



Florida Solar Energy Industries Association

INDUSTRY NEWS

FLASEIA HOLDS SUCCESSFUL AUCTION, ANNUAL MEETING AND DINNER

On Wednesday, November 8, 2006, FlaSEIA held its Auction, Annual Meeting and Dinner at The Country Club at Heathrow in Heathrow. Social Hour began at 5:30 p.m., the Dinner and Annual Meeting began at 6:30 p.m. and the Live Auction began at 7:30 p.m.

Those who attended were able to place bids on a vast array of items including: solar industry related items (i.e., solar panels), attraction tickets, DVD player, golf packages, sports accessories and much more. Everybody had a great time and left with the satisfaction of knowing the money they would have spent elsewhere instead helped their association.

FlaSEIA would like to thank the following individuals who helped secure items for the Auction: Dave Bessette with Allsolar Service Company and Dillon Daniels with Solar Source.

FlaSEIA also thanks Dave Bessette with Allsolar Service Company, Inc. and Chris Maingot with Superior Solar for being the auctioneers. They did a great job.

Entertainment during the social hour and dinner was provided by Colleen Clark with United Marketing Associates, Inc. and Helen Daniels with Solar Source. They were

wonderful.

FlaSEIA would like to thank all of the companies who attended this function. We also want to thank the following companies who donated items for the auction: Advance Solar & Spa, Inc.; AET/Thermafin Manufacturing; Aquatherm Industries, Inc.; Central Florida Zoological Park; Congo River Golf; Congo River Miniature Golf; DNC Parks & Resorts at KSC, Inc.; Energy Conservation Services of North Florida, Inc.; Gorman Company; Green Meadows Petting Farm; Heliocol U.S.A., Inc.; Heliotrope Pool; Jacksonville Jaguars, Ltd.; Key Power Services, Inc.; Lakeland Electric; Orlando Science Center; R. Bruce Kershner Company; River Adventure Golf; Solar Energy Systems, Inc.; Solar Source; Solar-Cool Corporation; Solar-Fit; SunCruz Casinos; The Energy Outlet, Inc.; The LeverEdge; Thermal Conversion Technology; Timacuan Golf and Country Club; and United Marketing Associates, Inc.

Many thanks to everyone who helped. This year's event was very successful.

Through the support of those who donated and attended, FlaSEIA was able to raise over \$10,000 from the Live Auction.

JANUARY-MARCH 2007

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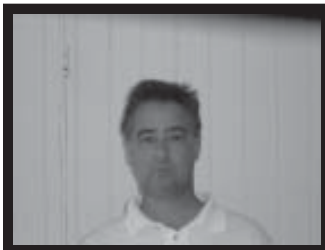
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TOM HARRIMAN
FLASEIA PRESIDENT

Can you believe it? Another year has passed. Boy, time flies! For FLASEIA, we have experienced back to back years of growth in our membership . . . up 20% in 2005 and 25% in 2006. This growth added a tidy \$7,000.00 to the association's coffers for 2006.

Our annual auction netted a hefty \$10,000 in revenue. Special thanks to FLASEIA Executive Director Bruce Kershner and Assistant Executive Director Julie Kershner for planning and coordinating this event. Also, many thanks to Dave Besette and Chris Maingot for providing their auctioneering talent.

2006 proved to be a very pivotal year for our industry with renewable energy in the limelight. A Federal Tax Credit for Solar Energy Installations . . . something not seen in over 20 years. The passing of the Florida Energy Act in June, which is a true statewide program designed to provide incentive rebates for the use of solar energy. Record breaking attendance at the Solar Power 2006 Conference. October's gathering in California was the largest solar industry event ever held in U.S. history, attracting over 7,000 registered attendees, of which I was one.

November brought a free Renewable Energy Conference sponsored by the German Renewable Energies Association, German Chamber of Commerce and FLASEIA. We heard from leading experts in the field regarding current trends in solar energy in Germany. There was also Florida's experts on hand speaking about recent legislative changes that have increased solar energy usage in the state.

