



(Photo: Michael Neyder / The Desert Sun)

## Two Bunch Palms Resort and Spa going solar

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It doesn't look like much right now. A blank swath of desert with a few scraggy desert shrubs.

This 3.5-acre parcel on the grounds of Two Bunch Palms Resort and Spa in Desert Hot Springs will get transformed — starting next week — into a solar-power generation field capable of fulfilling all of the resort's power needs.

The hotel is installing a 550-kilowatt system, which will generate — in the desert — 880 kilowatts of electricity a year, enough to power a neighborhood of 80 to 85 homes. (This assumes a home with an interior heating and cooling area of 1,850 square feet.)

By not using electricity produced in a conventional power plant, the solar electric system is expected to offset 662,640 pounds of carbon in the first year, say Two Bunch Palms officials. And since power plants use significant amounts of water, the solar field will save some 21 million gallons of water a year, according to hotel statistics.

The project, expected to cost just over \$2 million, will be fully operational in about two months, hotel officials say.

"That is all of our (electricity) needs that were in 2013," said Kevin Kelly, CEO of Two Bunch Palms. The hotel is also undergoing a full-scale room-renovation project. The 50 guest rooms — which are getting all new interiors — are also getting EnergyStar appliances and windows along with added insulation.



The solar array installation is a joint project between the hotel and Pear Energy, a clean energy provider. In the deal, Pear will fund the more than \$2 million capital costs for the system. Two Bunch will now pay Pear the equivalent of its 2013 electric bill every year for the next 21 years. The advantage for the hotel, says Kelly, is Two Bunch Palms' energy costs are now at a single fixed rate for the next 21 years.

"So three years from now, we'll be 12 percent better off on our line-item than our competition," Kelly said, sitting for an interview in the tiny temporary office trailer on the hotel's grounds. He notes that Southern California Edison energy costs have typically risen about 4 percent a year. "Five years from now we'll be 20 percent better on that line-item than our competition."

Economics, however, are just part of the picture. Becoming the first carbon-neutral wellness resort in the country will become a significant marketing cachet for the resort. It's no secret that about 90 percent of the guests drawn to Two Bunch Palms have an environmental sensibility, said Kelly.

"So therefore, it's a natural extension of our own ethos," said Kelly. "And it resonates with 90 percent of our core customers. So that's valuable because we're doing something that our customer can relate to, and it actually fits their needs."

Kelly, former president and chief branding officer for Canyon Ranch who is also the founder of Civano Living, a lifestyle-oriented resort real estate advisory and development firm, wants to position Two Bunch Palms as an industry leader in not only the wellness resort genre, but the world of hotels.

"We're establishing the new definition of the wellness resort," he remarked. "We're saying to our brothers and sisters in the industry, 'you can no longer just talk about mind, body and spirit and individual well-being. You've got to also talk about planetary health if you want to be truly a wellness resort.'"

In the Coachella Valley, a number of hotels and resorts have taken significant steps to reduce energy use through modernization and large-scale capital upgrades. For example, the Westin Mission Hills Golf Resort and Spa in Rancho Mirage won a Cool Planet Award for its energy efficiency initiatives, which include an LED lighting retrofit, a heating and air conditioning system upgrade and variable-frequency drives



on hot and cold water pumps. The hotel has cut its annual energy use 1.1 million kilowatt hours.

Though none seem to have taken the solar step quite like Two Bunch Palms.

“Hats off to Two Bunch for forging forward on this,” said Tim Ellis, chair of the Greater Palm Springs Convention and Visitors Bureau and general manager for the Palm Mountain Resort and Spa in Palm Springs. “Hopefully they will share the results that will in turn encourage others to follow if it works.”

Unsurprisingly, the key obstacle is costs, say hoteliers.

“It seems like a great concept, but again, the up-front costs usually entail some sort of new roof base and or a dedicated area to set up the panels,” Bruce Abney, general manager for the El Morocco Inn & Spa in Desert Hot Springs, wrote in an email.

Being the careful chief executive, Kelly is cautious to not alienate anyone with all of this talk of environmental stewardship and alternative energy.

“I had customers call me and say, ‘Kevin, I don’t care about solar.’ I said, ‘you don’t have to care about solar. What you should care about is the energy savings that I have off of my operating budget goes into more programming, and improved services. That’s all you need to know,’” said Kelly.

“So if I have cost-savings in one item that I can put into the guest experience, that’s better for everybody,” he added.

“The facts are, my costs of capital to build this is fixed at the equivalent of my 2013 energy bill,” Kelly said.

“Without the economics, we wouldn’t do the deal. So it’s a combination of this is an extension of our value system, and the economics gives us a competitive edge. And the brand-positioning gives us a business profile that nobody else has. Those are the three things. And when you put those three together, it’s very hard to argue that this is not a smart business move.”