



Installing solar panels is easier than ever, and with the new stimulus plan, it could benefit you even more.

## ***A Ray of Sunshine in a Gloomy Economy***

ENJOY THE BENEFITS AND EASE OF SOLAR PV KITS

*Submitted by SolarWorld*

**W**ITH THE ECONOMY in recession and new construction projects few and far between, success-minded electrical contractors are expanding their businesses into solar energy, where there are profitable opportunities even during the economic downturn.

Rooftop solar photovoltaic (PV) systems, which convert the sun's light into electricity, present a particularly attractive opportunity; they can be installed on most homes and often receive substantial rebates and tax credits that help make them a solid investment for homeowners. PV system installers are some of the fastest growing and most successful businesses in the country these days.



### ➔ Steps to selling and installing a PV kit

- Use marketing materials and promotional support from SolarWorld to generate leads.
- Use the Sunkits® questionnaire to conduct an on-site consultation and receive a customized sales proposal.
- Present the sales proposal and get your contract signed, then order the kit.
- Acquire any necessary permits and install the system.
- Collect payment and move on to the next install.

However, successful solar installation businesses require specialized technical expertise and a unique sales and marketing process that takes substantial investments of time and money to build up.

Fortunately, Rexel has teamed up with SolarWorld, the largest solar PV manufacturer in the U.S., to offer contractors a fast and easy way into the solar-energy market by giving them access to SolarWorld's 30-plus years of solar experience combined with Rexel's convenient distribution and credit terms.

SolarWorld's Sunkits® program offers contractors everything they need to enter the solar market, including complete custom-designed PV systems, factory training, and sales, marketing, and technical support. And it's all available through your local Rexel branch.

### Solar is a large and growing opportunity

The solar PV market continues to grow in the face of the recession because homeowners and businesses can quickly invest in PV systems that slash their electric bills as well as help save the environment by avoiding expensive utility-generated electricity from fossil fuels. These savings can offer financial returns that are generally greater than once-solid CD and bond rates.

Estimates of solar-installation growth have varied between 30 and 50 percent in recent years and had already reached more than \$2.5 billion in 2008—before the Obama administration shepherded in an array of market incentives expected to further spur solar-energy demand in months and years to come. Now, retail consumers and businesses can buy systems for as little as 20 cents on the dollar—after tax, accounting, and cash

New tax incentives are encouraging consumers to install solar panels.





incentives are tallied. Bottom-line costs to retail customers vary from state to state, depending on the particular incentives and sunlight available in each (see *the related map*). No matter the dollar figures, solar is one of the fastest-growing industries in the United States, and licensed electrical contractors are perfectly positioned to become the go-to people for local homeowners and businesses to get PV systems.

**Motivated contractors can get up and running quickly**

With the help of SolarWorld, developers of some of the first grid-tied PV system kits more than a decade ago, Rexel offers contractors the easiest path into the solar market available. After a one-day intensive training course, licensed electrical contractors are ready to sell and install Sunkits® (registration with state and local agencies may be required under some incentive programs).

With this direct-from-the-manufacturer kit, Rexel customers also have access to expert technical assistance and advanced training opportunities as they expand their businesses and install larger and more challenging systems. A built-in competitive barrier protects their entry in the many states that permit only licensed electrical contractors to install PV systems.

**Businesses can grow rapidly without tying up cash**

An additional advantage of the Sunkits® program is that contractors need not carry expensive inventory, leaving cash free to grow the business. With potential profit margins on the order of \$5,000 apiece, contractors can install as many or as few as they wish, leaving them to augment or replace their other lines of business.

Most traditional PV installers are limited by the amount of cash or credit they have or by the size of their warehouse. By ordering kits on demand, electrical contractors are only limited by how many systems they can physically install.

Deploying complete kits also holds down overhead, because it eliminates the need to employ solar specialists to design the systems and order specific components from several different vendors.

**Contractors can get help with sales and marketing**

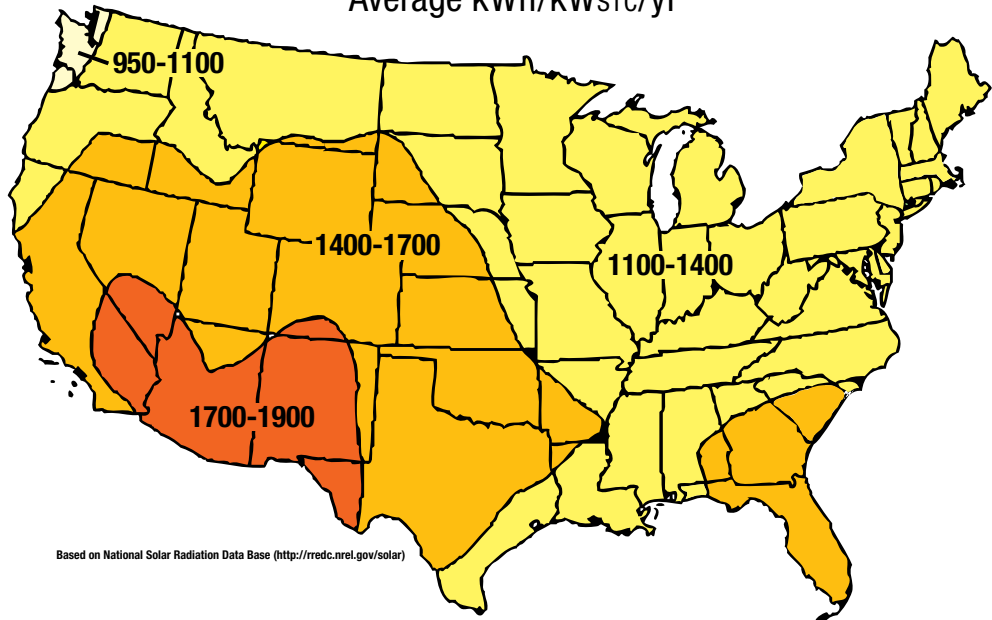
Despite the popularity of solar PV systems, good marketing and sales techniques are still critical for success. This can present a significant challenge for small businesses that don't have a full-time marketing staff, but contractors can take advantage of the marketing assistance available through the Sunkits® program to help them get established

