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SMUD, home builder strike deal for 1,487 solar-powered homes

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A Utah home builder and the Sacramento Municipal Utility District have struck a deal to build 1,487 solar-powered homes in Rancho Cordova and Rancho Murieta by 2012, the parties announced Friday.

The utility calls the agreement with Woodside Homes the nation's largest solar-home project so far, keeping the capital region at the forefront of efforts to power homes with sunlight.

Sacramento receives an average of about 320 days of sunshine a year.

Thirteen months ago SMUD announced a similar deal with Miami-based Lennar Corp. for 1,254 new homes in Sacramento County. That was then called the largest partnership in the country. Lennar last year also reached agreement with Roseville Electric to build 650 solar homes there.

A Woodside official said the deal is a response to demand.

"We have had a steady stream of folks coming to our office asking, 'Are you solar?' " said Brian Cuttings, project manager at Woodside's Sacramento division. "We see there's a definite segment of the market that says you've got to have solar."

More than 1,000 of the homes are proposed for Rancho Cordova subdivisions at Douglas and Grant Line roads. Another 350 are planned in the firm's Sunridge Park subdivisions in Rancho Cordova, and 99 more are scheduled to be built in Rancho Murieta.

The agreement is SMUD's 10th with builders since early 2007. The deals, in which SMUD helps builders pay for the systems, will equip more than 4,153 new homes in Sacramento County with solar power in coming years. To qualify for the program, builders must install energy-efficient extras, such as tighter ducts for air-conditioning units, better insulation and windows, and more efficient heating and air-conditioning units.

SMUD funds its subsidies – \$5,955 per home in Woodside's case – with a solar surcharge on all customer electric bills.

Builders also receive a \$2,000 federal tax credit for adding solar systems to a house. Homebuyers, likewise, are eligible for a \$2,000 federal tax credit for buying a solar-powered home, said Wade Hughes, manager of SMUD's solar home program.

After tallying financial help from the utility and government, "it costs the builder an extra \$11,000 to \$13,000 to build this kind of home," said Hughes.

With 10 deals for 4,153 homes in place, 30 percent or more of new homes built next year in Sacramento County will have solar systems, he said.

That puts Sacramento at the solar forefront, said Amy Morgan, spokeswoman for the California Energy Commission. Home builders statewide have applied for 2,700 solar systems through a CEC program started early last year, she said.

More than 7,500 California homeowners also are seeking subsidies to retrofit existing homes with solar power, she said. About 33,000 solar systems, mostly on homes, are tied to California's electrical grid, according to the CEC.

Other area builders building solar homes include Tim Lewis Communities of Roseville, Dallas-based Centex Homes, Fort Worth-based D.R. Horton, Irvine-based Standard Pacific Homes and Regis Homes of Sacramento.

SMUD's Hughes said the need for builders to differentiate themselves from competitors is a big reason solar homes are popular.

"Builders come to us because they sense homeowners and home shoppers are demanding it, are asking for it. It's become a marketing advantage," he said.

Last year, Woodside Homes sold 171 houses in the Sacramento area and ranked 17th in sales, according to Costa Mesa-based Hanley Wood Market Intelligence.

Cuttings said all of Woodside's California divisions – Sacramento, Modesto, Fresno and Riverside – are making solar systems a standard installation. Woodside also has an agreement with Pacific Gas and Electric Co. for 150 solar-powered homes in Linda in Yuba County.

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