Solar, for a Georgetown Indiana Couple, is Safe Investment in the Future

Janice and David Issacs recently had a solar photovoltaic system designed and installed by SunWind Power for their home located in Georgetown, IN. The 4.29 kW system consisting of 22 solar panels mounted on their roof-top is a sound, safe, and smart investment for the couple. Not only is the system decreasing their dependency on coal but it is also saving them money, as evidenced by their electric meter running backwards. "That's just a neat feeling", commented David. A former math and science teacher, he had been researching alternative energy years ago, but the financial case was difficult to make at that time. The couple's main goal was to lower their "carbon imprint" AND "save money".

Currently, solar energy is a sound financial investment because conventional fuel costs have been increasing steadily for the past decade. The recent 12.1% rate increase imposed by E.ON's LG&E is a good example of this trend. Not only are prices increasing, but the environmental impact of conventional coal-generated power imposes a hidden cost burden on society as a whole. These hidden costs are not typically considered in financial comparisons between renewables and conventional power sources. Measures such as net-metering, the current 30% Federal Tax Credit, and RECS make the investment more attractive, and renewable energy lacks all of the social costs associated with conventional fuels.

A long-term investment in solar energy is sure to pay off sooner rather than later with the anticipated rise in energy costs. Just across the river in the neighboring state of Kentucky, Louisville residents are wrestling with the LG&E rate hike. The Issacs and other customers like them have decided not to tackle future rate hikes and the uncertainty of energy costs. Instead, they have decided to essentially lock in their next 30 years of energy bills by installing a photovoltaic system now. They will see a return on their investment that will be on par with a fixed income retirement fund. With time, just as with stocks but with considerably less risk involved, their initial investment will provide a Return On their initial Investment.

The Issacs were pleasantly surprised by how quickly their utility, Duke Energy, responded to their request to grid-tie their solar system to the utility. Duke Energy has been allowing customer to net-meter their solar and wind systems. Net-metering is a policy that allows customers that have grid-tied systems to receive credit for their excess, unused electricity generated by renewables. Net-metering helps customers of renewable energy systems receive a better return on their investment.

In addition, the Federal 30% credit for renewable energy systems goes a long way to helping reducing the actual costs of these systems. This credit essentially reduces the system cost by 30% in the form of a federal tax credit at the end of the tax year. For example a $30,000 solar system will result in a $9,000 tax credit. The savings don't stop there, Renewable Energy Credits (RECs) also help increase rate of return on a solar investment. One solar REC represents 1 mega-watt hour worth of solar electricity and is valuable to solar home owners for the following reason: large-scale electric suppliers are

required to supply a certain percentage of their electricity from solar. They can do so by building large-scale solar facilities or by purchasing solar RECS from customers who generate solar power.** This creates an entirely separate and ongoing revenue stream for the residential renewable energy system owner. The customer has the option of taking an up-front lump sum payment to help reduce the upfront cost of the system or quarterly payments for the term of the contract with the REC aggregator company. In either case, the impact is significant.

Finally, most people don't stop to think about the social costs they are paying for conventional fuels which include toxic emissions, pollution of waterways, and military costs required to protect our fuel interests around the world. Renewables inherently don't have this burden.

The investment in solar made by the Issacs, and many other folks with long-term outlooks will be financially, socially and morally rewarding for years to come.

***Contact SunWind Power to learn more about RECs.