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RENO, NEVADA, MAY 02, 2011: Most homes and businesses in Nevada have enough solar power shining on them daily to meet all of their electricity needs. For 99% of us, it is currently wasting away as heat instead of producing renewable energy. Sure you may be thinking about that house remodel with that brand-new granite counter top, gas range stove, stainless steel refrigerator and fresh tile or hard-wood floor, but did you know that renewable energy does more for the value of your home than any other remodel or addition?

An investment in renewable energy increases your property's value on the spot. There's a definite out of pocket cost and many people have been blown away with sticker shock over the past decade, but much has changed in the world of renewable energy. Today the average household can reach a 100% offset of electricity with a \$20k - \$30k investment. The problem is that most people look only at the simple payback and total cost of a clean energy system without considering all of the real benefits.

Increased Property Value without Increased Taxes

A study¹ by Lawrence Berkeley National Laboratory published in April 2011 shows that homes with Photovoltaic systems sell for a premium over comparable homes without PV systems. Berkeley Lab's statistical results showed that homes with PV systems (which accounted for 90% of PV systems installed) sold for premiums "comparable to the investment that homeowners have made to install PV systems." Generally this correlated to a \$5-6/watt cost to install and increase in property value.

The Berkeley Lab study also validated a study² by the US Department of HUD and the EPA published in October 1999 which demonstrated that savings on your utility bill, whether by energy efficiency or renewable energy generation, significantly increases home values. Their statistical findings said that \$1 (one dollar) in annual electricity savings for a standard residence amounted in \$20 (twenty dollars) in increased property value. So a 5kW solar photovoltaic system that costs say \$28,000 to install would produce about 8,700kWh's (kilowatt-hours) annually valued at \$1,130 (at \$0.13/kWh). That annual savings of \$1,130 in electricity equates to increased home value of at least \$22,600, but usually equal to the cost for PV systems (so around \$28,000).

What makes this deal even sweeter in Nevada is that according to Nevada State Law and the Nevada Attorney General, renewable energy systems "must not be included in the assessed value of a building."³ No other residential add-ons that we know of give you so many perks like clean energy; increased property value without having to fork over extra property taxes. Behold the power of the sun (and wind)!

¹ Hoen, Wiser, Cappers, and Thayer, "An Analysis of the Effects of Residential Photovoltaic Energy Systems on Home Sales Prices in California." *Ernest Orlando Lawrence Berkeley National Laboratory, U.S. Department of Energy Office of Energy Efficiency and Renewable Energy*, April 2011.

² Nevin, Rick, Christopher Bender, and Heather Gazan. "More Evidence of Rational Market Values for Home Energy Efficiency." *The Appraisal Journal*, 10.99 (Oct 1999): 454

³ Nevada Revised Statutes 701A.200 – "Exemption from certain property taxes for qualified energy systems; requirements and limitations; regulations," State of Nevada 2009.

Increased Property Sellability

Solar Powered homes sell twice as fast as conventional homes according to US Department of Energy⁴. With economic hardships more prominent in Nevada than any other state in the Union, who wouldn't want the increased ability to get away from your current mortgage if the opportunity presented itself? "Although the best data to date is from California, solar-equipped homes are proving popular...even in depressed housing markets."

Rebates

The language often gets mixed and confusing when talking about tax credits and rebates, so let's set the record straight. Rebates are State-level incentives that are mandated by the Public Utilities Commission and distributed by NV Energy. We are currently debating the revised rebate structure with Nevada State Legislators, the Public Utilities Commission and NV Energy daily in Caron City, but it is looking promising that we will have solar photovoltaic and wind energy rebates back in place in Nevada starting this summer. Depending upon the structure that we iron out with legislators, homeowners and businesses alike will either get money back immediately for their installations or over time in the form of payments from the utility company for clean energy power generated. You can always keep up-to-speed with clean energy incentives by visiting dsireusa.org (Database of State Incentives for Renewables & Efficiency USA) or by calling a knowledgeable clean energy professional.

Federal Tax Credits

Tax credits relate only to the Federal Government and those taxes you square away with Uncle Sam on the 15th of April. They ARE NOT going away any time soon, so you have time to make the right decision. Residential Renewable Energy Tax Credits will be in effect through 2016. Tax credits allow you to get 30% of the installed cost of a system back in the form of a credit on your taxes. In the case of the \$28,000 system we spoke about earlier, that would be \$8,400. You do need to have the tax appetite to use the credit, so speak with your tax advisor, but you don't have to use it all in one year; you have until 2016 to use the entire tax credit.

Decreased Environmental Impact

Of course we all know that going solar or using wind energy is better for the environment, but what does that really mean? According to CARMA⁵, Northern Nevada is currently supplied by 76% Burning of Fossil Fuels. In 2009 the State of Nevada alone burned through 981 Million Tons of Coal, 89 Million Barrels of Oil, and 60 Trillion gallons of Natural Gas.⁶ By powering one house with 5kW of solar PV you invest in the promise of a brighter tomorrow and reduce CO2 emissions by over 12,250 pounds per year, the equivalent of driving your SUV 16,000 additional miles (six five day trips across the US) every year.

⁴ National Renewable Energy Lab, "Homebuilder's Guide to Going Solar." U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, 2008.

⁵ Carma.org, "Reno Metroarea Region Overview" *Carbon Monitoring For Action*. 2007, <http://carma.org/region/detail/3272>. 14-April-2011.

⁶ U.S. Energy Information Administration, "Receipt of Fossil Fuels by Type of Fuel." U.S. Energy Information Administration, 2010, http://www.eia.gov/cneaf/electricity/cq/cq_sum.html, 14-April-2011.

Of course any respectable clean energy contractor should be able to answer any and all of your questions about rebates and incentives on the phone or in person. Our hope is that with better informed communities in Northern Nevada, you will have all the knowledge about incentive in-hand when the time is right for you to install a renewable energy system at your home or business.

Clean Energy Center provides renewable energy solutions for residential, commercial, and utility-scale markets. Our clean-tech capabilities include design, engineering, and installation of electric vehicle chargers, wind, solar electricity, solar hot water, hydro, and geothermal energy systems. Clean Energy Center is a member of the American Wind Energy Association, Better Business Bureau Accredited, and certified by the North American Board of Certified Energy Practitioners as a Photovoltaic installer and a PV Technical Sales Professional. More information about the Clean Energy Center is available on the web at CleanEnergyCenter.com.