

***Distributed Solar  
for Home Farm  
and Business  
(Dec 2022)***



F. John Hay (Extension Educator – Energy)

***IN OUR GRIT, OUR GLORY™***

- **Introduction and Solar Motivations**
- **How Solar Works**
- **Equipment and Design Considerations**
- **Production**
  - Tilt
  - Azimuth
- **Economics**
  - Incentives
    - Federal Tax Credits
    - Utility
    - USDA Rural Development
  - Savings, ongoing costs
  - Payback
  - Net present value
- **Picking an Installer**
  - Trade Ally Programs
- **Questions**



# *Introduction and Solar Motivations*



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## Distributed Generation vs Utility Scale

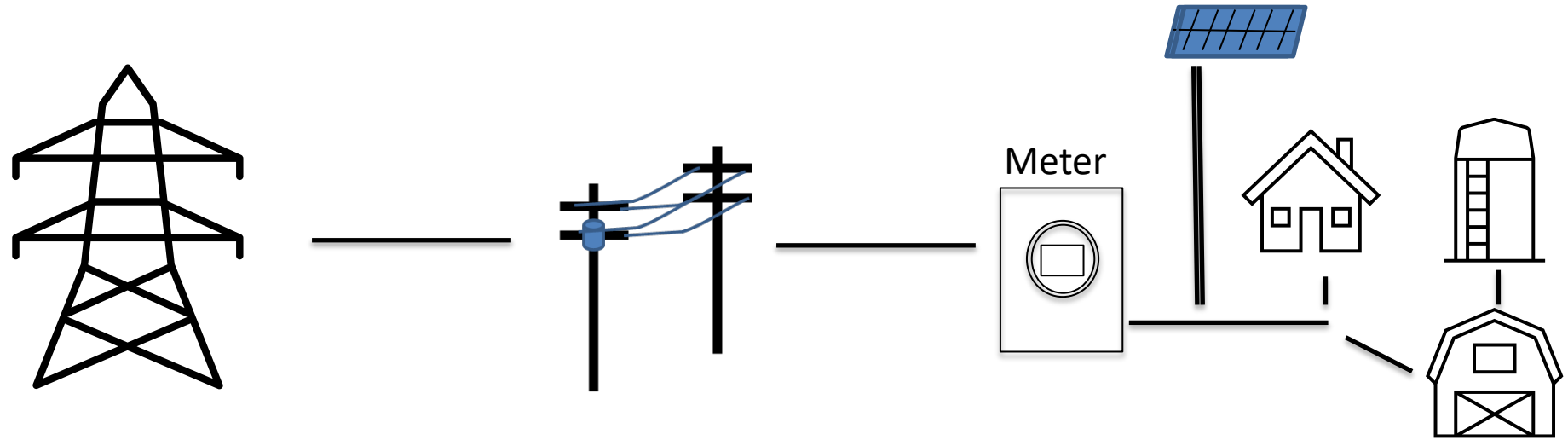
- **Distributed**

- Small scale
- Grid connected
  - Usually behind the meter
- Customer owned
- Energy used by customer first

- **Utility**

- Large Scale
- Utility or Investor Owned
- Grid connected
- Electricity flowing to the grid





## Modern meters don't just count kWh, they can do more (Advanced Meter Infrastructure (AMI))

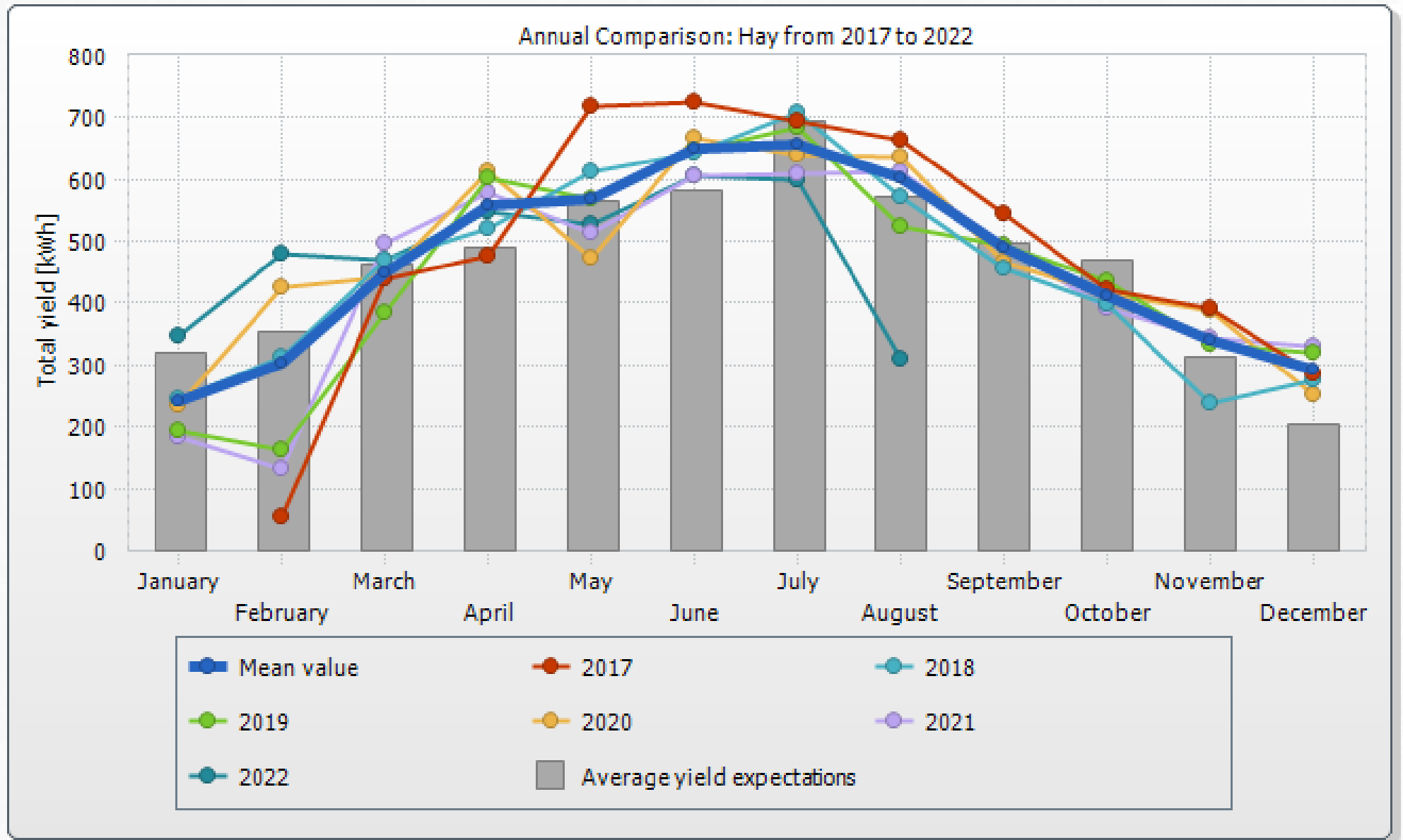
- Record the time of day each kWh is used
- Record the peak power use (demand)
- Record the loads impact on power quality (power factor)
- Measure in two directions (behind the meter solar or other renewables)



