

## BEHIND THE LIST WITH JIM KURTZ OF RER ENERGY GROUP LLC

# Tapping free fuel from the sun

Globally, alternative energy is a growing trend.

Throughout the Greater Lehigh Valley, businesses are incorporating these energy sources as a replacement to fossil fuels.

Several forms of alternative energy are available – and whether it be solar, hydroelectric wind or thermal – there are options in finding the right source of energy that's environmentally friendly and fiscally sound.

One company that's been making an impact on the region is RER Energy Group LLC in Muhlenberg Township, Berks County. Here to offer insights on the world of alternative energy is Jim Kurtz, president of RER Energy Group.

**Lehigh Valley Business: How long has RER Energy Group LLC been in business and what are its primary services?**

**Jim Kurtz:** RER Energy Group was established in 2009. We were an offshoot of Reading Electric, an electrical contracting firm started by my great uncle in 1956.

RER develops, designs and installs solar electric systems for organizations across the U.S. and recently in Latin America as well, as we opened an office in Mexico City earlier this year.

**LVB: What have been some of the greatest challenges and opportunities that RER Energy Group LLC has encountered throughout its years in business?**

**Kurtz:** When we started, there were very few solar systems in the Northeast and people were naturally skeptical of something that was perceived to be new. The reality is, solar systems have been reliably producing energy since the 1950s, when Bell Labs introduced the technology still commonly used today, and production has been very reliable for all of our clients.

Businesses that installed solar are installing more solar as they expand facilities or decide to add solar onto additional buildings.

Financing was also more of a challenge to obtain six years ago. That has changed significantly over the past few years as prominent Wall Street financial institutions have become large investors in solar systems.

**LVB: Does RER Energy Group LLC**



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**Jim Kurtz, president of RER Energy Group LLC, says his company has developed and installed solar energy systems for businesses, schools, municipalities, farms and nonprofits.**

**work directly with businesses in the region to install alternative energy solutions? If so, what have been some of its biggest projects to date?**

**Kurtz:** RER has developed and installed systems for businesses, schools, municipalities, farms and nonprofits. Clients include Boscov's, Domino Sugar, Penn State Berks, Phoenixville Area School District, Adelphi Kitchens & Cabinetry, Highwood Industries, Misco Products, Lambert Spawn and many more.

Projects at first averaged around 200 kilowatts since there was a popular Pennsylvania grant program five years ago which provided 20-30 percent of the cost of projects for those up to 200 kW in size.

That program has expired, but system prices have dropped over 60 percent in the past five years, and today our average project sizes are larger; in the 500 to 1000 kW range.

**LVB: How does RER Energy Group LLC directly stimulate the local economy?**

**Kurtz:** RER and our sister company, Sunvestment Energy Group, a solar financing platform, have over 20 employees and consultants working together on a weekly basis. We utilize local engineers, electricians, bankers, accountants, insurance firms, marketing agencies and other professional service firms.

We buy from local distributors for electric supplies, steel and aluminum

extruding shops for racking systems and from other companies for roofing, seeding, ballast and other needs.

We're also always open to new sources of capital. Contracted projects for 2016 will require approximately \$40 million of financing.

**LVB: What advice would you give to an individual or business that's interested in converting to alternative energy sources? What are some of the biggest perks of using alternative energy?**

**Kurtz:** There is a confluence of reasons why demand is so strong in our industry currently. Prices have dropped significantly over time but are now steady, interest rates are still low for financing, and, importantly, the 30 percent federal investment tax credit, which has been available for the last 10 years, is set to expire.

Organizations need to have projects fully installed by the end of 2016 to obtain the 30 percent [investment tax credit]. Companies are setting plans in place today, since projects typically take a year from the first conversation until final completion.

With an energy bill and an address, we can quickly determine the savings potential for a facility and make sure it is well suited for an array. There are no costs for an evaluation, it's a relatively straight forward, one-stop visit.

The free fuel from the sun results in effective energy costs of \$0.03 to \$0.05 per kWh [kilowatt hour] for

the next 30 years for businesses and turns an unknown, volatile cost into a fixed, known cost.

**LVB: What does the future look like for RER Energy Group LLC? Does it have plans for growth?**

**Kurtz:** Along with our new office in Mexico, we are increasingly expanding our geographic reach. We're excited that we recently signed a 2MW [megawatt] contract with a utility in Iowa.

We also obtained a prestigious U.S. Department of Energy SunShot grant award to help expand our Sunvestment Energy Group financing platform. SEG was launched to develop financial solutions that make solar possible for local businesses and nonprofits, while keeping more of the savings and investment opportunities in the community.

What we see in the market today is investors realizing after-tax returns of 7-9 percent or more funding solar projects when nonprofit organizations and business can't fund the projects themselves or can't fully utilize the tax incentives and depreciation benefits.

The SEG financial platform allows community members affiliated with the local project to invest along with sophisticated anchor investors. The greater the community participation, the more the economic benefits of solar energy stay in the local community.

Solar is growing quickly through-

out the U.S. Through SEG, we are helping other solar project developers throughout the country identify lower-cost financing sources and allowing members of their community to participate in the value that the free fuel from the sun generates over time.

COMPILED BY CHRISTOPHER HOLLAND

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**VIDEO:** Jim Kurtz talks about the services provided by RER Energy Group LLC.