PACE finances comfort and energy savings

Solar was always part of the plan for Todd Katzenberger, co-owner of The Cliff Dweller Hotel in Tofte, Minnesota. Before he and his wife bought the hotel in 2017, Todd had been a manager at a plant that had implemented several energy efficiency improvements, which helped spark his interest in clean energy. When the time came to replace the roof at their hotel this past year it felt like the perfect opportunity to install a solar array. “The way I see it, anything you can do to be green and reduce costs is a great benefit for a business,” said Todd.

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- Todd Katzenberger, The Cliff Dweller Hotel
The solar panels went online in June 2019 and generated about $890 worth of power for the hotel in the first month. Not only is Todd saving money on his electricity bills, he also found smart ways to finance his project. Sundial Solar installed his solar PV system and recommended that he look into Property Assessed Clean Energy (PACE) through the Saint Paul Port Authority. With PACE a building owner receives financing for the project and repays the loan through a separate item on their property taxes. This allows the owner to use money from energy savings to repay the loan.

In addition to PACE, Todd also took advantage of the 30% solar investment tax credit as well as a $20,000 Business Energy Retrofit (BER) grant, which is funded by IRRRB and administered by the Arrowhead Economic Opportunity Agency (AEOA). With the federal tax credit and the BER grant, Todd saved around $50,000 on the project. All of these savings have earned him an estimated payback period of just 6.5 years.

Vincent Meyer who works for AEOA said, “I had the opportunity to meet Todd while pre-inspecting his hotel for areas of energy related improvements. Todd had his hands full with big plans of fixing up his hotel to better suit his clientele’s comfort and saving money on his energy bills. HVAC repairs, windows, doors, and potential solar were some of the things he planned on updating. Todd utilized the BER Program and received the maximum grant amount of $20,000 for his solar project, which was paid directly to Sundial Solar when completed. I believe this was perfect timing for Todd, and the BER program helped alleviate the other remodeling costs that he was in the middle of doing.”

According to Todd, the way he was able to save so much from the project is through people. “I'm constantly talking to, and asking questions of, people who really understand and work in the energy industry. These conversations have been very beneficial throughout this project.”

Even though the solar panels on the roof aren't visible from the ground, Todd says his customers are still interested in the project. Guests regularly ask Todd what he's up to when he's reading the meter to see his solar production, which makes for great conversations about the solar array. From saving money to improving the resort's environmental footprint, the project has been a successful investment in the hotel's future.