N











**System Owner**

**Installer and Electrician**

**Utility** is involved.

## Steps in Solar PV Process (Process for a Customer Owned Grid Connect Solar Electric System)

1. Study electric bills, efficiency
2. Solar homework, goals,
3. Get quotes, talk to multiple installers
4. Contact utility (Owner and Installer)
5. Design
6. Order solar modules, inverter, mounting
7. Building permit
8. Structure
9. Solar rail mounting
10. Solar module (panel) installation

11. Electrical permit
12. DC wiring and grounding
13. Inverter installation
14. AC wiring
15. Electrical inspection
16. Install safety labeling
17. Utility agreement
18. New meter (Utility site inspection)
19. Turn it on! (owner and installer)
20. Monitoring (owner and installer)



## Residential or Business System

### Pros:

- Green energy
- Tax credit
- Attached to your home or business
- Depreciation (businesses)
- Marketing
- Ongoing savings

### Cons:

- Initial cost of system
- O&M
- May not regain investment if you move

## Community Solar Purchase

### Pros:

- Green energy
- Can participate even without place to install
- Sell it back if you move
- No O&M
- Little to no risk

### Cons:

- No tax credit (maybe)
- No depreciation
- Not at your location for marketing purposes

# *How Solar Works*



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# Solar Photovoltaic Array



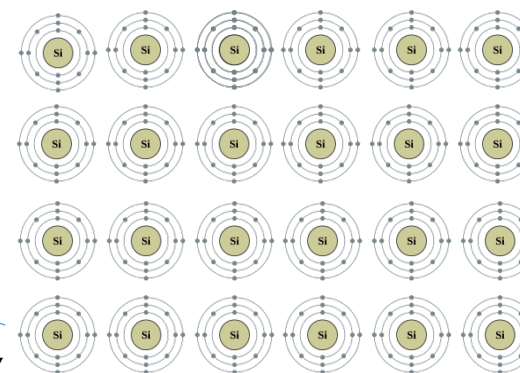
## Solar Photovoltaic Module

## Silicon

- 4 valence electrons



## Solar Photovoltaic Cell



## Inside the Silicon Crystal



**Table 1. Emissions by Type of Electrical Generation**

<b>Carbon Dioxide Emissions of Electrical Generation Systems</b>	
<b>Generation Type</b>	<b>Emission Rate (g CO<sub>2</sub>/kWh)</b>
<b>Coal, Steam generator</b>	940 <sup>a</sup> - 960.6 <sup>b</sup>
<b>Natural Gas, Combustion Turbine</b>	604.2 <sup>b</sup>
<b>Natural Gas, Combined Cycle</b>	406.6 <sup>b</sup>
<b>Nebraska's Generation Mix 2017</b>	628 <sup>c</sup>
<b>Solar PV – utility scale</b>	6- 14 <sup>dg</sup>
<b>Utility Scale Wind</b>	4 - 9.11 <sup>efg</sup>
<b>Nuclear</b>	4 <sup>g</sup>
<b>Hydro</b>	97 <sup>g</sup>

Note: Emission rates from electricity generation. Rates noted with "a" from Hong and Slatick, "b" from US DOE Environmental Baseline Report, "c" from EIA.gov State electricity profiles, "d" from Louwen et al. "e" from Gamaa et al. 2019, and Guezuraga et al., 2012. "g" from Pehl et al., 2017

*Equipment and Design  
Considerations*



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# Photovoltaic Solar System



Module



Racking



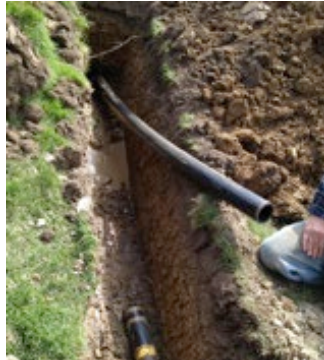
PV Wire



Combiner Box



Wire Covers



Trenching



Inverter(s)