To those who didn't attend, the program was very informative. In addition, Jim Tatum from the Florida Energy Office gave an update on the status of the solar rebate program. He revealed that as of mid-November, approximately 500 applications for solar hot water, 200 applications for solar pool heat and a dozen or so for PV had been processed, which equates to around \$2.2 million left in funding. Hats off to Jim for tackling this enormous program without additional staff.

With that being said, we as an industry really need to promote this program! Usage of this funding is imperative. Using up the money sends an important message to our legislators that the program is working. I personally challenge each and every member to promote this valuable incentive program.

Again, thank you for your commitment and continued participation for our association and industry. With your support, we can truly achieve great things for the solar industry one step at a time. Here's looking forward to 2007.

Wishing you and your family a prosperous New Year.

Sincerely,

Tom Harriman
President

2006/2007 EXECUTIVE COMMITTEE & BOARD OF DIRECTORS

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SOLAR CONTRACTOR SCOPE OF WORK

The solar energy industry has been getting a lot of attention and interest in the last year, and from the looks of things, the climate for doing business as a solar contractor is just getting better and better. There is no time like the present to review your business plans and be sure that you are prepared for the opportunities that will be coming your way.

Federal tax credits have been extended through 2008 and Congress is considering extending even further. The State of Florida rebate program is moving along, and there have been bills filed for the 2007 Legislative Session to increase the funding for those incentives. Several utility companies are, or are considering, offering incentives for solar system installation by their customers. In order for your customer to benefit from state and utility rebates, a properly licensed contractor must install their system. In the case of a

solar water heater, the system must be installed by a solar contractor or plumbing contractor. In the case of a photovoltaic system, a solar contractor or electrical contractor must install the system.

The Legislature and the Construction Industry Licensing Board (CILB) have established the scope of work for these license categories. There are two solar contractor categories: Certified Solar Contractor (CV) and Residential Solar Specialty Contractor (CW).

The CV license is authorized to install solar water heating, solar pool heating and photovoltaic systems. The CV licenseholder is exempt from subcontracting certain roofing, plumbing and electrical work on residential installations. That exemption does not apply to commercial installations if subcontracting is required by the



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building department.

The CW license is authorized to install solar water heating and solar pool heating systems on residences and is not exempt from subcontracting roofing, plumbing or electrical work if required by the local building department. The CW licenseholder is not authorized to install photovoltaic systems and is not authorized to install solar water heating or pool heating systems on commercial buildings. Since the CW licenseholder does not have these tasks included in its scope of work, they may not subcontract the work to an authorized licenseholder (such as an electrical contractor in the case of a photovoltaic system).

If a CW licenseholder serves as the prime contractor on a job outside of its scope of work, it is engaging in unlicensed activity. The consequences of this are grave and will range from discipline by the CILB to legal action by the customer. A subcontractor who performs work for a CW licenseholder that is outside the scope of the CW license will likely be considered as aiding and abetting an unlicensed contractor. Under Florida law, any work performed by an unlicensed contractor is considered to be unenforceable:

“As a matter of public policy, contracts entered into . . . by an unlicensed contractor shall be unenforceable in law or in equity by the unlicensed contractor . . . For purposes of this section, an individual is unlicensed if the individual does not have a license required by this part concerning the scope of the work to be performed under the contract. A business organization is unlicensed if the business organization

does not have a primary or secondary qualifying agent in accordance with this part concerning the scope of the work to be performed under the contract . . . [I]f a contract is rendered unenforceable under this section, no lien or bond claim shall exist in favor of the unlicensed contractor for any labor, services, or materials provided under the contract or any amendment thereto.” (Section 489.128, Florida Statutes).

Further, a system installed by a contractor operating outside of its scope will not be eligible for a State of Florida rebate. The Florida Energy Office has determined that a solar water heater must be installed by a CW or CV licenseholder (or a plumbing contractor), and a photovoltaic system must be installed by a CV licenseholder or an electrical contractor, not a CW licenseholder.

