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Solar energy's 33% ROI inspires companies to invest

March 22, 2012 - Green Buildings

Last year, the solar industry was the fastest growing industry in America for the second year in a row. The 1,855 megawatts (MW) of installed PV capacity represented a 109% increase over 2010's record 887MW. Prime motivators for growth included lower component costs, a 20% drop in PV system prices and improved installation efficiencies. The December 31st expiration of the Federal 1603 Treasury cash grant drove 755MW of installs in the fourth quarter of 2011 alone.

While the Senate failed to pass an extension of the 1603 grant on March 13, 2012, it doesn't appear that business is slowing down. Current incentives include a 30% federal ITC (Investment Tax Credit), 50% bonus or accelerated depreciation and Massachusetts SREC values among the highest in the country. These combined incentives offer a three-year payback, literally a 33% ROI. In addition, system owners who invest in solar energy now will lock in 10 years of SREC income and 25 years of power savings. Few, if any, investments can beat this in any industry.

The only real barrier to entry is the time and expertise to develop the right solar solution for your business. It is essential to partner with a vertically integrated solar company that has in-house capabilities to control everything from design to permitting to procurement to final commissioning and maintenance. During this robust industry growth, some solar companies claim to do it all, but actually subcontract various pieces of the project, acting as general contractors rather than controlling the entire process with their own employees. Look for free seminars and other educational opportunities to talk with business owners who have invested in solar and once you find a reputable solar company with vertical integration, any business can successfully be on its way to energy independence and financial reward.

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