Disconnect



Meter



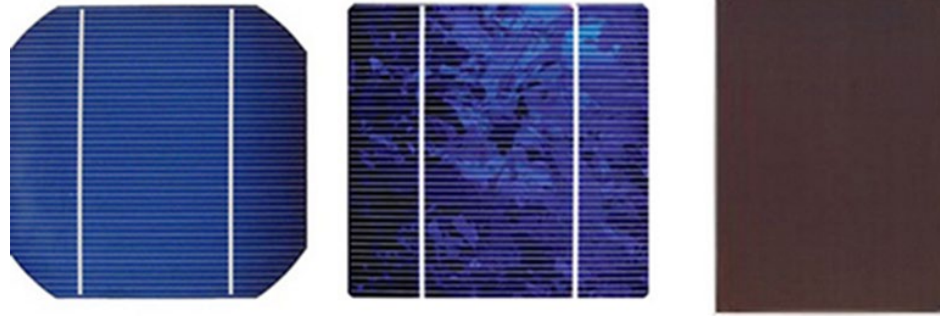
Placards



Grounding

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# Silicon Solar Cells



## Other Chemistries

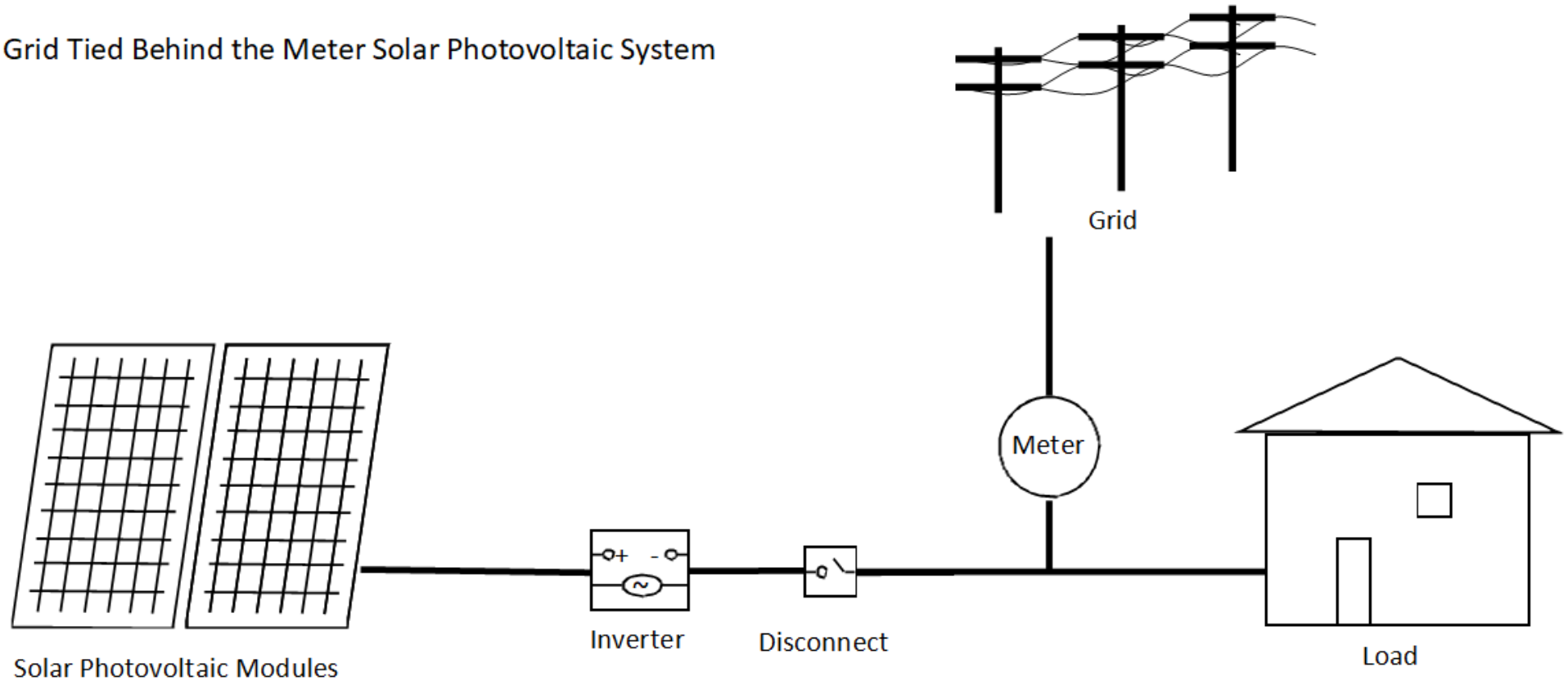
- Cadmium telluride (CdTe)
- Amorphous silicon (a-Si)
- Copper indium gallium selenide (CIGS)

	Mono	Poly	Thin Film
Efficiency	Up to 20+ %	~16%	Up to 12%
Life span (years to reach 80% capacity)	25-30 years	25-30 years	<20 years
Manufacturing costs	High	Moderately High	Low

