

Do some research before selecting from array of solar power options

By **ANDREA DECKERT**



Eldred

Businesses now have more solar power options than ever, as well as a number of federal tax credits and state incentives to use.

Deciding on one of the many options, however, requires some research and depends on the needs of each individual business, those in the field say.

“The solar business is booming,” says Matthew Eldred, an associate with Harter Secrest & Emery LLP.

He advises companies interested in solar to do their research when it comes to determining the best option for them.

Part of the rise in solar power’s popularity is due to the commitment of New York leaders, including Gov. Andrew Cuomo, who has committed \$5 billion to the goal of providing 50 percent of the state’s electricity from renewable sources by 2030.

Under several state programs, solar developers, landowners and businesses are eligible for millions of dollars in state incentives on top of already substantial federal tax credits.

Areas the companies can consider in the solar power arena include power purchase agreements, lease options with solar developers and community solar subscriptions.

That is in contrast to solar power installations in years-past, Eldred says.

According to Eldred, the solar power industry struggled for some time with users leery to pay for up-front costs to install equipment on-site and then wait sometimes several years to see a return on that investment.

That scenario is not the case today, where businesses can find myriad installation and financing options, he says.

One solar power option is property installation. That could mean having solar panels mounted on either the roof of the business or elsewhere on the site, such as the parking lot or vacant land, he explains.

Businesses who opt for on-site installations can also negotiate agreements with solar developers, who would pay the upfront installation costs and lease a portion of the property over several years.

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The agreement between a company and solar developer can take several forms, but often results in an annual savings in energy costs for the business, Eldred says.

If a company site is not ideal for solar panels, or if a business cannot have them installed on the property, community solar may be a good option, he says.

Community solar projects are a collective array of solar panels installed in a sunny, offsite location. The option has been increasing in popularity, and there are many such projects available across the state.

The developer-owned model is common for community solar installations.

In the model, a solar developer designs, builds, owns, operates and maintains the community solar development. The developer finds a host site and leases it over the term of the agreement.

The developer also secures the necessary financing, permits and insurance to construct the community solar project.

Typically, the developer would work with a subscriber management organization to acquire subscribers and manage subscriptions. Subscribers either buy or lease panels or purchase increments of solar power or electricity.

The utility then provides billing credits to subscribers for their share of the electricity generated from the community solar array.

While the options can be extensive, Eldred says solar power has real benefits for companies that extend beyond the environmental impacts.

“People sometimes think it is too good to be true, but there are real savings,” Eldred says about solar power. “For businesses, those savings can really add up.”

Kevin Schulte is CEO of GreenSpark Solar, an Ontario, Wayne County-based solar installation company.

He, too, says commercial customers can go in a number of directions when it comes to solar power options. GreenSpark is able to provide clients with a range of options based on their needs.

“There’s a lot more options with solar than there used to be,” Schulte says.

Reasons businesses consider the alternative energy option include financial savings, sustainability and better control of a company’s electricity bill with fixed costs, protecting from utility rate increases and volatility.

Companies need to consider their financial status, whether they own their own building and how much they are paying for electric when deciding how they want to approach solar power.

Such factors can help determine which solar option is best for them, Schulte says.

Offsite can be a good option for smaller businesses, or ones who do not own their buildings or have adequate space on-site for a solar installation, he says.

Federal and state incentives can cover a large percentage of the costs for solar projects, he notes, adding he expects the new federal administration will continue to roll-out incentives for solar and other alternative energy solutions to address climate change.

With the COVID-19 pandemic impacting the economy, now is a good time for businesses to take a look at solar options and their cost effectiveness, Schulte says.

“The timing couldn’t be better,” he says. “Solar can reduce, or remove, some operating costs for a business.”

Steven Longway, director of the buildings engineering division at LaBella Associates, has more than a decade of experience in working with companies of all sizes on an array of solar projects.

Longway initially asks clients a series of questions when they begin looking at solar options, and their answers help him determine the best system for their needs.

Those questions include the reasons a company is considering solar and whether they are interested in having a solar installation on their site or at a different location.

While solar is a good way to use alternative energy resources to reduce energy costs, Longway advises businesses to work with those in the field to determine the best steps to take when

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proceeding with a project.

“Solar is always a good part of the equation, but businesses should take a holistic approach and determine where there is the low hanging fruit,” Longway says.

Longway advises business owners to be forward thinking when considering solar power options, since some require a long-term commitment.

In addition, many options allow businesses room to negotiate terms and tailor agreements to their needs.

“There are a lot of good options for most,” he says. “It’s important to look at each and determine if it does what you need it to do when you need it.”

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