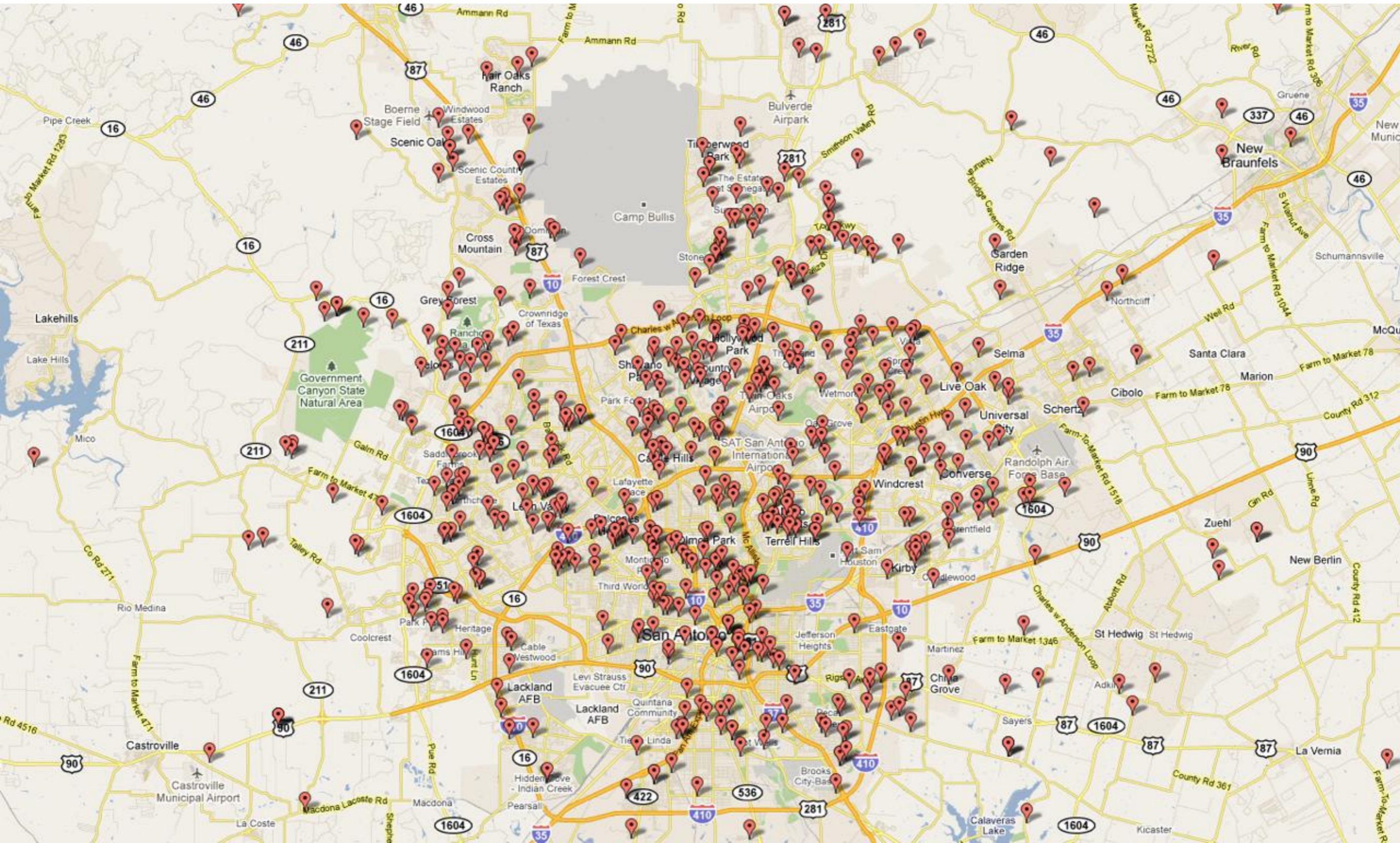
Phase I

- More than 550 applications to date
- At least 70 installations
- Value at least \$2.5 million
- 1/2 Megawatt added to CPS Energy distributed generation portfolio
- At least two companies quadrupling staff
- Total expenses for staff, materials, and purchased media about \$60,000

LENDING INSTITUTION

- 65 APPLICATIONS = \$1.4 MILLION
- 32 APPLICATIONS APPROVED (49%)
- 15 APPLICATIONS FUNDED (23%)
- TOTAL FUNDED = \$300,356
- AVERAGE LOAN AMOUNT = \$22,000
- AVERAGE INTEREST 5.75%
- AVERAGE LOAN TERM = 120 MONTHS

GEOGRAPHIC DISTRIBUTION OF LEADS



LARGER PICTURE

- Policies in place at City of San Antonio = Mission Verde Plan
- Policies in place at CPS Energy - Vision 2020
- SA 2020 + Mission Verde Alliance
- Mission Verde One Stop Center at Cooper
- Economic Development - Solar is major driver for creating green economy in San Antonio

UTILITY STRATEGY

- DECOMMISSION OLD COAL PLANTS RATHER THAN UPGRADE SCRUBBERS
- TAKE NUCLEAR OFF THE TABLE FOR NOW
- SATURATED ON WIND
- NATURAL GAS PROBLEMATIC
- SOLAR FULL STEAM AHEAD = HUNDREDS OF MEGAWATTS
- UTILITY AS ECONOMIC DEVELOPMENT PARTNER

SOLAR POTENTIAL

- **BEXAR COUNTY = 600,000 ROOFTOPS**
- **IF 50% SOLAR QUALIFIED = 300,000**
- **IF SPENT \$10,000 PUTTING SOLAR ON EACH ROOFTOP = \$3 BILLION**
- **INDUSTRY BEING BORN**
- **CREATING THOUSANDS OF JOBS ON CONTINUAL BASIS**

PLAN FOR CORPUS CHRISTI

- Citizen catalyst
- Political leaders
- Financing Institutions - future marketplace
- Utilities - making the case for solar
- Solar Installers
 - Group purchase
 - Training

QUESTIONS

- Lanny Sinkin, Executive Director, Solar San Antonio
- lsinkin@solarsanantonio.org
- (210) 354-0236
- BringSolarHome.com