



July 13, 2009

Want to receive a check for the electricity you produce? Say maybe \$.065 per kWh (that's about 5 times more than you pay for your electricity right now). This isn't available to everyone, and it won't be available forever, but if you qualify and are approved for the program you could make up to 5 times your current monthly electric bill every month for 12 years.

***New Solar Energy Program available at Consumers Energy and Detroit Edison (the following information is only the Consumers Energy information).***

**EARP** (Experimental Advanced Renewable Program)... this is the information I currently have, more details to come.

The system installed must be solar, the utility company must approve you, and the system must be able to produce at least 1KW but no more than 150KW. Non-residential systems available as well, minimum of 20KW and maximum of 150KW. If installed in 2009 you will receive 65 cents per kilowatt-hour produced each month for up to 12 years. If installed in 2010 the contract will be for 52 1/2 cents per kWh. Nonresidential systems get 45 cents if installed in 2009, 37 1/2 cents in 2010. The system must either be made in Michigan or installed using Michigan Labor. There is a small fee to participate per month, not to exceed \$6 a month for residential and no more than \$50 a month for nonresidential systems. In other words, you will get the per kW rate less a monthly fee. The utility company gets ALL the energy produced and all the RECs (renewable energy credits) for the duration of the contract, after that, you get the use of the energy produced and the RECs (meaning you go onto the normal net metering system and get any tax breaks available for RECs at that time). While on the program you will use the utility company's electricity and pay your normal electric bill every month. Once the program is over the electricity produced will net against what you use; you pay only the difference, if there is any (net metering).

**You will still qualify for the 30% federal income tax credit with this installation!**

So what does all this mean in layman's terms? If your utility company is one that has this program, if you apply and are accepted into the program, and if you install the qualifying system before the end of the year (2009) you will get paid for every kilowatt of energy you produce for at least 12 years. You will also get the federal tax credit on your next tax return if your tax liability is sufficient to be offset by the credit. So, for example, if you install \$40,000 worth of solar products this year on your residence and this system generates 500kWh of electricity per month (actual production will vary) you will get monthly checks for \$325.00 every month\* for 12 years plus you will get a \$12,000 tax credit on your next tax return. The system will then have paid for itself in a little over 7 years! At the end of the contract you will then use your energy produced first and pulls from the grid if needed for any additional electric needs and billed accordingly. Solar modules typically are guaranteed to produce electricity for 20 to 25 years and often last 40 years or more. Since your system will have paid for itself in less than 8 years but you will get paid for 12, and then get free electricity for the remaining life of the system, it's a

no lose offer.

*\*The production results and therefor the checks will vary every month, with more in the summer and less in the winter due to daylight hours of operation.*

That said, there is a limit to how many contracts the utility company will agree to, so getting in line is very important. Are you ready to go solar? Let's talk.

Oh, and if you are wondering why the utility would want to do this... best explanation I can give is they are now under state law required to produce 10% of their electricity by alternate energy means by the year 2015. They will be installing wind farms, solar farms, and hydro systems to meet that target but anticipate needing more then they can install. Thus, they are paying you to install your own system and leasing the energy and RECs produced. This will buy them 12 years time to create their own systems. Since solar is more predictable as far as production results, and has a longer life expectancy, and only produces energy during the day (when more energy is needed by the utility company), they opted to run this program with solar only at this time.

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For the past few weeks the Shelby Solar and Wind web site has been undergoing a series of updates, changes, and additions. These are ongoing so feel free to visit and see what's new.

<http://www.shelbysolarandwind.com>

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