**Property Management**

**Keys to maximizing commercial solar return on investment**

Most electricity still is generated from an 1884 invention by Charles Algernon Parsons, the steam turbine. As of 2017, 72 percent of Xcel Energy’s electricity in Colorado came from burning coal or gas to produce steam that drives a turbine.

On-site solar photovoltaics is an alternative that has become not only economically feasible, but also an increasingly wise investment for commercial property owners. However, while the economics are better than ever, tax and utility incentives are scheduled to reduce next year. That makes it a particularly good time to take advantage of PV, especially since green buildings can attract and retain good tenants who often are willing to pay a premium for the benefit of being in a property that aligns with the values of their employees and/or customers.

There are five key factors that will determine your solar return on investment:

- **System design.** Commercial PV can be installed on a commercial roof, over a parking garage or over a commercial roof, over a parking lot.
- **Utility costs, escalation rate and solar production.** Utility costs are a significant portion of a commercial business’ annual budget, and that cost typically rises each year. The Energy Information Administration has data indicating that Colorado’s commercial and industrial electric rates have gone up 70 percent from 2001 to 2016, an average of 3.6 percent annually.
- **Net metering** allows customers with on-site PV to receive a 1:1 retail credit for any electricity that their system produces. It doesn’t matter what time of day your business operates or when you are using power, every kWh of solar electricity produced will provide the same benefit by offsetting your usage.
- **Utility incentives.** In addition to offsetting your internal electricity costs, many utilities offer incentives for the solar energy that your system produces. In 2018, Xcel Energy’s Solar Rewards Program offers 20-year contracts to purchase renewable energy credits for 4.25 cents per kWh produced, regardless of whether you consume it on site or not. On a 500 kW system, that amounts to REC income payments of nearly $32,000 per year.
- **Tax incentives.** Through 2019, more than 50 percent of the total system cost can be recouped in the form of a federal investment tax credit and depreciation tax deduction benefits. These tax benefits directly reduce the cost of your system within the first year of ownership.

**Solar for Commercial Facilities**

Maximize your ROI with C-PACE financing

Access to capital for solar has never been easier. C-PACE (Commercial Property Assessed Clean Energy) allows you to access non-recourse financing for up to 100 percent of the project cost, with fixed interest rates and terms up to 25 years. Typically, the combined net benefit of your utility savings and incentive income will exceed your annual C-PACE payments, making you cumulatively cash flow positive every year of the project.

**Experienced Solar Integrators**

Namasté Solar is one of the most experienced solar PV developers/integrators in the United States, having developed and installed more than 5,700 stand-alone systems in over 40 permitting jurisdictions and 7 states.

Learn more about how Namasté Solar can help you lock in low electricity costs, reduce operating expenses, and boost the value of your property.

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