



Sustainable Development Fund Solar Photovoltaics Grant Program

Administrators: Ron Celentano • Andrew Rudin



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RE: Simple Economic Examples of How the SDF Solar PV Grant Program and Other Incentives Impact the Installation Cost of Solar PV.

Thank you for your interest in our Solar Photovoltaic (PV) Grant Program. We are able to assist with the costs of installing a PV system in your home or business. We have been able to give financial assistance in the form of direct subsidies to over 50 homes and businesses within the PECO Energy service region over the last two years.

The following briefly describes *three* initiatives which offset much of the cost for installing a solar PV system:

First, the SDF Solar PV Grant Program offers the following incentives for a PV installation:

- An initial payment (buydown subsidy) of **\$4 per watt_{DC}** (based on the nominal STC rating), up to \$20,000
- A production incentive of **\$1/kWh_{AC} of gross solar generation** for the first year, up to the remaining balance of the total incentive maximum of \$25,000

Combined, these incentives should cover about half the installed cost of most PV installations up to a 5 kW capacity, though it is capped at 80% of the total installation cost. With accelerated depreciation, commercial customers get an even better deal. For more details about the SDF Solar PV Grant Program:

Website	Phone / Fax	Email
www.trfund.com/sdf/solarpv	215-635-0900 / 215-635-1903	solarpv@trfund.com

Second, grid-tied solar PV system owners can participate in the Energy Cooperative Association of Pennsylvania's (ECAP) **Solar Buyback Program** – the first of its kind in the nation. ECAP is offering to pay 20 cents/kWh produced by solar photovoltaic systems for at least two years. In turn, those customers must also purchase renewable energy from ECAP at 7.18 cents/kWh (although this may not be the current rate). The ECAP's charges for commercial customers must be calculated individually. For more information on this program, visit ECAP's website at www.theenergyco-op.com.

Third, PECO Energy's Renewable Energy Service or net-metering tariff provides full retail value for the electricity offset by solar production. There are several net-metering options, but the one most recommended is the **Option 1** – monthly net-metering. For this option, if the customer has PECO Energy as their energy supplier, then they will receive about 12.85 cents/kWh credit (although this may not be the current rate) for their solar generation, as long as it does not exceed their usage by the end of the billing period (any monthly surplus of solar production is forfeited to PECO). If the customer has a different energy supplier, such as ECAP, then PECO credits the customer for the distribution, transmission and transition (T&D) charges, or about 7.83 cents/kWh.

7217 Oak Avenue • Melrose Park, PA 19027-3222

phone: 215.635.0900 • fax: 215.635.1903 e-mail: solarpv@trfund.com • web: www.trfund.com/sdf/solarpv

EXAMPLE - Residential: The following table shows how the above three incentives relate to a 2-kilowatt residential solar PV system, which will conservatively generate about 2,000 kWh/year. Assuming the customer consumes 9,200 kWh/year (state average electricity consumption per residential customer) and that they are enrolled in ECAP's Solar Buyback Program:

Installed system price	\$20,000 (estimate)
Grant program rebate	8,000 (\$4 for each of 2,000 watts of system capacity)
Net cost to customer	\$12,000 (\$20,000 less \$8,000)
One-Year Performance Rebate	\$2,000 (\$1 for each of 2,000 estimated kWh generated in 1st year)
Net cost to customer	\$10,000 (\$12,000 less \$2,000 after one year)
ECAP payments for solar	\$800 (2,000 kWh at 20 cents/kWh for 2 years)
ECAP invoices for consumption	287 (2,000 kWh at 7.18 cents/kWh for 2 years)
PECO net-metering credit (T&D)	313 (2,000 kWh at 7.83 cents/kWh for 2 years)
Net cost to customer	\$9,174 (\$10,000 less \$800 and \$313, plus \$287 after two years)

In addition:

PECO net-metering credit (T&D) \$157 (2,000 kWh at 7.83 cents/kWh per year, thereafter)

EXAMPLE - Business: Assuming a 5 kilowatt PV system for a business facility, the following shows how the first costs are offset by the SDF Solar PV Grant Program, as well as the Federal Business Energy Credit and five year accelerated depreciation:

Installed system price	\$40,000 (estimate)
Grant program rebate	20,000 (\$4 for each of 5,000 watts of system capacity)
10% business energy tax credit	2,000 (10% of \$20,000)
First year rebate for kWh	5,000 (\$1 for each of 5,000 estimated kWh generated in 1st year)
5-year accelerated depreciation	6,459 (Assuming the customer is in the 34% tax bracket)
Net cost to customer	\$6,541 (16% of the original cost)

(The above doesn't even include the economic benefits from net-metering and ECAP's PV Pricing Program; these must be determined specifically for each customer).

The way to start the process of installing a solar electric system on your home or business is to contact one of our Participating Contractors. If you have any questions after reviewing the information packet we have already sent you, a Participating Contractor should be able to answer them. Or, you can call or email us. Our list of contractors is continually expanding. The best way to get up to date information is to visit that section of our website at:

http://www.trfund.com/sdf/PV_Con_List.pdf

We believe Southeastern Pennsylvania, with our SDF Solar PV Grant incentives, ECAP's Solar Buydown Program, and PECO's net-metering tariff options and their stream-lined interconnection requirements, has one of the best opportunities in the nation for installing up to a 5 kW solar PV system!