



CELEBRATING
55 YEARS

nerej

Solar electricity - Take action before June in Mass.

February 21, 2013 - Green Buildings

If you are considering installing a solar photovoltaic (PV) system in Mass., then make sure you apply for your Statement of Qualification by June 20 in order to obtain the maximum Opt-In Term for the Auction - i.e., 10 years.

I'll be the first to admit that there are quite a few acronyms in the previous sentence! The bottom line is that owners who apply after this date will most likely decrease their overall financial return. You don't want to put your revenue stream at risk due to a lack of knowing how the process works. The devil is in the details, and right now through this spring is a great time to proceed with a solar PV installation, assuming it's a financial and technical fit. Some strong reasons to pursue solar include:

1) Reduced Solar Panel Pricing: Solar panels have decreased in price by more than 60% during the past 18 months. However, the rate of decrease is likely to be at a more orderly 7-8% going forward as suppliers have cut margins to the bone to compete.

2) Bonus Depreciation Extended: Projects completed by the end of 2013 can take 50% of the depreciation for 2012.

3) Strong Tax Incentives: the 30% Federal Investment Tax Credit is still in effect.

4) Attractive Financing: Interest rates have never been lower. Now is the time to invest in capital projects that will make your business more competitive for years to come.

5) Green Marketing: A large majority of Americans (70%) believe global warming is real and three in ten (32%) say that in the past 12 months, they have given business to a company as a reward for their steps to reduce global warming.

6) Creative Solutions: Tired of brushing snow off cars in your parking lot? Recent decreases in the cost of solar panels have made solar parking canopies economical. The panels not only keep snow and rain off of your customers and employees as they park, but they also produce electricity for your building and/or electric vehicles. They're also a great way to get attention from passers-by and show your commitment to renewable energy.

7) Mass. State Incentive Deadline Looming: As mentioned, the period for participating in the Massachusetts SREC auction is set to decrease from 10 to 8 years this July. Don't miss out on the maximum term.

Does solar make sense for your business? There's a simple formula to calculate the levelized cost of energy, but the best way to understand the overall financial benefits of solar is to contact a trusted solar project developer, who can take all factors - environmental, location, financial and regulatory (act BEFORE June 20) - into consideration.

James Dumas is principal of Solect Energy Development LLC, Hopkinton, Mass. and is a monthly contributing Solar Development author for the New England Real Estate Journal's Green Building section.