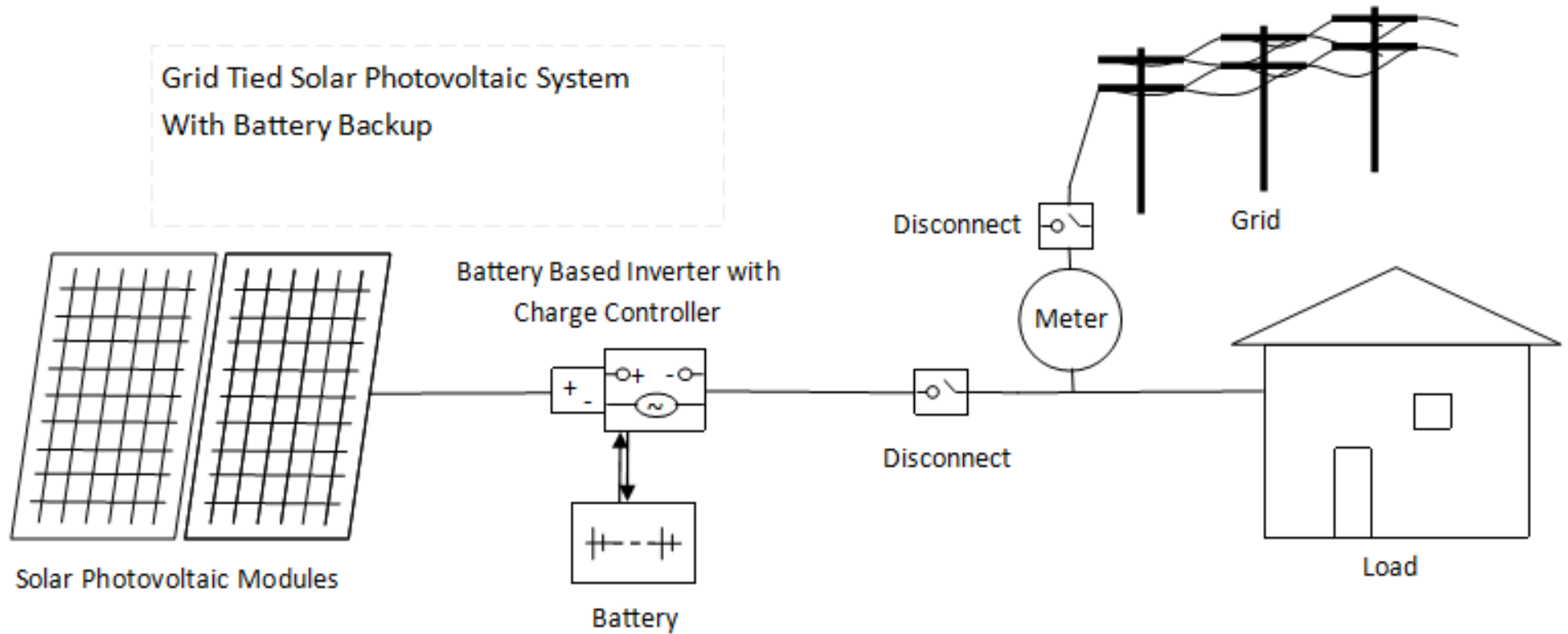




Grid Tied Behind the Meter Solar Photovoltaic System



# Distributed Solar with Battery Backup



String Inverter (many panels in a string into one inverter)



Microinverters (one small inverter under each panel)





## Early Design Choices



Micro Inverters



String Inverter  
with  
Optimizers

String Inverter



**Size:  
Square  
Feet or  
KW**

## Early Design Choices

### Space Limited

- Small roof
- Small yard
- Trees

### Electric Use

- 100% of load – green
- 50% of load – Economics

### Initial Cost

- As big as your budget
- Based on tax savings
- May consider planning for possible expansion

# National Electric Code: NEC 2014/2017: Article 690.12 Rapid PV Shutdown

**The National Electric Code, requires rapid shutdown of PV systems on buildings.**

**DC voltage in circuits running more than 10 feet (NEC 2014) or 1 foot (NEC 2017) to the inverter has to be lower than 30VDC within 30 seconds of rapid shutdown initiation.**

**NEC 2017 also requires that the voltage on the conductors within the array be lower than 80VDC within 30 seconds.**

**Most microinverters and DC Power Optimizers comply with these requirements.**



# NATIONAL ELECTRIC CODE: NEC 2014/2017: Article 690.31 Restricted Accessibility of Conductors

The National Electric Code, requires Restricted Accessibility of Conductors over 30 Volts .

This is important for **ground mount** system where wires are exposed at back of solar array.



Photo CC BY-SA 2



solarscrim

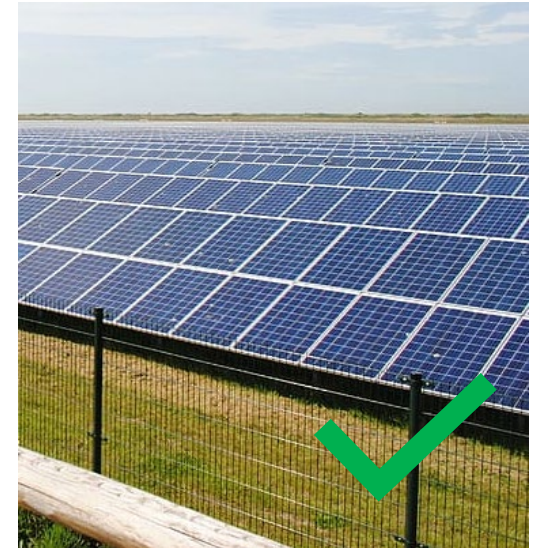
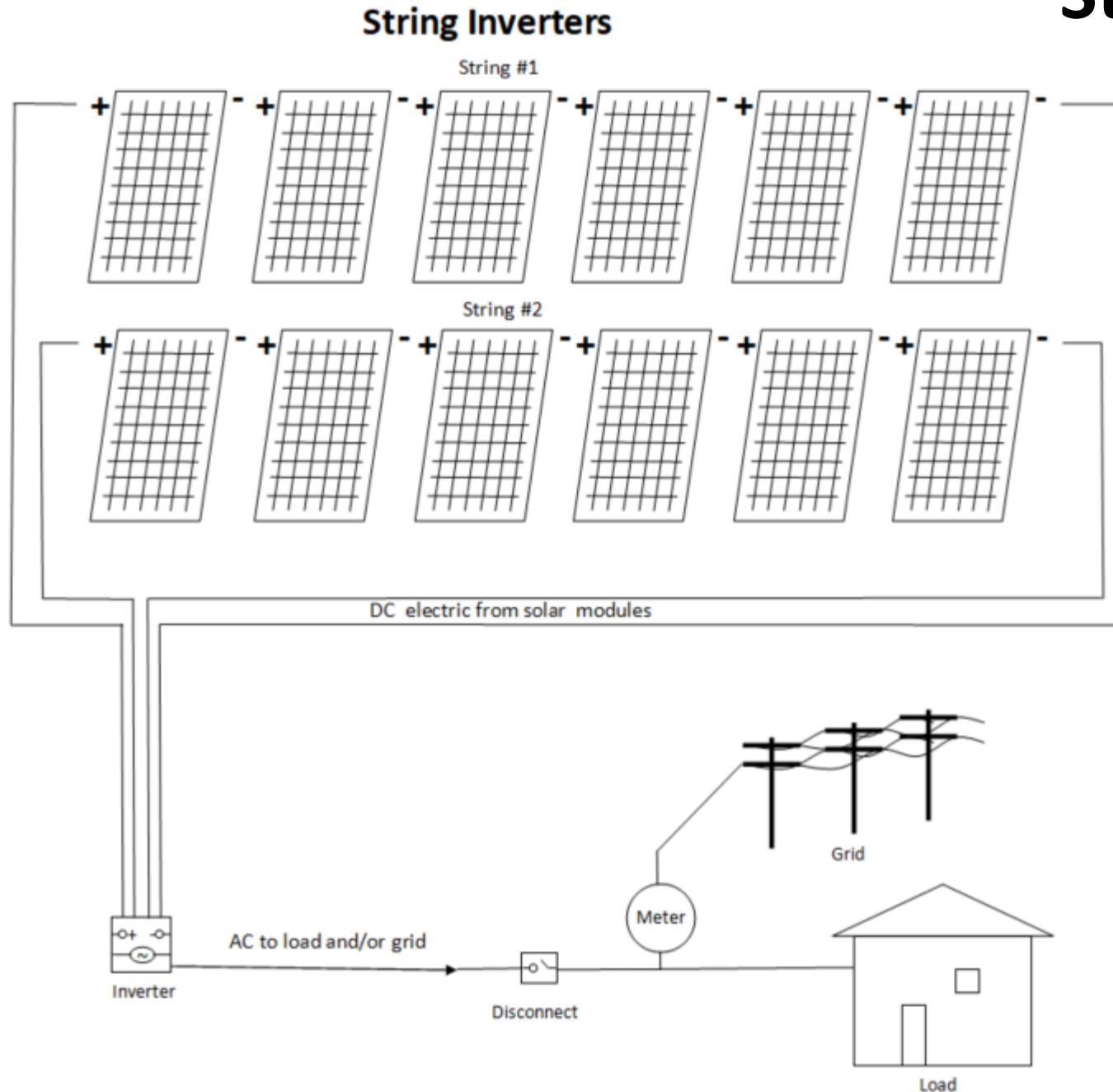


