

1BOG gets funding for a new way to sell solar

February 14 2010, By Scott Duke Harris

When we needed a new "pre-owned" car, we knew the drill. We searched the Web, visited the auto mall, settled on a model, did some haggling, vetted the price by phone, and haggled a bit more. Within a couple of days, we had a deal.

But how do homeowners shop for solar power?

"There's hidden pricing, so consumers have no idea what to expect," says Dave Llorens, who has morphed from an old-school solar salesman into, well, a new-school one. "It's like negotiating for a car in your living room, except you don't know what kind of car you want. It's really difficult to compare bids."

Llorens is founder of a San Francisco-based startup called One Block Off the Grid -- or 1BOG, for short -- which on Wednesday announced \$5 million in first-round funding from New Enterprise Associates, the [venture capital](#) powerhouse playing a growing role in the cleantech trend.

1BOG exists at the intersection of grassroots environmental activism and forward-thinking capitalism. Frustrated by his own experience in making solar panel sales with at-home presentations, Llorens teamed up with two partners in 2008 to recruit homeowners into a collective to negotiate group discounts.

1BOG brought solar to 600 homes in 2009. This year, with NEA's backing, Llorens figures it will be involved in up to 10 times as many

deals in 10 regions nationwide, including five in California, while growing its payroll from 15 employees to 40.

The innovation is in the business model, which leverages the Web to promote sales and drive down consumer costs. "The technology is extremely progressive, but the sales process is archaic. It's the same way you sold contracting work in the 1950s," Llorens said. Many solar contractors, he says, started out as electrical, heating and air conditioning contractors.

Laborious at-home sales visits added to costs and depressed sales, he said.

"You've got to be willing to get the message of solar to 1,000 people with a 5 percent close rate instead of 100 people with a 10 percent close rate," Llorens said. Solar customers, he points out, often encourage friends to consider the technology as well.

[Solar power](#), its advocates say, already offers compelling economics for consumers that will only be enhanced by wider adoption because volume sales will reduce costs. Tapping "the power of community" is the key appeal to NEA.

"We believe this company provides the solar industry's missing link," said Ravi Viswanathan, general partner at NEA. "Scaling 1BOG's model will create a tipping point for mass adoption of residential solar energy."

1BOG runs three "campaigns" each year to round up customers and engage installation companies in a competitive bidding process. The net result, Llorens says, provides better prices for consumers and cuts down customer-acquisition costs for installers like Solar City, Real Good Solar and groSolar.

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