

Cash for Clean Tech: Details of Sanders' plan unveiled

By Lee Barken, Member, CONNECT Public Policy Committee

San Diego is known around the world for a number of distinctions. We have a world famous zoo, world famous fish tacos, and a world famous climate. However, America's finest city is about to earn its most important title yet, as we transition into becoming America's most renewable city.

To achieve that noble goal, Mayor Jerry Sanders has released a framework for solar financing called the "Clean Generation Program". In a series of eight public workshops, city officials reviewed the details of the program and answered questions from a diverse group of stakeholders including homeowners, solar installers and others citizens eager to learn more about the program. The workshop I attended in Tierrasanta drew a crowd of more than 50 people.

"Mayor Sanders is committed to making renewable energy more accessible for San Diegans," said Policy Advisor Erik Caldwell. In addition to solar, the program can be used for a broad range of initiatives including energy efficiency retrofits, renewable energy fixtures and water efficiency fixtures.

While many residents support the idea of renewable energy, they frequently lack the up front cash needed for these projects. In addition, since most people switch houses every couple of years, it didn't make financial sense for a property owner to pay the large price tag, only to have the benefits reaped by a future home owner.

Clean Generation to the Rescue

The magic of the Clean Generation Program is that it provides the up front financing and then attaches that financing to the parcel's property tax bill. The loan is structured with a 20 year, fixed interest rate and accomplishes two significant objectives:

1. Other than a \$300 application/setup fee, there are no out-of-pocket costs to the homeowner.
2. The property tax assessment transfers from one homeowner to the next upon sale of the property.

With the proper mix of solar photovoltaic (PV) panels and energy efficiency measures, going solar can be a cash flow positive experience from day one. In one financial model demonstrated by John Helminski, Emerging and Renewable Technology Program Manger for the City of San Diego, a typical 1,500 square foot home could be renovated with energy efficiency features and solar panels for \$36,433. When financed through the Clean Energy Program, that project would have a monthly cost of \$284.14, but would result in energy savings of \$304.34 per month.

Coming Soon to a Rooftop Near You

When fully implemented in late March 2010, the Clean Generation Program will be available on a first come, first serve basis to residents in the City of San Diego. Up to \$20 million will be available in the first phase, providing project funding for approximately 600-800 homes.

With the financing component in place, home owners in San Diego will now have a clear pathway to solar, renewable energy and energy efficiency projects. As a result, this program creates jobs, promotes energy independence and it's good for the environment. Move over Cash for Clunkers, here comes Cash for Clean Tech.

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