Photo CC BY-SA 2





# String Inverters

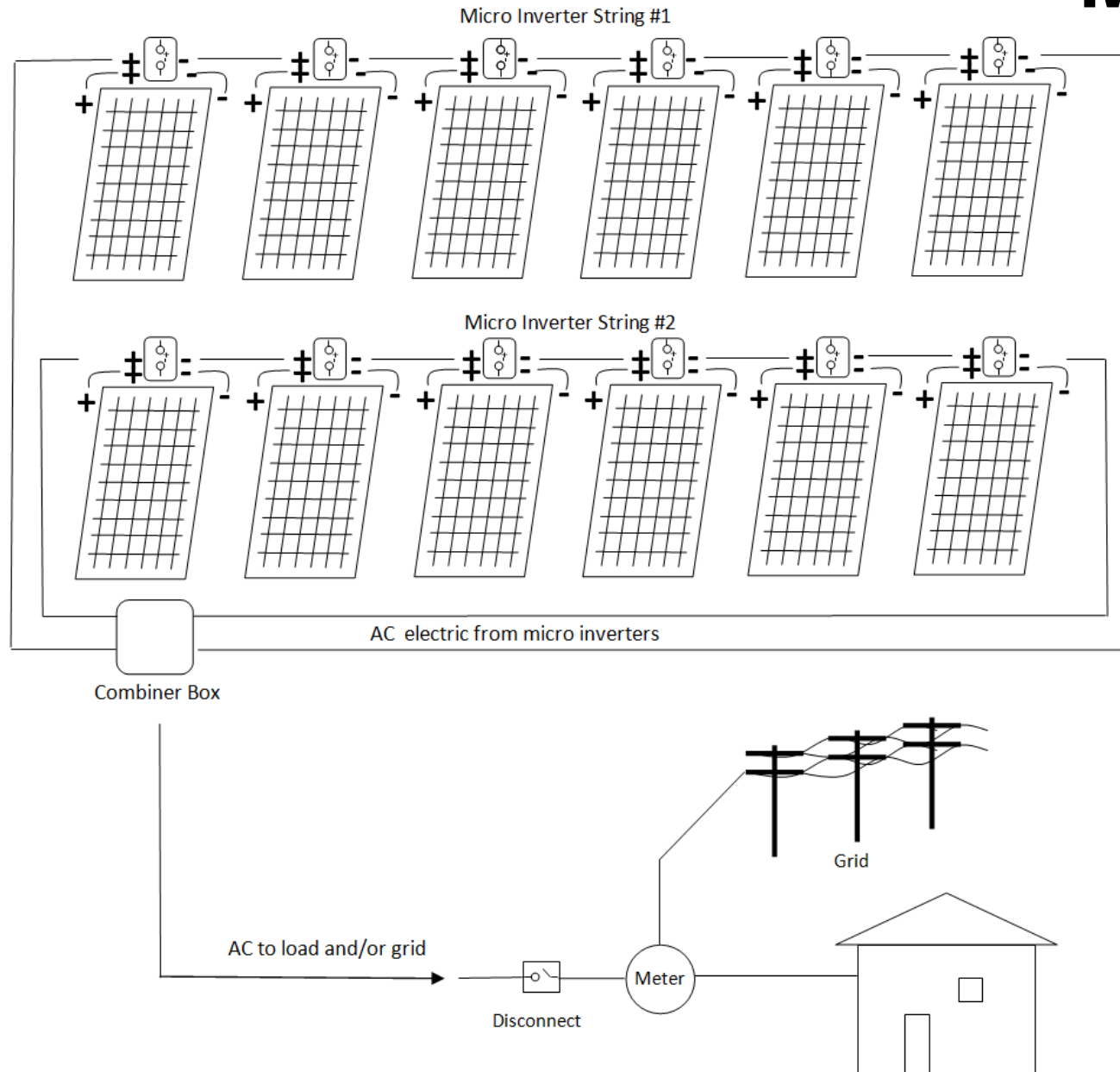


- Lowest Cost
- System Level Monitoring
- Poor Shade Performance
- Requires Additional Equipment for Rapid Shutdown