If you are a CW licenseholder and are contemplating expanding your

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services into residential photovoltaic systems, or commercial solar thermal and photovoltaic systems, I strongly encourage you to act now to upgrade to the CV license. As a CW licenseholder, you need only take the trade knowledge portion of the exam. The CV license is offered three times a year – February, June and October. Seats fill up quickly as other licensing exams are offered at the same time. You must take the exam before applying to the CILB for the license. The first step is to reserve a seat at an exam site. Professional Testing, Inc. (PTI) is the testing company under contract from the Florida Department of Business & Professional Regulation (DBPR) to develop and score the examination for the CILB. For information about the exam and to reserve a seat for the next exam period, please visit www.floridaexam.com.

If you are a CV or CW licenseholder and have not qualified the business name under which you operate, you are also in violation of the licensing law and should file corrective action immediately with CILB.

If the FlaSEIA office can be of any assistance in your efforts, please do not hesitate to contact us.

QUALIFIED BUSINESS LICENSE REQUIRED

If you are a contractor licensed under Chapter 489, Florida Statutes, and you are operating a business organization, including a partnership, corporation or other legal entity, you must apply for a qualified business license (also known as a certificate of authority) with the Construction Industry Licensing Board (CILB). This requirement is contained in Section 489.119(2), Florida Statutes. The requirement does not include contractors operating as sole proprietorship. Failure to obtain this license means you are violating Florida law. You could be subject to possible disciplinary action including

a fine of \$500 to \$1,000 along with possible suspension or revocation of your license for a repeat violation. Information, including applications to apply for a qualified business license, can also be found on the Internet at www.myflorida.com under Business and Professional Regulation. The qualified business license costs \$59.00.

DWC REVOCATION OF EXEMPTION PROJECT

On September 15, 2006, the Division of Corporations administratively dissolved over 200,000 corporations and LLCs. In response to that action, the Division of Workers' Compensation (DWC) initiated a project to identify all current exemption holders that have inactive corporations or LLCs. The first phase of the project consists of mailing the exemption holders a Pre-Notification Postcard indicating that they have until April 1, 2007 to reactivate their corporation or LLC. The Postcard also includes contact information for the Division of Corporations. If the corporation or LLC is not reactivated by April 1, 2007, DWC will initiate proceedings to revoke the exemptions pursuant to s. 120.60, F.S.

DWC has identified 45,725 current exemption holders that have inactive corporations or LLCs. The Pre-Notification Postcards have been printed and will be mailed to the exemption holders beginning immediately. After April 1, 2007, a Notice of Intent to Revoke will be sent via certified mail to all exemption holders who have not reactivated their corporation or LLC. After proof of service of the Notice of Intent to Revoke has been received by the DWC, a Final Order revoking the exemption must be issued and sent to the exemption holder.

DWC has also contacted Karen Beyer at the Division of Corporations and has kept her apprised of the project.



Industry News is published quarterly by the Florida Solar Energy Industries Association (FlaSEIA). Ideas, opinions and views expressed herein are not necessarily those of FlaSEIA.

RENEWABLE ENERGY CONFERENCE 2006 IN ORLANDO

Germany is a leader in developing renewable – in particular solar – energy technology and using alternative sources of energy. In order to promote the export of this German Technology and to support companies in their efforts to enter the U.S. market, the German American Chamber of Commerce of the Southern United States (GACC South), in cooperation with the German Energy Agency (DENA), organized a conference in Orlando on November 28, 2006.

This program gave German companies the opportunity to present their technology to American companies. During this event, representatives from German solar companies came together and met with prospective business partners.

The event was supported by our partner organization, the Florida Solar Energy Industries Association (FlaSEIA) and by their Executive Director Bruce Kershner, the German federal ministry of Economics and Technology, Enterprise Florida and the German Energy Agency (DENA). Their existing network of contacts in solar business in Florida helped to make this project a success.

The event took place on Tuesday, November 28, 2006, at the International Plaza Resort & Spa Hotel in Orlando. Speeches were given throughout the first day by the German and American guests. Approximately 70 people in total participated in the event. The American and German guests intently watched the professional, informative presentations of our speakers and used them as a starting point for numerous discussions. In addition to the presentations, individual company meetings were also a core part of the conference. The GACC South organized 1-on-1 meetings between

the German companies and prospective American business partners and decision makers from Florida.

