

Washington Business Journal - February 25, 2008

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WASHINGTON BUSINESS JOURNAL

Friday, February 22, 2008

Clouds hang over Mount Pleasant's plan to go solar

Washington Business Journal - by [Vandana Sinha](#) Staff Reporter

Mount Pleasant wants to be one of the region's first solar-powered communities. But unfortunately for the newly formed Mount Pleasant Solar Co-op, the legislation the neighborhood is banking on to help finance the installation of solar panels could also be a nail in the concept's coffin if it passes.

Co-op leaders say they are committed to their plan to install solar panels all over the neighborhood of about 12,000 people. The panels run about \$20,000 in initial costs.

Working with Gaithersburg-based **Switch LLC**, a renewable energy company, neighborhood residents hope to replace their average 10,000 annual kilowatt-hours of electricity with 3,000 kilowatt-hours of solar power in at least 100 homes.

So far, more than 50 homeowners have signed up, but the high installation costs may be holding back others in the area.

About 40 additional families are interested -- if they can get a financing package that includes a 15-year loan enabling them to install the technology for no more than an extra \$25 fee per month on their electricity bill during those years.

"We're going to do this project regardless of what deal we can do," said Anya Schoolman, a 17-year Mount Pleasant resident and environmental consultant who helped generate the idea. "If it's at \$80 a month, we're not going to get that many people. We might get 20 [households], but we're not going to get 100."

While organizers said the installation costs for solar power will be partially offset by the savings from living with it, they hope to further compensate for the expenses by selling "renewable energy credits" to the utilities based on the amount of solar power that co-op members generate.

When utilities are required to make renewable energy a certain percentage of their power offerings, they can generate it themselves, buy it directly from suppliers or buy credits for renewable energy that businesses or homes generate on their own. The latter option creates a renewable energy credit market that rewards independent solar power pioneers with prices the co-op hopes reach into the \$700s per megawatt-hour.

To help boost the District's renewable energy credit market, Mount Pleasant residents are turning to a bill introduced late last year by Councilwoman Mary Cheh, D-Ward 3.



Joanne S. Lawton

Panel discussion:

Solar co-op members Jefferson Morley and Anya Schoolman, with her son Walter Lynn, worry that the high cost of solar panels could dampen enthusiasm for their project unless financing is available.

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Her bill may hike the required percentage of solar power that utilities must offer in the city and raise the fee that utilities must pay if they don't meet the requirements. Those provisions tend to boost the demand for the energy credits and thus their value.

Mount Pleasant residents are also in talks with Pepco, which has offered to help Maryland residents pay for solar panels through a 15-year loan with 2 percent below-market interest rates. Pepco would recover those costs through surcharges on customer electricity bills.

But in the District that plan can work only if Cheh's bill -- the one solar advocates are counting on -- does not pass. Pepco says the bill, which creates a position to manage all of D.C.'s energy-efficiency programs, would drain the company's own proposed pot of funds it wants to establish to provide money for those programs itself.

"If that were to happen, our ability to do things with Mount Pleasant Solar and other entities would be limited," said Steve Sunderhauf, manager of program evaluation for **Pepco Holdings Inc.**, who gives Pepco's involvement in the program a 50-50 chance. "We wouldn't recover [costs] on any of the initiatives on our end."

Switch, which is working with law firm Kaye Scholer LLP on a pro bono basis, stands ready with its subcontractors to install the solar panels, but company officials add that the idea can spread to other neighborhoods only if a financing plan is developed.

Otherwise, "it's not going to be sustainable," said Switch President Chris Graves, who has also been working pro bono. "We might reach out to foundations and put together some kind of fund just for this particular neighborhood, just to show that it could work."

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