## Microinverters



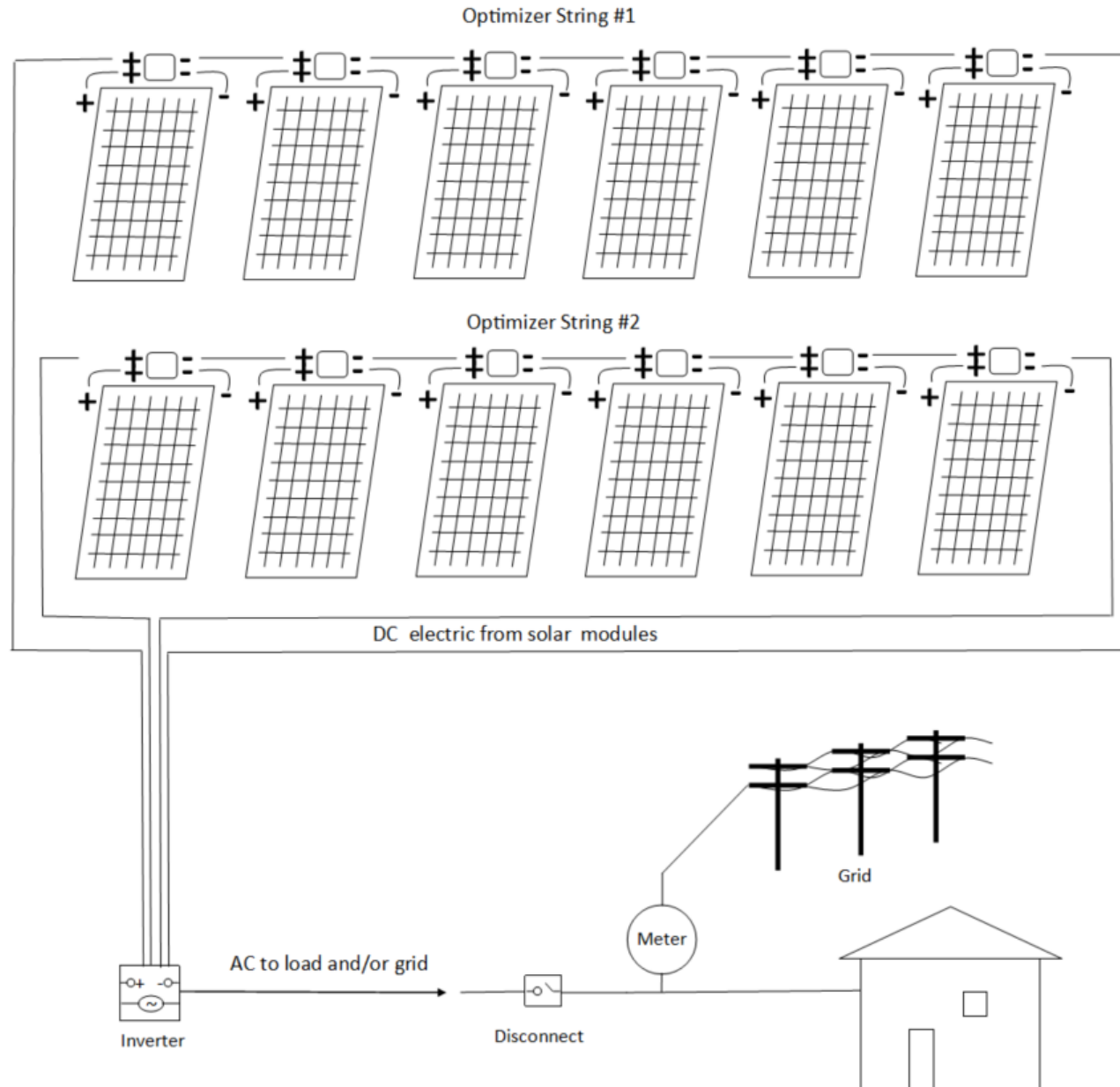
# Micro Inverters

- Highest Cost
- Panel Level Monitoring
- Good Shade Performance
- Rapid Shutdown Ready
- Ease of Installation



# String Inverter with Optimizers

## String Inverter With Optimizers



### DC Optimizer

- Low Equipment / High Installation Cost
- Panel Level Monitoring
- Good Shade Performance
- Rapid Shutdown Ready



