



Compass Solar Energy Poised to Meet Northwest Florida's Growing Solar Demand

Is solar becoming the next standard home appliance since central heat and air? Many of us can remember when central heating and air conditioning began to take hold in Florida during the 60's and 70's. Something that was once considered a luxury for the rich and famous became a standard in household construction. Incentives were necessary to make it affordable until eventually manufacturing costs shrank and competition made prices affordable to the average family. Today it is rare to see a home without it. Is Solar next?

A local company in Pensacola seems to think so. When Dan Gardner, a lifelong resident of the Gulf Coast and co-founder of Compass Solar Energy, thinks back to his childhood, he sees a parallel between the evolution of central heat and air and that of solar.

"I remember getting excited when one of my elementary school classes was in a portable," Gardner said. "It had a window AC unit. My dad installed a window unit in our Myrtle Grove home when I was a teenager. Not hard to figure out which room became the most utilized. Before that I only experienced it in large buildings around town."

Compass Solar Energy first started as "The Solar Guys" in 1999 as a solar pool heating company. It wasn't until 2007 that the installation of solar electric panels began to emerge on the residential scene.

"If you look at a timeline for the past 10 years you see solar electric emerging much like the cooling and heating systems did in the 60's and 70's."

In the early 2000's solar electric systems averaged around \$10 per watt. Meaning a 5000 watt system would be installed for around \$50,000. Not a price for the average home. It existed on military installations and some commercial buildings.

It wasn't until the State of Florida introduced a \$4 per watt rebate program in 2006 that solar electricity began to show up more regularly. That, along with a Federal Tax Credit of 30% up to \$2,000, allowed a customer to recoup \$22,000 of the original \$50,000. "The problem was very few people could outlay \$50,000 initially," Gardner said.

In 2008, the federal government removed the \$2,000 cap on the 30% and enough manufacturers and installers had entered the industry to create a competitive pricing environment. By 2009, the \$50,000 system was down to \$32,000. This resulted in more applicants than the Florida rebate program could support. The state program was terminated.

While many emerging installation companies viewed the ending of the state rebates as a catastrophe, the change forced more aggressive pricing in Florida. By 2010, pricing fell to \$5.50 per watt. The \$50,000 system of 2006 dropped to \$27,000 in 2009. At the same time, the Public Service

Commission pushed the public utilities like Gulf Power to introduce rebate programs. This created more interest but the programs are still greatly underfunded.

Prices hit record lows in 2012 due to a large growth in the Chinese manufacturing of panels which pushed other manufacturers to compete. Companies like Solyndra failed because they were not prepared for the new retail prices.

Improvements in technology now allow for do-it-yourself installation kits. Today, Compass Solar Energy can install the \$50,000 system of the early days for around \$16,000. The 30% Federal tax credit would be \$4,800 bringing the cost down to \$11,200. If someone wanted to install the same system themselves, they could purchase the major components inverter, panels, rails---everything but the small electrical parts---for about \$11,000. Besides the small parts they would also need the engineering and permitting.

A customer could begin with a starter kit for around \$2000 and add to it as budget allowed – after the tax credit that investment is only \$1,400.

Businesses are offered even better deals. Not only do they receive the 30% Federal Tax Credit, they are also offered an accelerated depreciation benefit. This additional tax savings recognizes the improvement over a 5 year period, as opposed to the life of the system which now have warranties of 25-30 years.

“With current prices, Compass Solar has seen interest in solar triple in the past year,” Gardner said.

Compass Solar Energy is the Northwest Florida leader in high quality solar design and installation. Call 850-439-0035 or visit www.compassolar.com today to find out more information or to request a free site survey.

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