All parts of the conference were positively received by the companies and guests. This created an excellent platform for the German companies to present their advanced technology to an audience of American experts.

Several discussions among the American and German guests showed that Floridian businesses and decision makers are eager to take further steps, but often see themselves restricted by the legislative decisions.

Post-conference feedback indicated that the event was a great success for both American and German sides. Most comments after the conference revealed the great success for both, German and American, sides. German market development generated considerable interest. Jerry Ventre (Florida Solar Energy Center) declared that, in terms of knowledge, development and incentive programs Germany can be seen as a role model for the American (Floridian) market.

Statements like that of Mr. Marschall, CEO of the German company "Solartekt GmbH", reflect the success of the conference for German companies. He said that he was able to make several important contacts while in Florida, which will make his upcoming market entry significantly easier.

We want to give special thanks to all of the speakers who shared their knowledge and expertise. We also want to thank the Florida Solar Energy Center, which invited the German companies for a very informative tour through their facilities.

CONGRESS EXTENDS FEDERAL SOLAR ENERGY TAX CREDITS THROUGH END OF 2008

In its waning hours, the 109th Congress passed legislation that would extend the 30% solar energy investment tax credit (ITC) for homeowners and businesses for one additional year, through the end of 2008.

The Solar Energy Industries Association (SEIA) applauded the one-year extension of the solar ITC in H.R. 6111, the "Tax Relief and Health Care Act of 2006." At the same time, the industry cautioned that the lifespan of the credits is too short to encourage significant industry growth and cost reductions.

"While this bill does not constitute a long-term solar growth policy, it does provide some breathing room for solar projects in the 12- to 18-month pipeline," said Rhone Resch, SEIA President. "It ensures that the solar industry will continue to grow at a record rate in 2007. The passage of this bill, with an extension of the solar ITC, is recognition by Congress that solar is indispensable to our clean energy future."

An eight-year extension of the ITC will remain the solar industry's top legislative priority in 2007. A long-term extension is essential to reducing the cost of solar energy, as it would create market conditions that allow solar companies to make investments and drive down costs through economies of scale. A longer duration will also be needed to help

stimulate the development of large-scale concentrating solar power projects.

SEIA's Resch expressed optimism that the 110th Congress would enact an eight-year extension as contained in S. 2677 and H.R. 5206, the "Securing America's Energy Independence Act," a bill which gained a bipartisan group of 80 House and 15 Senate cosponsors this year.

"This bill is a patch, and emphasizes the importance for Congress to enact long-term, comprehensive clean energy legislation when they return in January," said Resch. "We look forward to working with the next Congress to craft a comprehensive and effective policy blueprint for a self-sustaining clean energy infrastructure in the United States."

State Certified Solar Exam

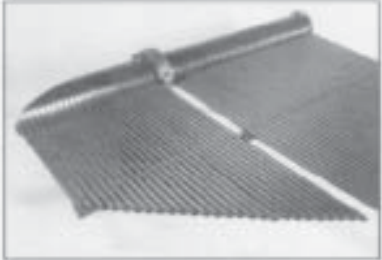
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February 20-21, 2007
June 19-20, 2007

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The bill contains the following provisions:

Residential Solar Tax Credit: Extends a 30–percent tax credit, created in the Energy Policy Act of 2005, for the purchase of residential solar water heating, photovoltaic equipment and fuel cell property. Expires after December 31, 2008.

Business Solar Tax Credit and Fuel Cell Tax Credit: Extends a 30–percent business credit, established in the Energy Policy Act of 2005, for the purchase of fuel cell power plants, solar energy property and fiber–optic property used to illuminate the inside of a structure. After December 31, 2008, the credit reverts to a permanent 10–percent level.

State Approves Reduction on Workers' Compensation Rates

On October 30, 2006, Kevin McCarty, Commissioner Office of Insurance, approved the National Council on Compensation Insurance (NCCI) revised rate filing for the state's 2007 workers' compensation rates.