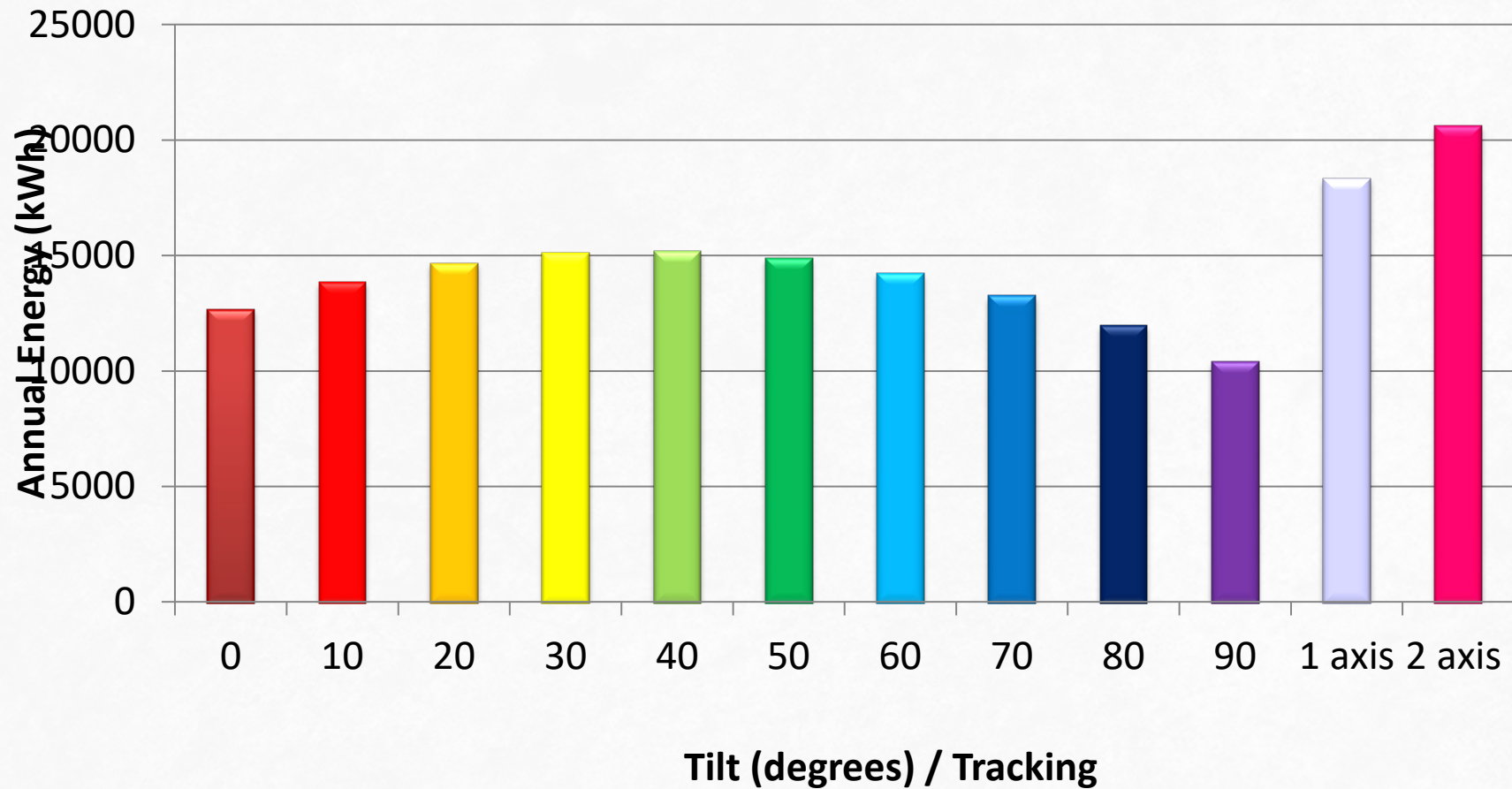
*Production*



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# Impact of Tilt and Tracking on Solar PV Production (10 kW Solar PV Array, Grand Island Nebraska)



