

SOLAR OUTLOOK: NJ IN 2015

By Keith Peltzman, President, Independence Solar

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Many landlords, tenants and owner-occupants have already considered solar energy. If you have not yet adopted solar energy, the current alignment of subsidies and pricing may make 2015 the ideal year for solar. First, the cost of solar has fallen by 2x since 2012, while subsidy levels (SRECs, or Solar Renewable Energy Certificates) have rebounded. Second, the federal credit for solar energy (ITC) expires at the end of 2016. To qualify for the ITC, projects must be fully completed by December 31, 2016, so projects should be “on the drawing board” in 2015. Finally, there are new financing products like leases that allow for solar with minimal upfront capital.

This “perfect storm” of costs and subsidies makes 2015 the ideal time to undertake solar energy. Here is why:

- SOLAR COST**
 - ▶ ½ of pricing in 2012
 - ▶ \$8 - \$10 per square foot (net)
- RETURN OF SREC PRICING**
 - ▶ 80% increase in 2014
 - ▶ Approaching \$200
- RETURN ON INVESTMENT (ROI)**
 - ▶ 12 - 18%
 - ▶ 4 - 5 year payback
 - ▶ **RETURNS:**
 - ▶ \$1.00 per square foot (Electricity Savings)
 - ▶ \$1.00 per square foot (SREC Revenue)
- INDUSTRY CONSOLIDATION & MATURATION**
 - ▶ Base of solar installers now more sophisticated
 - ▶ Part-time solar companies & salesmen have mostly left industry
- SAFETY**
 - ▶ Greater awareness of fire safety & design codes
 - ▶ Training of local fire departments in solar
 - ▶ Technologies to disengage solar power on rooftop
- ENVIRONMENT**
 - ▶ Meaningful impact on climate change
 - ▶ Every \$2,900 investment = 1 ton of CO2 avoided
 - ▶ Yet also profitable



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In addition to New Jersey, other East Coast states offer significant solar subsidies:

1. Connecticut
2. Massachusetts
3. New York
4. Maryland
5. Delaware
6. Washington DC

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ABOUT US

Keith Peltzman is President and Founder of Independence Solar with offices in Cherry Hill, NJ and Boston, MA.

Independence Solar is one of the more experienced turnkey installers of commercial solar energy on the East Coast. Since 2007, the team has developed over \$200 million of solar projects, including the largest rooftop solar array (9 MW) in North America at the Gloucester Marine Terminal in Gloucester City, NJ. Independence Solar forges long-term partnerships with clients in order to maximize their return on solar energy investments.

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