

## BENEFITS OF SOLAR SOLIDIFY A BRIGHT FUTURE FOR COMMERCIAL PROPERTY IN THE MID-ATLANTIC

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There is no denying that the events of 2020 have put an unquantifiable disruption to 'business as usual' throughout every industry. Yet, while this year will undoubtedly go down as one of the most challenging, the solar sphere has not only shown resilience, but has managed to increase its financial viability. Solar Power World's September 2020 headline, "US Solar Generation Grows 22.2% Even Through Corona Virus Pandemic," and the International Energy Agency's current research showing "solar is now the cheapest electricity in history," underscored the strength and feasibility of solar nationwide.

Commercial property owners have been at the forefront of this progress and, in keeping with this trend, the Solar Energy Industry Association (SEIA) reports that the costs of investing in solar in New Jersey and Pennsylvania has decreased 38% over the last 5 years. In turn, both states have increased solar energy project development and installation at an unprecedented rate this year.



### NEW JERSEY

The Garden State now ranks 7th in the nation for solar energy usage and is on track to grow its development by over 1,500 megawatts over the next five years. The TREC (Transition Renewable Energy Certificate) program debuted in May of 2020, providing property owners with:

- ▶ Higher incentives for commercial rooftops and parking lot carports (\$152 per credit vs \$92 for other locations)
- ▶ A fixed, guaranteed ongoing monthly incentive payments from the state for 15 years (extended from SREC program's 10 years)
- ▶ Payback period within 4 years and 20%+ annual returns, or incremental net income with no upfront investment

The TRECs also offered additional value when combined with Community Solar. While the TREC program is set to expire sometime in 2021, its implementation helped to increase investment and a revised incentive program is anticipated to follow soon. Solar power currently provides 5.5% of New Jersey's electricity.

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## PENNSYLVANIA

While Pennsylvania does not yet offer incentives at the state level, it still ranks 22nd in the U.S. for solar energy production (up from 27th in 2019). The successful introduction of the Philadelphia Solar Rebate program in 2019 offered significant cost savings and hopefully portends positive developments for the rest of PA. There is proposed legislation in the PA legislature that would enhance the value of the solar SREC in the state (and stimulate its solar market). Despite the lack of state-wide initiatives, the cost of solar in PA continues to fall dramatically every year, and SEIA projects growth of over 1,000 megawatts over the next five years.

Nationwide, businesses interested in making a smart, long-term investment in solar energy can continue taking advantage of the federal Investment Tax Credit. Although this federal incentive program is set to reduce from 26% to 22% on January 1, 2021, the returns for solar are still very attractive relative to other possible investments.

The expectation is that businesses throughout the Mid-Atlantic will continue to increase their investments in solar which will allow them to significantly reduce energy costs or generate incremental income. As 2020 has shown, it is always good financial strategy to reduce operating costs and to find new sources of income.

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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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