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Bright opportunities for solar photovoltaic in New England

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In 2013, the sun is shining on opportunities for commercial property owners and investors to capture the value of solar energy. Solar systems installed on commercial buildings can reduce operating costs for building owners and tenants by offering a warrantied 25-year stream of electricity savings. With bold Renewable Portfolio Standards (RPS) adopted in: Mass., Conn., R.I., Maine and Vermont; utilities have a mandate to support renewable energy production. These mandates have enabled renewable energy system owners to bask in the glow of unprecedented levels of government subsidies for solar photovoltaics (PV) systems. In some cases, with current incentives, solar PV systems can pay for themselves in as little as 5 years and offer returns of over 10%. The systems enhance commercial property value by reducing net operating costs with a high level of predictability.

In addition to the financial benefits of solar energy, installing PV can be a great way to differentiate a commercial property to attract investment-grade tenants who seek to achieve their own sustainability goals. Massachusetts is currently enabling owners to take advantage of this opportunity, cost effectively. The Mass. Solar Renewable Energy Credit (SREC) program enables PV system owners to sell SRECs in an open market or in fixed-price auctions for each megawatt-hour of clean energy generated. The latter half of 2012 saw average SREC values of about \$200 per megawatt-hour on the open market. This generous rate could represent over \$500,000 over the 25-year lifetime of a 100 kilowatt (kW) PV system.

To best take advantage of the Mass. SREC program, property owners and investors should evaluate their property's solar PV potential and start navigating the interconnection process in the first half of 2013. Savvy investors will look to incorporate renewable energy consultants into their project teams to assist in qualifying opportunities, aid with utility interconnection processes, and efficiently manage project timelines. This will maximize the potential for your projects success and incentive funding.

A similar opportunity exists in Conn. where the United Illuminating and Conn. Light & Power utilities offer an annual Renewable Energy Credit (REC) program for various sizes of PV systems. Similar to the program in Mass., the utilities will purchase the RECs from solar PV system owners for every megawatt-hour of PV energy generated. Solar photovoltaic system owners who qualify for the program will receive 15-year fixed-price contracts with the utility, at rates that may cover up to half the costs of a system's installation. This funding combined with the current Federal Tax Incentives highlighted in the article "Why Solar Energy is an Excellent Investment" published by NEREJ in January 2013 (<http://nerej.com/60529>) makes for an investment with a high risk adjusted return.

So in 2013, seize the opportunity and take advantage of these incentives to cost effectively improve the value of your property through solar PV. You will be doing something bright for the environment

at the same time.

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