



## 5 Trends: How Business Leaders are Going Solar

The commercial solar energy market has grown significantly in recent years and is poised for continued growth. Business owners now have leverage to cut costs and manage facilities more effectively using solar and other energy solutions. Business leaders have demanded effective, straightforward financing for solar. The market has responded, and business leaders are now taking a fresh look at the economics of solar.

5 key factors in creating a profitable solar project:

### 1 Finance 100% of project cost

Lenders now offer 100% financing for qualified solar projects, enabling forward-looking business owners to make solar cash flows beat utility bill cash flows by a meaningful margin. Further, off-balance sheet financing has become available in many states for solar and other energy improvements, allowing owners to retain their existing credit strength.

With these financial innovations, and the lowest prices in solar's 60-year history, many business owners are discovering that self-generated electricity is simply smarter than importing it from the utility.

### 2 Immediately divert tax savings back into operating capital

Thirty percent of a solar project's cost is recovered from tax credits, which may be claimed all at once, all upfront. Owners reallocate tax dollars into earnings or operating capital by financing 100% of project cost and, at the same time, taking the 30% federal tax credit. Owners immediately reap the rewards of going solar, while enjoying significant savings on utility bills for the long term.

### 3 Use self-liquidating solar financing

A good solar project covers its own financing payments. Previously, owners had to give away the tax credits if they wanted to pay \$0 out of pocket (PPAs and operating leases, for example), but now owners have better, more profitable options.

In a traditional loan or capital lease, business owners take all the tax credits while paying no cash out of pocket for the project. In states where PACE financing is available, owners can bypass traditional lending and access longer-term loans that are paid back via property taxes. Using either approach, solar owners set the financing so that the solar asset pay off the solar loan.

## 4 Bolster the brand

Reducing costs makes companies more competitive. Plus, customers like doing business with companies that are planning for the future.

Many owners are solarizing their parking area first to make sure the solar array is visible to both customers and employees. They're also including solar and energy strategy in their marketing to make clear the company's dedication to creating value for customers over the long term.



## 5 Hedge your solar bet

Solar is less expensive than utility bills, if you have the right financing and if your solar asset performs as promised. Here are the top questions a business owner should ask their solar provider:

1. **Where does the money come from and who gets the tax credits?**
2. **How is system performance measured and what *exactly* happens if it falls short?**
3. **What's the annual operations & maintenance cost and where is it in the financial analysis?**
4. **What happens if the panel manufacturer goes out of business and can't cover the warranty?**
5. **What's the warranty on the inverter? Are inverter costs included in the financial analysis?**

Energy is among the fundamental inputs to every company's operation. With today's solar technology and financing, business leaders can now discover whether it's cheaper to make energy on-site or buy energy from the utility.

**Ready to know your solar cash flows? Find out today by calling our one of our experts for a free solar financial analysis at [800.392.1593](tel:800.392.1593)**



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