

Economics of solar highways fail to pan out, SMUD says

The Sacramento Municipal Utility District in California announced Oct. 20 that it will not pursue the Solar Highways project – a first-of-a-kind demonstration project that would have installed photovoltaic generation on publicly owned land along two spans of U.S. Highway 50 in Sacramento County.

SMUD received only one bid for the construction of the project and it was extremely high, based on recently received bids for other similarly sized SMUD solar projects, the utility said.

"We believe that the lack of competition and the highly priced bid reflects the complex nature of locating this type of project on highway right-of-ways," said Jim Shetler, assistant general manager of energy supply at SMUD. "Therefore, we believe that to move ahead with the project would not be prudent for our customers."

This project has experienced its share of challenges from the start, the utility said. In development since late 2008, Solar Highways was subjected to lengthy federal, state and local environmental reviews and prolonged negotiations with Caltrans for lease agreements, SMUD said.

"We hope that this experience will allow the state of California to determine how to better align its goals for the development of renewable energy with processes that support implementation," said Shetler.

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