

ASU banks on future with solar initiative

by *Ryan Randazzo* - Apr. 1, 2009 12:00 AM
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Arizona State University unveiled a new "power plant" Tuesday, the first phase of a massive effort by the university to reduce its carbon emissions and contribution to global warming.

Spending money on solar energy is prudent even during tough economic times because ASU is locking in energy prices as those prices increase, university officials said.

ASU President Michael Crow discussed the effort from the top of a parking structure near Sun Devil Stadium as hundreds of solar panels buzzed overhead, automatically tilting toward the rising sun for maximum efficiency.

"You're actually not in a parking structure, you're in a power plant," he said.

ASU has five large solar installations on its campus, and the 1.88 megawatts they are capable of generating in sunlight is more than any other utility customer in the state, enough to power almost 500 homes at once. ASU aims to have about 10 megawatts of solar capacity on campus.

By comparison, the solar power plant near Springerville in northern Arizona has a capacity of 4.6 megawatts.

ASU doesn't own most of the solar installations, and is buying the energy from a company that paid to build them, Integrys Energy Services of Wisconsin.

Integrys spent about \$13 million to build its three ASU solar systems, said Joel Jansen, the company's asset development director.

Integrys profits by selling the energy to ASU, selling the renewable energy credits to Arizona Public Service Co., and claiming the federal tax credits on the installations, he said.

The university is paying a 16 percent to 20 percent premium for each kilowatt-hour of electricity from the Integrys solar systems, ASU Chief Financial Officer Morgan Olsen said.

The premium is worthwhile for the environmental benefits and energy prices that are locked in for 20 years, Olsen said.

APS is seeking a rate increase this year that averages more than 8 percent across business and residential customers. If it continues to raise prices, ASU's premium will turn into a discount before the 20-year contracts expire.

ASU owns two smaller arrays. The 150 kilowatts of capacity on the BioDesign Institute buildings cost about \$1.34 million. The older, 30-kilowatt system on the Tyler Street parking structure cost \$230,000, Olsen said.

APS paid some up-front incentives for the smaller solar arrays, and will pay Integrys incentives based on how much energy the larger arrays generate.

The utility is expected to pay \$8.66 million in incentives for the four newest arrays at the university.

It collects a renewable energy tariff from customers, as required by the Corporation Commission to fund such projects.