



The economic benefits of solar electric systems

November 21, 2011 - Green Buildings

As a result of grants, subsidies, and tax benefits (federal, city and utility), and advances in solar panel efficiency, solar photovoltaic systems (solar PV) have become an attractive investment option for N.Y.C building owners. This window of opportunity has allowed savvy owners to invest in renewable energy by making use of their roofs as electric power plants, locking in their electric costs and hedging against future price increases. These systems lower building operating costs and increase property value.

Economic Benefits of Solar Systems

The final net cost of a typical 25 kilowatt system installed in N.Y.C. this year is under \$12,000, provided that the owner can take advantage of all the available tax benefits. This system would require about 3,000 s/f of usable roof space, and generates \$5,000 of electricity annually (Note: the size to be installed on each building will be determined by the amount of available roof space).

These grants and tax benefits are as follows:

- * 30% federal tax credit
- * Accelerated depreciation deduction
- * Five year bonus accelerated depreciation
- * 20% N.Y.C. property tax abatement
- * 5% per year over four tax years
- * Abatement percentage will go down over time
- * NYSERDA rebate - \$1.75/watt.
- * Rebate has been going down over time and is now capped at \$50,000.

Bill Claps is the regional director of GreenLogic Energy, New York, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540