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Contact: Harmony Johnson, Communications Director

[harmony.johnson@kanuga.org](mailto:harmony.johnson@kanuga.org)

828-692-0077, ext. 265

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## **Kanuga, FLS Energy team to bring solar hot water to nonprofit retreat center**

**Funded through an innovative financial structure, the project is the largest of its kind in the state**

HENDERSONVILLE, N.C. — Kanuga Conferences Inc. and FLS Energy Inc. of Black Mountain have entered into an innovative partnership to produce clean, renewable energy by providing much of Kanuga's hot water through an environmentally and fiscally responsible solar thermal water heating system.

Using a solar thermal purchase agreement, FLS Energy will sell Kanuga the heat generated by 131 solar panels on the roofs of 11 buildings across Kanuga. The solar thermal system owned and operated by FLS Energy will provide heat for water used in the Kanuga Lake Inn's kitchen, laundry and 62 guest rooms as well as for 10 other buildings on the 1,400-acre campus. The Kanuga project is the largest of its kind in the state and one of the largest in the southeast.

"Environmental stewardship is in Kanuga's DNA," said Stan Hubbard, Kanuga president. "From its founding as an Episcopal conference center in 1928, Kanuga has practiced and taught conservation. This project is a logical extension of Kanuga's core values because it will significantly reduce our reliance on propane, a nonrenewable fossil fuel."

Each year staff and visitors at Kanuga use approximately 1.5 million gallons of hot water, which requires generating some 1.2 billion British Thermal Units (BTUs) of heat. Heating water had previously required burning more than 15,000 gallons of propane augmented by electricity each year. During the next 25 years, that process would cost Kanuga an estimated \$1 million. The same energy produced through the new FLS solar thermal system is projected to cost about \$300,000 and create a savings at Kanuga of nearly \$700,000.

"This project also will have significant environmental benefits," said Frank Marshall, a partner in FLS Energy. "Each year the solar thermal system we are operating at Kanuga will prevent the production of more than 100 tons of carbon dioxide pollution, the leading cause of global warming. The system also will generate power equivalent to the amount of electricity needed to service 34 average American homes and the carbon offset will be comparable to planting 20,000 trees."

Others involved in the Kanuga arrangement include Progress Energy Carolinas of Raleigh, N.C., which has agreed to purchase the renewable energy credits associated with the solar

thermal project under a long-term agreement, as part of its plan to support and develop clean, renewable energy in North Carolina. First Citizens Bank of Hendersonville provided conventional financing as part of the transaction. Equity financing was provided by Bank of America as part of its green initiative through its participation in a clean energy investment fund sponsored by CityScape Capital Group.

The solar water heating project is the latest in a series of environmental stewardship efforts by Kanuga. In January 2008 a total of 3,785 compact fluorescent light bulbs were installed across the Kanuga campus. That same month, work was completed on a three-year project to install solar water heating systems at nine cabins at the Bob Campbell Youth Campus, a project paid for through private donations.

In the mid-1990s Kanuga reduced its propane usage by installing roof insulation and thermopane windows in the Kanuga Lake Inn, which was built in 1968. Kanuga's wooden chapel and much of the Arts and Crafts furniture in the guest rooms was made from timber felled on the property by storms.

Affiliated with the Episcopal Church since 1928, Kanuga is a 1,400-acre camp and conference center in the Blue Ridge Mountains near Hendersonville, N.C. For more information about Kanuga, visit [www.kanuga.org](http://www.kanuga.org) or call 828-692-9136. FLS Energy's mission is to establish solar power as a mainstream technology through the development, design and installation of quality, clean energy systems for both businesses and homeowners. For more information about FLS, visit [www.flseenergy.com](http://www.flseenergy.com) or call 828-669-5070.

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