

Catching some rays at Ray's Food Place

By Ann Grim
Oregon Department of Energy

Ray's Food Place in Bend has found a niche in the highly competitive grocery business.

"I've had a number of people tell me they shop here strictly because we have solar power," said Ray's Store Manager Chris Starling.

The 2 1/2-year-old Bend store, the flagship for the 50-store C & K Market Inc. chain, added a 32-kilowatt photovoltaic (PV) system in April 2003. The system's 180 solar panels will generate approximately 43,000 kilowatt hours of electricity each year for the 42,000-square-foot store. Ray's system is the second largest PV system in Oregon and the second in the nation on a commercial grocery store.

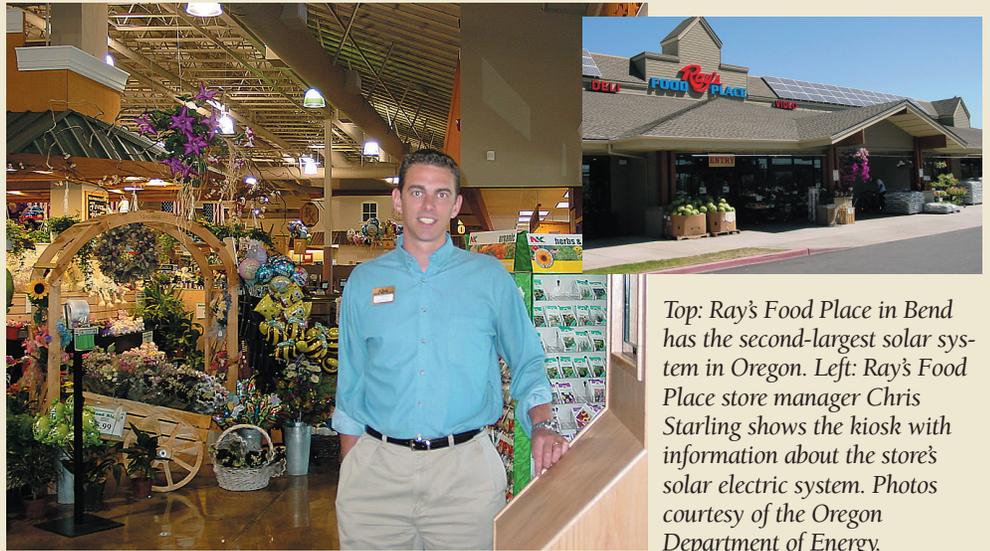
"We used the Bend store as a test site," said Rex Scoggins, chief financial officer of C & K Market headquartered in Brookings. "We wanted a store where the community would feel good about solar, and good about us."

With Central Oregon's ample supply of sunshine and local interest in solar, the Bend store appeared to be a good test site. Management wanted to find out if solar power was cost-effective with the intention of using it on their California stores, Scoggins said. The chain's 20 California stores face utility rates that are twice as high as Oregon's.

But, according to Scoggins, they chose Oregon for their test site for another reason – the Business Energy Tax Credit.

"Without the tax credit, we would not have done it," Scoggins said. "It would have taken far too long to recognize a return on our investment."

The Oregon Department of Energy's Business Energy Tax Credit is offered as an incentive to encourage businesses to invest in



Top: Ray's Food Place in Bend has the second-largest solar system in Oregon. Left: Ray's Food Place store manager Chris Starling shows the kiosk with information about the store's solar electric system. Photos courtesy of the Oregon Department of Energy.

renewable energy, like Ray's solar system, energy conservation, or alternative fuel projects. The tax credit is for 35 percent of the project's eligible costs. Simple payback for photovoltaic projects must be less than 30 years. There is no limit on project size.

Eligible project cost for the Ray's Food Place solar project was \$217,230. The tax credit of \$76,030 will be taken over five years – 10 percent the first two years and 5 percent the final three years. (Recent legislation – HB 2152 – requires that tax credit recipients take 8 percent in years 2003 and 2004, 4 percent in year 2005 and recover the reduction from each of those three years in 2006.) In addition, the solar energy generated by the system is valued at \$10,650 each year. The system's electric generation plus the state tax credit and a federal tax credit means the system will pay for itself in less than 10 years.

This is good news for Scoggins and for Oregon. "We had expected to use solar on our California stores," Scoggins said. Instead, the chain plans to add solar power to more of its 30 Oregon stores, because the state's energy tax credit and lower installation costs are better for business.

"It worked for us," Scoggins said. "Our

intention is to do more and expand in Oregon and not California."

As store manager, Chris Starling is also pleased with the solar addition. "It made sense to take advantage of the 300 days of sunshine in Central Oregon," Starling said. "And, it fit what we are known for. We have a large section of natural foods. We have a big recycling program. And, the store was built with environmentally friendly products."

The attractive market has soft energy-efficient lighting – only product is lit, according to Starling – and low maintenance concrete floors.

The electricity generated by the system will offset the store's need to buy utility power. Oregon, like most states, has passed a "net metering" law that allows a business or homeowner to feed electricity into the utility system. This law also requires utilities to credit the customer's account for the energy delivered and only bill the customer for the net energy they consume.

A kiosk, located near the store's entrance, helps inform customers about solar energy and its benefits.

Ann Grim is with the Oregon Department of Energy.