

'Energize Austin' loans aim to boost use of solar power

By Marty Toohey

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A new program, "Energize Austin," designed to make solar power available to more people, officially kicked off Tuesday as officials gathered at a solar-powered East Austin home.

Under a proposal from Austin Mayor Lee Leffingwell, the city government would begin offering low-interest loans to cover solar arrays on residential roofs or energy-efficiency improvements such as home weatherization.

The details of the loan program have yet to be worked out. But officials hope the program would allow homeowners to replace their monthly electric bills with a roughly equal charge on their property taxes. The charge would be used to repay the loan for the solar array, Leffingwell said.

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See a video of City Council members talking about the solar program with this story online.

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"I know it's unusual that we've got something that costs the user nothing and the lender nothing," Leffingwell said, but for a homeowner the new array "pays for itself."

A large enough rooftop solar array would essentially reduce an electricity bill to nothing, or close to nothing. But the city's electric utility would lose revenue as a result.

Austin Energy General Manager Roger Duncan is an advocate of solar power but worries that if too many people install solar panels too quickly, the city could have trouble maintaining its grid unless it comes up with a new business model for the utility.

The city government has been promoting solar mainly by offering to pay part of homeowners' installation costs. That subsidy money comes from fees collected from all electric-utility customers.

But the subsidy, or rebate, has proven so popular that the city has had trouble keeping up with demand — \$3.3 million of

the \$4 million the city budgeted for this fiscal year was already committed by Oct. 1, the start of the fiscal year.

Leffingwell and other officials said Tuesday that the loan program could be a better option for some people. For instance, a homeowner would not have to pay initial costs that can run into the tens of thousands. Some owners are leery of taking out loans to finance a solar power system because the loan would have to be repaid in full if they move, said Karl Rabago of Austin Energy.

"This removes that concern, because the loan would run with the house, not with the owner," Rabago said.

Solar advocates had mixed responses to the program. Cary Ferchill, president of nonprofit advocacy group Solar Austin, said similar programs have not dramatically altered the solar market in places such as Berkeley, which came up with idea. But, he said, "it's a tool that allows people to bridge a difficult financial problem" and could help spread the technology.
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