Brandy,

I attended the meeting in Laconia last week and made some brief comments about banking and appraisals that I wish to elaborate upon. I am a solar installer/integrator and have many occasions to work with or against banks and appraisers in the process of helping my clients attain their energy goals.

I'll start with a short story about a banker friend of mine who installed a $30,000 solar electric system 2 years ago. The system makes around $2000 worth or electricity a year. When he went to refinance, the system was appraised at $2000.00. Now this is ridiculous on its face. We have an asset that generates operating capital to reduce the cost of running his house, with a proven track record of 20+ years of failure free service and the appraiser clearly had no idea what he was saying. I have on occasion done small workshops for groups of appraisers and found them remarkably uninterested in altering their perception that this stuff is all new, untested mysterious technology. Customers always ask if a solar hot water or solar electric system will increase the value of their home at sale. There is no question that a system that reduces operating costs and will run with almost no attention for 20 years should indeed have substantial value. I'm not sure what the answer here is and I don't know how appraisers get their information but it would seem there should be some standard mandated values for these things based on size. Perhaps something related to the original rebate application?

Obviously we have the same problem with realtors. if they don't understand what's on the roof and don't know how much energy it produces they clearly won't make any effort to support it. I strongly recommend to customers that they tuck away an energy bill before the solar system was turned on and one soon after so the financial impact is clear. But again if the buyer's realtor is whispering "weird technology" in his/her ear, well you get the point.

As for Banks I think the issue is far broader than solar. We're now at a point where building near or net zero homes is possible, and frankly quite practical. The issue is the cost is often 25-30% higher than a standard house of the same size. The benefit is the dramatic reduction in operating costs. As an example, about 4 years ago I went looking for a financing program that I could offer to my customers. I approached 5 banks with the same story. "If I wanted to buy a $30,000 car right now you would have no problem giving me a loan. 5 years from now that car will be worth dramatically less. But if I wanted to borrow 30,000 for a solar system I would be installing something with both a very long life and something that would reduce the cost of operations for my home immediately and for the long term. That should make me a better customer on paper and therefore you should give me a better rate." I got a bunch of blank stares.

There needs to be a way to get banks to consider operating costs in a much more significant way. if you can't finance that extra 30% to eliminate your energy bills how can we get where we need to go?

Thank you all for hosting these events and pushing the rock a few more steps up the hill.

Jack Bingham
Seacoast Energy