

UPDATE - DOES GOING SOLAR IN 2020 STILL MAKE SENSE (IN MAY)?

By: Keith Peltzman, President, Independence Solar

May 21, 2020

In February of 2020, we published an article asking “Does Going Solar in 2020 Still Make Sense?”. We now revisit and update some of the conclusions to help you determine if solar could add incremental value to your commercial property.

1. NEW SOLAR PROGRAM IN NJ - TREC

The new incentive program for solar in NJ was released on May 1, 2020. The name of the incentive has been changed from SREC to TREC (Transition Renewable Energy Certificate), but the underpinning have not changes significantly. This program offers two very positive enhancements for solar on commercial property: 1) it extends the lifetime of the TREC from 10 years to 15 years and 2) it offers a fixed price of \$152 per TREC for that 15-year term. The buyer of your TREC will be an entity or fund supported by the state’s NJ Clean Energy Program.

In many cases, the new TREC program can add \$1.00 - \$1.50 psf of incremental income. In addition, this new fixed pricing structure offers greater certainty around the ongoing revenue streams from solar. Solar projects are now more favorable to debt and there are more lenders offering project-based only recourse. This structure now makes it much easier to finance a commercial solar project.

Keep in mind that the letter “T” in TREC stands for Transition. This new incentive is only intended as a temporary stopgap measure to keep the solar industry viable until a new permanent solar funding program is implemented. This new permanent program will arrive around June 2020 and will not likely have the same level of incentive. If you are interested in this new solar program, it does make sense to start the process now.

For more information on the new solar TREC program, see the link below to the NJ Clean Energy Program or contact Independence Solar.

<https://www.njcleanenergy.com/renewable-energy/programs/transition-incentive-program>

2. CAN BIG ROOFTOPS WITH LITTLE ELECTRIC USAGE TAKE ADVANTAGE OF THIS NEW TREC PROGRAM ?

In our February 2020 article, we insinuated that yes, large rooftops (> 100,000 sf) with limited or no electric usage could leverage the new TREC program. The state had published a line in their December 2019 press release enumerating how “direct-to-grid” projects would be treated. Potentially, this would have opened up solar to many more properties that are either vacant or occupied by smaller electric users.

Unfortunately, when NJ launched the new TREC program in April, they clarified that they would not allow any new rooftop projects to connect directly to the grid and qualify for TRECs. The line in the Dec 2019 press release pertained only to projects that had been previously approved in a 2018-2019 solicitation known as Subsection r.



“Building Successful Relationships” is our Mission.

The foregoing information was furnished to us by sources which we deem to be reliable, but no warranty or representation is made as to the accuracy thereof. Subject to correction of errors, omissions, change of price, prior sale or withdrawal from market without notice. This article is for informational purposes only. © 2019 WCRE All Rights Reserved

At this time, there are no further solicitations open for Subsection r.

However, there are still opportunities to for large commercial buildings under another solar program - the Community Solar Program. Under this program, there is an annual solicitation for solar projects where the solar electricity is fed directly into the grid and credited to residential accounts. In many cases, this Community Solar program could offer commercial landlords \$0.25 - \$0.50 psf as rent for use of their rooftops without any investment into the solar projects itself.

3. HOW ABOUT PENNSYLVANIA ?

Pennsylvania does not yet offer the same strong incentive for solar as NJ. However, there is currently proposed legislation in the PA Senate that would enhance the value of the solar SREC in PA. This bill would stimulate the solar market in PA and create significant jobs. The cost of commercial solar continues to fall dramatically every year, so projects that may not have penciled out in the past may now be feasible in PA.

For more Information about going solar in 2020, contact:

For More Information:



Keith Peltzman
President & Founder
1008 Astoria Boulevard
Suite E
Cherry Hill, NJ 08003
856.393.1250

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.

“Building Successful Relationships” is our Mission.

The foregoing information was furnished to us by sources which we deem to be reliable, but no warranty or representation is made as to the accuracy thereof. Subject to correction of errors, omissions, change of price, prior sale or withdrawal from market without notice. This article is for informational purposes only. © 2019 WCRE All Rights Reserved