



Dan Coyro/Sentinel file

Bob Evans, founder of Independent Energy Systems, stands with the solar arrays his company placed on the Boulder Creek Fire Station in 2007.

Solar pioneer buys local firm

Benefits to employees were a selling point

By JONDI GUMZ
SENTINEL STAFF WRITER

Ask Bob Evans and Joel Kauffman why they sold their solar company, and they explain that green-living guru John Schaeffer, founder and chief executive officer of Real Goods Solar, offered their employees better benefits and their customers more options.

"It felt like a good fit," Evans, 43, co-founder and president of Independent Energy Systems of Santa Cruz, said Thursday.

"He's not in this just to make a bunch of money — he's won awards for being progressive," Kauffman, 32, said of Schaeffer.

The multimillion-dollar acquisition was announced Monday. Exact terms were not disclosed but Real Solar said the deal was within its goal of paying 50-60 percent of 2007 revenues for IES, which had \$6 million in revenue last year.

"Our name stays the same," Evans said. "We add to it that we're 'a Real Goods company.' We get the benefit of their advertising and marketing."

"Nothing significant will change; it's the same team, same organization, same location," said Eric Zech, president and chief financial officer of Real Goods Solar.

Kauffman said he had turned down offers from other buyers but Evans was impressed when Schaeffer called.

"His company sold the first solar panels retail in the U.S.," said Evans, who attended Schaeffer's Solar Living Institute eight years ago to learn about solar energy design.

Schaeffer told him he was

Independent Energy Systems

WHAT: Solar energy installations

WHERE: 1115 Thompson Ave. No. 1, Santa Cruz.

FOUNDED: 2001.

CO-FOUNDERS: Bob Evans and Joel Kauffman.

EMPLOYEES: 24.

INFORMATION: www.iesolar.com or 477-0943.

using the money raised in a stock offering in May to form a family of solar energy installers. It had already purchased Marin Solar in Marin County and Carlson Solar in Southern California.

Those companies adopted the Real Goods benefit package, which includes three weeks' paid vacation for first-year employees and 12 paid holidays. The package offers family health coverage for \$250 a month. There's an option for massages and acupuncture and a 401(k) retirement account, something the Santa Cruz company did not have.

"These companies have created the kind of business we want," said Kauffman, noting that the Independent Energy Systems will retain control over its community giving rather than have those decisions moved to a remote headquarters.

The acquisition gives Real Goods Solar a foothold in the Santa Cruz County market, where more than 30 companies compete for solar energy installations. Only three others besides Independent Energy Systems are actually based in the county.

Real Goods Solar

WHAT: Solar energy installations in California and Colorado.

WHERE: Broomfield, Colo.; Solar Living Institute in Hopland.

FOUNDED: 1978.

FOUNDER: John Schaeffer.

EMPLOYEES: 85.

STOCK SYMBOL: RSOL on Nasdaq.

INFORMATION: www.realgoodssolar.com.

The solar market is still expanding despite an economic slump and disappearing financial incentives, according to Mike Arenson of Santa Cruz, whose solar sales topped \$1 million last year.

Zech said the typical residential system costs \$35,000, and the federal residential tax credit is capped at \$2,000.

"It makes the economics better but it's not a deal-breaker," he said.

Real Goods Solar netted \$55 million from shares sold for \$10 in May. The stock price dipped when competitor Akeena Solar of Los Gatos reported a loss and forecast slowing growth because of the federal investment tax credit expiring Dec. 31.

This month, Real Goods Solar reported a \$27,000 loss on \$8.8 million in second-quarter revenue, which Schaeffer attributed to the costs of becoming a public company and planning for growth.

The stock price for Real Goods Solar hovered around \$6.50 Thursday.

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