Bond Case Briefs

Municipal Finance Law Since 1971

How Blacksburg, Va., Got So Many People to Go Solar.

Dozens of U.S. communities have launched similar programs, but Blacksburg, Va.'s is different.

Solar is cheaper than it's ever been before. The cost of installing solar panels on the average home has plummeted 70 percent since 1998. Nevertheless, the upfront costs of installing panels still require a decent chunk of change. That's where a program like Solarize Blacksburg comes into play.

Blacksburg, Va., a city of about 50,000, launched the program — the first of its kind in Virginia — early last year in an effort to get more city residents to go solar. Working with installers, the city, along with community partners, negotiated a substantial discount for homeowners, lowering costs by 16 percent to an average savings of $3,256 per installed solar array. Today, it costs about $26,000 to install 5 kilowatts on an average home, according to the National Renewable Energy Laboratory.

Solarize Blacksburg is not unique. Rather, it's one of many "solarize" campaigns. The model started in 2009 as a grassroots effort to help residents of Portland, Ore., overcome the financial and logistical barriers to installing solar power. Since then, dozens of communities across the U.S. have launched their own versions of a neighborhood collective purchasing program.

Blacksburg's version differs from past programs in that it "puts demand last," says Chase Counts, energy efficiency program manager for the nonprofit Community Housing Partners, which helps run Solarize Blacksburg. Other solarize models typically start when a neighborhood or team of neighbors get together, form a co-op, and then vet and choose a contractor that will perform all of the solar installations. "We chose a different kind of model where we actually find the contractors upfront," says Counts. "We get them to agree to specific pricing options, different technical specifications and then we drive the demand from there."

And drive demand it did. Solarize Blacksburg saw residential solar quadruple in the six months after its launch. The results surprised program officials because they weren't sure whether solar would catch on in the state at all. One reason for the skepticism is that Blacksburg is a college town, home to Virginia Tech, and therefore the housing is 70 percent renter-occupied. Another reason is that Virginia's energy policies aren't especially favorable for solar. "The solarize model has spread largely in states that had very friendly solar energy policies," says Carol Davis, Blacksburg's sustainability manager. Given the state's regulatory framework, she says, "Solarize Blacksburg was a gamble."

But Solarize Blacksburg and a follow-up program to it, Solarize Montgomery, were both enormously successful. More than 800 people combined signed up, largely because there was "so much pent-up demand for residential solar that hadn't been tapped in the state," says Davis.

Both Solarize Blacksburg and Solarize Montgomery, which is the county in which Blacksburg is located, were one-time programs. "We didn't want to create the community impression that these solarize programs will be ongoing," says Counts. "That might result in potential participants thinking, 'Well, I won't sign up this year because they are going to run it next year, so I will just wait

again.’”

So Solarize Blacksburg and Solarize Montgomery were never meant to be ongoing. As city officials started planning the program, they looked at what had happened with other solarize programs. “While we were really excited about the prospect of this huge bump in residential solar when the program was live,” says Davis, “what we saw that came next was actually the most encouraging. After a program closes out, it seems to jump-start the adoption of solar in the community.”

In fact, a study by Yale and New York universities found that residents are more likely to install solar if other systems have already been installed in the community. Ten additional installations in a given ZIP code, the study found, increased the probability of adoption by 7.8 percent. “That’s why we’re not doing another program,” says Davis. “We gave solar a push. Now we want it to move on its own, and we’re seeing evidence that it is.”

In Montgomery County alone, solar use grew by 273 percent from December 2012 to July 2015. “Since we launched the Solarize campaign — we won’t take 100 percent of the credit, but we’ll take a good bit of the credit — residential solar has more than doubled across the whole state,” says Davis. Indeed, Solarize Blacksburg has had quite a ripple effect: To date, at least 25 other Virginia communities have followed Blacksburg’s lead and created solarize programs. Since 2012, residential solar has grown by 122 percent across the state.

GOVERNING.COM

BY ELIZABETH DAIGNEAU | OCTOBER 2015