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## Meridian Solar alters strategy

Installer drops homes for business, gov't work

Austin Business Journal - by [Christopher Calnan](#) ABJ Staff

**Meridian Solar Inc.** is going commercial.

The Austin-based installer of solar panels and related systems is giving up the residential side of its business to take advantage of the federal dollars being pumped into large-scale commercial and public projects.

Chief Financial Officer Mark Begert said the company has “decommissioned” its outbound residential business while it focuses on competing for \$80 million in larger projects — nationally and statewide — that are being fueled by the first round of economic stimulus money being distributed by federal officials.

“Now we’re seeing that our time, energy and revenue needs to be — if not exclusively — predominately generated in public projects and large commercial deals,” he said. “The bottom line is that is where the money is right now.”

Meridian Solar, which was founded in 1999, employs 35 workers. Last year, the company opened offices in Dallas-Fort Worth and San Antonio. Customers have included **H.E. Butt Grocery Co.**, **IBM Corp.** (NYSE: IBM), **Starbucks Corp.** (Nasdaq: SBUX), BP Solar, the **U.S. Army Corps of Engineers** and the **University of Texas**.

During 2009, about 30 percent of Meridian Solar’s business was from residential customers. Starting this year, Begert expects that figure to be below 5 percent. He declined to disclose 2009 revenue.

During the first three weeks of April, the company bid on nearly \$18 million in government and public projects. As of April 21, it reported \$45 million worth of government and public solar projects in its pipeline. Meridian Solar is also considering an additional \$35 million for future bids, Begert said.

Most of the projects are set for implementation starting in the third quarter through 2011, he said.

Despite the larger projects, Begert isn’t expecting a corresponding surge in hiring because most of the new jobs will be done by subcontractors under the supervision of a Meridian project



Nick Simonite

Meridian Solar specializes in installing panels and related equipment, such as this installation at an Austin Community College campus.

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manager.

Heath Naquin, managing director of the Austin-based **Green Technology Alliance**, said shifting to commercial projects is a prudent move for installers.

“Like any business, when you have a choice to go after the bigger fish, you go after the bigger fish,” he said. “I wouldn’t call it a trend; I call it good business.”

Begert said Meridian Solar has been tracking and positioning itself for commercial projects since early 2009.

In January, the company hired Doug Simpson as chief operating officer to focus on such deals. Simpson is the former CEO of Austin Countertops.

Municipal and deregulated utilities in Texas, such as Oncor in Dallas-Fort Worth, have either announced additional funding or implemented new programs for large-scale commercial solar. Meridian is expecting the business to generate an additional 3 megawatts, equating to \$17 million, in potential business for the company, Begert said.

Earlier this month, the city of Austin was awarded \$10 million in federal stimulus funding by the Department of Energy to finance residential and commercial property owners to make energy efficiency improvements and install renewable energy systems, such as rooftop solar. Austin and San Antonio were the only two Texas communities of 25 selected nationwide for grants, according to **Austin Energy**.

In March, **Texas State Technical College** in Waco said it will receive nearly \$1 million in federal stimulus money and \$224,000 from the Oncor power company to install solar panels on the roof of its electronics center. The grant was part of \$31.3 million the Texas Comptroller’s State Energy Conservation Office receives to fund 32 projects renewable energy projects on public buildings.

The installation, which wouldn’t have been done without the federal grant, is the first on the college’s campus. Future installations will depend on the return on investment it realizes from Meridian’s project, said Carliss Hyde, executive director of Texas State Technical College’s office of sponsored programs.

“We’ll be taking a look at impact,” she said. “But we have high hopes on this project.”

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