QUOTABLE



“No matter the dollar figures, solar is one of the fastest-growing industries in the United States.”

Average kWh/kW<sub>STC</sub>/yr





### ➤ Solar PV Incentives

Most state and local agencies employ one of three basic types of photovoltaic incentives: rebates, performance-based incentives, or tax credits:

■ **Rebates, based on the size of a system**, range from 50 cents to several dollars per watt of system capacity. Rebates are often paid upon completion of the installation, reducing the up-front cost of the system.

■ **Performance-based incentives** are paid out over time based on the actual output of the PV system and are usually expressed as a rate, i.e. 25 cents per kWh, for a given number of years.

■ **Tax credits** can be based on system size or cost (a federal tax credit is available for 30 percent of a project's cost, excluding rebates) and provide a credit against taxes owed. For example a \$6,000 tax credit reduces the taxes you owe by \$6,000.

■ **Incentives** are listed on a state-by-state basis at [www.dsireusa.org](http://www.dsireusa.org).



and grow within their local market. Support starts with printed materials, but can extend to cooperative advertising, mailers, and exhibit materials for local home shows and public events. SolarWorld's own promotions also generate leads, which are forwarded to local contractors who are active in the program.

As with most system-level appliances, the sales process for solar PV systems is highly consultative, so it's important to not only generate leads, but also to qualify them before spending several hours chasing a dead-end sale. This can be accomplished by asking a few questions up front to ensure that a potential customer understands what the system will do for them and how much the up-front investment will be.

During an on-site consultation, the contractor completes a questionnaire used to generate a customized sales proposal that can be used to close the sale. If the customer has received competing bids, contractors installing Sunkits® can emphasize their factory training and SolarWorld's expert system design capabilities in addition to the industry-leading performance and 25-year warranty of SolarWorld's U.S.-manufactured PV modules to give their proposal an edge.

Sunkits® feature the SolarWorld Sunmodule®, recognized as the first-place leader in a long-term, independent field survey of name-brand modules undertaken by *Photon International*, a respected solar industry trade and research publication. SolarWorld's products sold in the United States are made from start to finish on the West Coast from U.S.-sourced materials and components.

By manufacturing domestically, SolarWorld not only creates living-wage jobs for Americans, but also spares the environmental costs of shipping from overseas. Further, SolarWorld is the industry's leader in recycling not only process waste, but also obsolete modules.

#### **Kit systems are easy to install**

Licensed electrical contractors already know how to deal with electrical systems and can learn the particulars of installing a pre-engineered PV system in a few hours.

Sunkits® arrive bulk-packaged with the modules, inverter, and complete mounting system, and can be drop-shipped directly to the job site. The system drawings and documentation included with the kit can be delivered electronically ahead of time to

speed the planning and permitting process. Inspectors quickly become familiar with kit systems and can call SolarWorld's factory experts with any questions.

A typical 3 kW PV system takes about 40 man-hours for a modestly experienced team to install. The most labor-intensive step, installing the mounting system, can even be subbed out to a roofing contractor. Mounting the modules themselves and wiring them to the inverter can usually be accomplished in a single afternoon.

#### **Solar PV systems aren't just for California**

With a 30 percent federal tax credit and widespread state and local incentives, solar PV systems are selling well in many states. It is extremely helpful for electrical contractors who wish to sell PV systems to familiarize themselves with local incentives (*see inset*) and to research how much a PV system can be expected to generate in their region. The map summarizes the expected annual output of a PV system on a per kW basis. More detailed information can be found on the National Renewable Energy Laboratory Web site: [www.nrel.gov/rredc/pvwatts](http://www.nrel.gov/rredc/pvwatts).

In addition to incentives, the benefits of a PV system also depend on the rates charged by the local electrical utility. Obviously, higher electrical rates and tiered rate structures make PV systems more valuable. In most utility rate structures, homeowners pay most for electricity, which makes them good candidates for solar PV.

In addition, homeowners typically make quicker decisions. It's true that residential systems seldom range higher than a few kilowatts, but markups are comparatively high and installations can be completed in a day or two. Sunkits® typically ship within 10 business days, meaning contractors can schedule delivery as soon as the order is signed.

Like financial returns, environmental benefits depend partly on system size. A typical 3 kW system in Southern California averts about four tons of carbon-dioxide emissions—roughly equal to taking one car off the road, planting 100 trees or recycling one ton of waste.

Rexel will be hosting training sessions at its branch locations throughout the year. Installers can contact the branches nearest them or call SolarWorld at 800-947-6527 to obtain details of upcoming sessions. ⚡