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Oncor to offer rebate for solar panel installation to homeowners, businesses

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Oncor will pay cash to homeowners and businesses that install solar panels.

The electricity delivery company, the arm of Energy Future Holdings that operates power lines, is expected to announce a program today to offer \$2.46 per watt of solar power installed. An average home's solar electricity installation costs about \$26,000 and would get more than \$7,000 from the incentive program.

"This really hasn't been done at this scale by any utility in Texas," said Steve Wiese, a contractor working with Oncor to implement the program.

Oncor set aside \$16 million for the incentives it will pay out during the next four years. Spokeswoman Carol Peters said the company wants to help pay for 1,400 installations.

Peters said the regulated utility won't ask the Public Utility Commission to charge consumers for the cost of the solar incentive. The \$16 million is part of the promise Energy Future Holdings made to support renewable energy and efficiency when the company purchased TXU Corp.

Still, even with the Oncor rebate on top of a federal solar incentive, it takes decades for most solar installations to pay for themselves in terms of savings on utility bills. At this point, home solar installations tend to be hobbies for environmentalists and engineers. An average home solar system has about 3.2 kilowatts in capacity, costs about \$26,000 including installation and generates about 4,500 kilowatt hours of power each year, according to Standard Renewable Energy, one of the companies participating in the program.

Oncor would pay a \$7,872 rebate for the system, and the federal tax credit would be about \$7,800.

If electricity costs 15 cents per kilowatt hour, and the cost rises about 10 percent a year, Standard calculates that it would take about 10 years for the utility-bill savings to pay for the cost of the solar panels. If electricity costs less or the customer takes out a loan to pay for the system, the payback time grows.

A second goal of the Oncor program is to create a group of solar panel installation companies with trained, certified workers. So far, 20 companies have signed up to work for the program.

"In just talking to customers, there's a lot of interest in solar water heating and solar photovoltaics, from people that sold the technology and customers that wanted it. But there's no middle piece, the people to actually install it, market it to end customers, etc.," said Michael Stockard, director of energy efficiency programs for Oncor.

He said the company will offer incentives for both solar photovoltaic installations, which generate electricity, and solar water heaters.

To get the incentive, a customer would contact one of the participating installation companies.

The installer first checks that a customer's home is suited for solar panels. The home must have a south-facing roof with little tree cover.

"We'll talk through all the positives and the negatives of the system. By the time we're finished with my initial consultation, you're going to know just exactly what is an appropriate installation for your roof and how much it's going to cost," said Jim Duncan, founder of North Texas Renewable Energy Inc., one of the installation companies working with the Oncor program.

The customer pays half the cost upfront, then Duncan can get to work.

He designs a system and orders the panels. Installation typically takes two or three days, he said.

After the system is in place and connected to the grid, Oncor sends an inspector to make sure the work meets the incentive program criteria. If so, Oncor sends Duncan a check, and the customer owes him the balance of the bill.

A solar installation can cut a customer's bill by generating power and by selling excess power back to the grid.