

COMMERCIAL SOLAR BENEFITS



Reduced Operating Costs

No matter its environmental impact, the decision to go solar as a business is almost always about saving money on long-term operating expenses. Today, PV solar is an [affordable, accessible, and prevalent](#) energy source that provides organizations the opportunity to own a power-generating asset, rather than continuously purchase electricity from utilities and other outside energy brokers. By installing a commercial solar-powered system, companies can become one of their own electricity suppliers and often increase their property value with a clean energy power plant onsite. Visualized as a multi-decade investment in a business's bottom line, solar installations can help stabilize electricity expenses with more predictable cash flows than external energy purchased at variously billed rates. Coupled with the fact that solar systems have relatively low maintenance costs, property managers can easily estimate project expenses and future energy production to determine an installation's total return on investment. While upfront costs may steer some property owners away from the idea of going solar, thankfully there are many incentives and policies designed to enable large organizations to adopt solar energy technologies more easily.

Federal Investment Tax Credit: Often referred to as the solar ITC, the Federal Investment Tax Credit is the primary incentive responsible for driving down installation costs of solar in the United States over the last decade. Using the ITC, qualified businesses can claim a large percentage of their system costs against federal corporate income taxes applied within the same year.

Unfortunately, organizations such as schools, religious institutions, and other exempt entities cannot claim the ITC if they do not pay annual income taxes. In some cases, third-party ownership (TPO) or Tax Equity Financing can help organizations without a large tax liability still take advantage of the ITC and reap the benefits of a PV system with a reduced upfront cost. We advise that you contact your accountant with questions.

Accelerated Depreciation: To lower the overall cost of a new installation, any business that claims the solar ITC may be eligible for accelerated system depreciation. Using a Modified Accelerated Cost-Recovery System (MACRS), businesses can deduct a system's depreciation expenses in their taxes over five years, rather than the entire lifespan of a system. We advise that you contact your accountant with questions.

By taking advantage of any available rebates, incentives, and tax deductions, business owners can shorten the timeline of a solar project's break-even point, in which adoption costs equal the avoided expenses of traditionally purchased energy.

Increased Energy Resilience and Control

By generating sustainable electricity onsite, companies with PV solar energy systems become less reliant on public utility suppliers and other outside sources to deliver their energy needs.

However, in the event of an outage, simple grid-tied commercial solar systems are forced to go offline if electricity can no longer be fed safely back into local power lines. For this reason, more and more commercial solar power systems are now being installed with battery backup.

ASK US ABOUT FINANCING!