

Solar | Michael Kanellos | May 27, 2009

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A Solar Land Auction in Arizona

A land developer in Arizona has some desert property for you? Don't laugh – it might work.

It could be the next great opportunity in real estate, or the modern day version of swamp land in Florida.

Vermaland, a land holding company in Phoenix, will hold an **auction** on June 6 to sell off 1,938 acres that it says could accommodate 388 megawatts of electricity, according to the company. That would be enough to power 100,000 homes, says Vermaland.



Arizona has been trying to promote solar in its borders with credits and incentives for manufacturers and consumers. Arizona Public Service has a mandate to provide 4.5 percent of its power from renewable sources by 2014. The state offers a \$3 per watt credit, nearly twice as high as California's. Baseline power in the state, however, is comparatively cheap so some of the advantage is eroded. Nonetheless, some power providers want to produce power in Arizona to sell to California.

One of the state's chief assets, of course, is the sun and empty land. **Sempra Generation**, an independent power provider, has said it will build more than 300 megawatts of PV parks on 4,000 acres it owns near Phoenix. (Land was part of the motivation behind First Solar's purchase of Optisolar. First Solar is discarding Optisolar's technology but keeping the deals and land rights.)

Although Vermaland is promoting its acres as real estate for PV panels, solar thermal is one of the hot topics in the state. The state sports around 13,000 square miles of relatively level (less than 1 percent slope), dry, sunny, empty, environmentally OK land that could accommodate thermal plants, according to Fred Morse of Fred Morse & Associates, one of the world's experts on the subject. If built out, those square miles could generate 1,742 gigawatts of power.

Lockheed Martin earlier this month announced plans to build a 290 megawatt solar thermal plant outside of Phoenix.

Enterprising solar developers in search of a golden opportunity could find it at Arizona's first large-scale solar land auction at 1:00 p.m., June 6 at the Sheraton Crescent Hotel, 2620 W. Dunlap Ave., Phoenix.

The land being sold by is located in high solar resource areas as determined by the National Renewable Energy Lab and has a consistent slope of less than 1 percent, according to the company.

So the downside? Solar subsidies remain controversial and could ultimately be reversed or reduced in the future by more conservative, market-driven officials. (California's solar thermal business was killed in the early 1990s when the state refused to renew a property tax exemption.) Transmission lines would have to be built. Independent power producers could also find themselves made redundant if utilities decide to build power plants themselves.



[Largest Land Holdings Of 50-1200 Acre Parcels In Metro Phoenix](#)