The overall average rate decrease of 15.7 percent would produce a

Workers' Compensation Rate Changes Effective January 1, 2007

Code Number	Description	Current Rate	1/1/2007 Rate	Percentage Change
5606	Construction Executive Superintendent	3.84	4.41	-11.19%
8810	Clerical	.58	.48	-17.24%

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savings of over \$400 million for Florida employers and would constitute the fourth consecutive drop since Governor Bush and the Legislature passed sweeping reforms to the state's workers' compensation system in 2003. The cumulative overall statewide average rate decrease for the period would total over 40 percent.

The new rates must be included into new workers' compensation policies beginning January 1, 2007 and into renewal business thereafter.

Some of the classifications that fall within the contracting category are listed above.



WELCOME NEW MEMBERS

FlaSEIA extends a hearty welcome to the following new members who have joined the association through October 1, 2006 through February 2, 2007. We thank them for joining our association and look forward to their participation in helping this association achieve its goals.

Contractors
Complete Electric, Inc.
Garett Guidroz
633 Sebastian Boulevard
Sebastian, FL 32958
Phone: 772/388-0533
FAX: 772/388-2411
License Number: EC 0001911,
EC 13001688
Counties Served: BREVARD, INDIAN RIVER, ST. LUCIE

Retailer
The Energy Store
Paul Farren
601 North 21st Avenue
Hollywood, FL 33020
Phone: 954/920-9009
FAX: 954/920-6744
E-mail: paul@energystore-usa.com
Website: www.energystore-usa.com

Associate
Arnall, Golden, Gregory, LLP
John Gornall
171-17th Street. N.W., Suite 2100
Atlanta, GA 30363-1031
Phone: 404/873-8500
FAX: 404/873-8651
E-mail: john@gornall@agg.com
Website: www.agg.com

Patron
James E. Grimes
Sarasota, FL 34242

Gerald H. Prescott
Eaton Park, FL 33840

FlaSEIA 2007 Membership Dues Invoices

On October 24, 2006, FlaSEIA

mailed out 2007 Membership Dues invoices. Please address your dues responsibility promptly. FlaSEIA depends upon your dues to provide the services that you have come to expect. Dues must be paid to the FlaSEIA office **no later than January 2, 2007.**

In June 2006, the FlaSEIA Board of Directors adopted the following Dues Payment Policy: Dues payment must be received by March 15. After March 15, those who have not paid their dues will lose their rights and privileges as a member. It was further amended that any dues paid after March 15 will have to pay an additional 10% of their dues as a reinstatement fee.

If you have any questions, misplaced your invoice or need additional information, please do not hesitate to contact the FlaSEIA office at (407) 339-2010.

Registered Contractor License Renewals

Just a reminder that the Registered Contractor licenses issued by the Department of Business and Professional Regulation (DBPR) are up for renewal on August 31, 2007. Current law requires licenseholders to obtain 14 hours of continuing education with at least one hour in workplace safety, one hour in workers' compensation, one hour in business practices and one hour of the advance code module.

If you have any questions or need additional information regarding continuing education or the renewal process with DBPR, please do not hesitate to contact the FlaSEIA office at (407) 331-2010.

Initiative:

FlaSEIA wishes to thank the following companies for their financial commitment to FlaSEIA and the Florida solar energy industry as participants in the Florida Manufacturers' Initiative (FMI) program.

DHW COLLECTORS

AET d/b/a Thermafin Manufacturing
SunEarth, Inc.
Thermal Conversion Technology, Inc.

POOL COLLECTORS

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Horizon:

2007

**FlaSEIA Board of Director's Meeting
April 12
Tallahassee**

**FlaSEIA Board of Director's Meeting
June (TBA)
Longwood**

**Southeast Building Conference
July 12–14
Orange County Convention Center**

**FlaSEIA Board of Director's, Annual Meeting & Auction
November (TBA)**

**For additional information on the above meetings and/or
events, please contact the FlaSEIA office at (407) 339–2010.**

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