

SOLAR OUTLOOK 2017

By Keith Peltzman, President, Independence Solar

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In New Jersey, over 5,000 non-residential properties have already adopted solar energy. Many more commercial property owners have considered solar energy. As we look towards 2017, we are confident that solar will continue to generate strong returns for landlords. In addition, solar can help to differentiate a property and retain or attract tenants.

WE ARE OPTIMISTIC FOR SOLAR IN 2017 FOR SEVERAL REASONS:

1. Costs - Down
2. 30% ITC - Extended
3. Depreciation (Bonus MACRS) - Extended
4. SREC - Stable
5. Safety - Improved



1) COSTS

Solar panel costs have declined 30% - in just the last 12 months. As the global solar manufacturing industry grows, manufacturing improvements and scale efficiencies continue to drive down the cost of a solar panel. If you received a quote for a solar installation more than 6 months ago, it might be time to refresh that quote.

2) 30% ITC

The ITC or Investment Tax Credit is a 30% tax credit on the cost of a solar project. So, if a solar project costs \$1 million, then you are entitled to a tax credit of \$300,000. This credit is not a deduction, but is a full credit against tax liability due to the IRS. The 30% ITC was extended by Congress in December 2015 and now extends through December 31, 2019.

3) DEPRECIATION (BONUS MACRS)

In addition to the 30% ITC, the IRS allows an accelerated depreciation schedule for solar - almost 70% of the project cost can be deducted in the first two years. Solar projects completed in 2017 still qualify for this 50% bonus. This benefit was extended by Congress in 2015 and greatly enhances the tax advantages from a solar installation.

4) SREC

The SREC is another source of income from a solar project. The value of the NJ SRECs (Solar Renewable Energy Certificates) continues to support strong returns on investment (ROI). There are many strategies to secure stable SREC pricing for the long-term. Your solar developer/installer should establish the optimal SREC strategy for your project before starting construction.

“Building Successful Relationships” is our Mission.

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5) SAFETY

New technologies allow for much safer commercial solar installations. Solar panels can now be monitored and shut down individually. This allows solar companies to de-energize the panels when personnel operate on the roof. In addition, monitoring each individual panel maximizes output and increases income generated. This safety configuration will become more common in 2017 and should be considered on every commercial installation. Again, if your solar proposal is over 6 months old, it might be time to request a refreshed quote from an experienced solar installer that now includes these solar panel optimizers.



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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 a turnkey installer of commercial solar energy. Since 2007, the team has developed and built over \$200 million of solar projects, including the largest rooftop solar array (9 MW) in North America at the Gloucester Marine Terminal in NJ. Independence Solar forges long-term partnerships to maximize returns on our customers' solar energy investments.

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