# Utility Scale Solar: Physics and Function

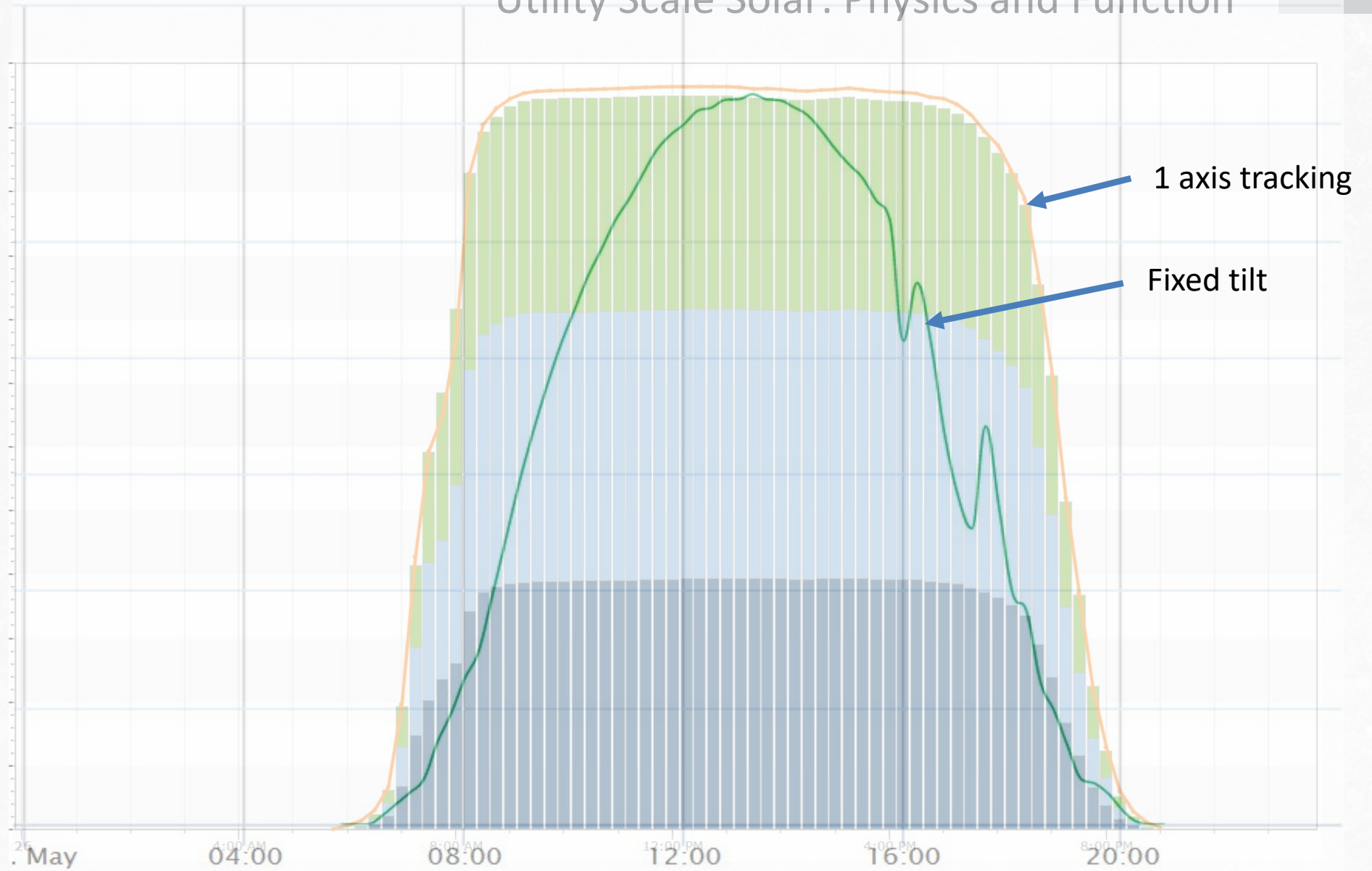


## **One Axis Tracking:**

Facing East in the morning,  
Following the sun across the sky and facing West in the evening. Increase production by ~15% over stationary array



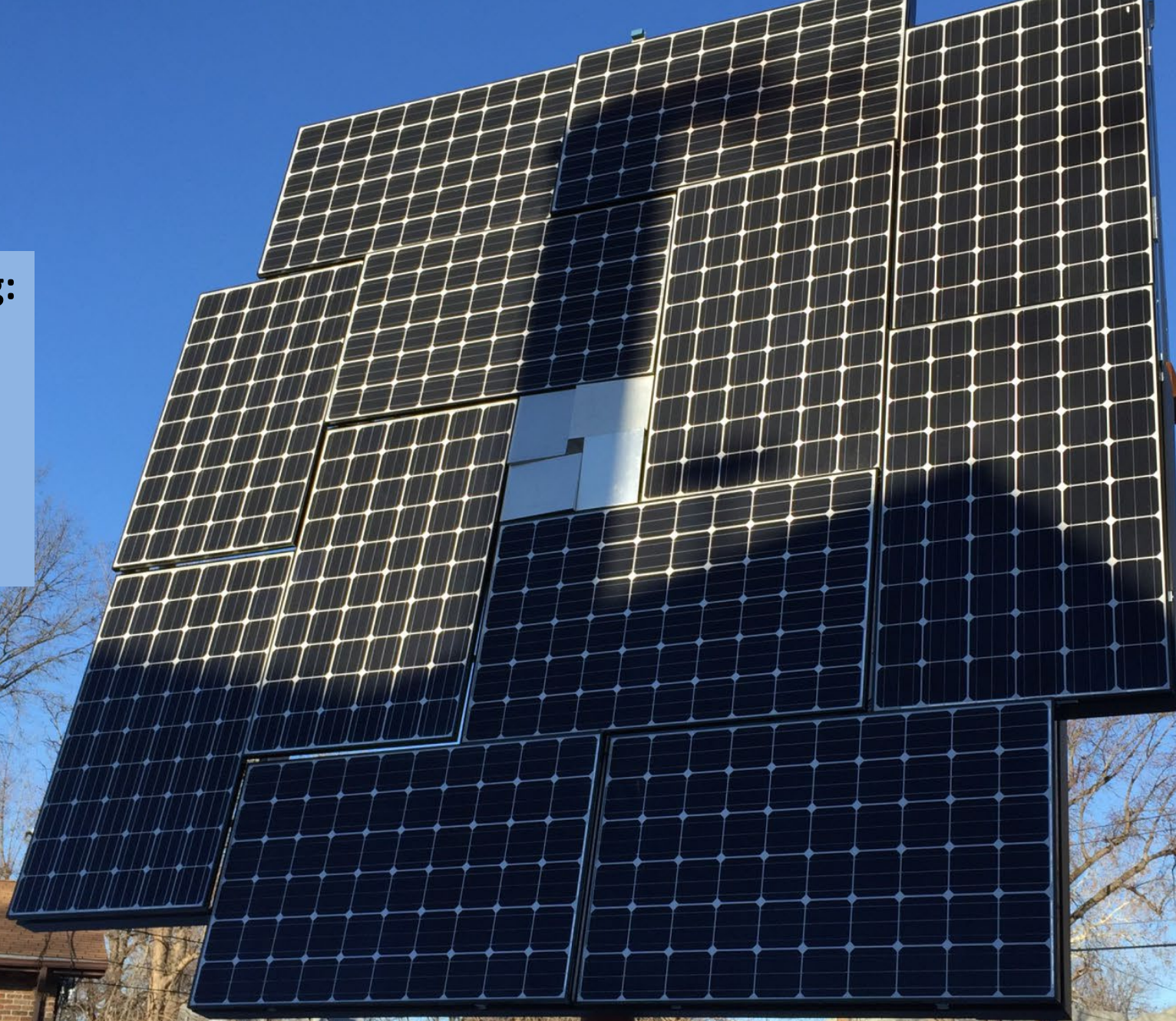
# Utility Scale Solar: Physics and Function





## Two Axis Tracking:

Follows the sun  
across the sky.  
Increase production  
by 20%+ over  
stationary array



# PVWatts® Calculator



Get Started:

GO »

English

Español

HELP

FEEDBACK



## NREL's PVWatts® Calculator

Estimates the energy production of grid-connected photovoltaic (PV) energy systems throughout the world. It allows homeowners, small building owners, installers and manufacturers to easily develop estimates of the performance of potential PV installations.

### Notice

PVWatts® V8 adds several new features, including a bifacial module option, a new input for monthly irradiance losses that can be used to represent soiling or snow losses, and updated models for the photovoltaic module, inverter, and thermal effects that use more detailed algorithms than older versions. Version 8 uses new weather data from the NREL National Solar Radiation Database (NSRDB) PSM V3 TMY 2020 dataset. PVWatts® V8 provides production estimates based on the latest, state-of-the-art and industry-accepted models from NREL that may differ from the previous version's estimates, depending on the location and inputs.

Follow @PVWatts



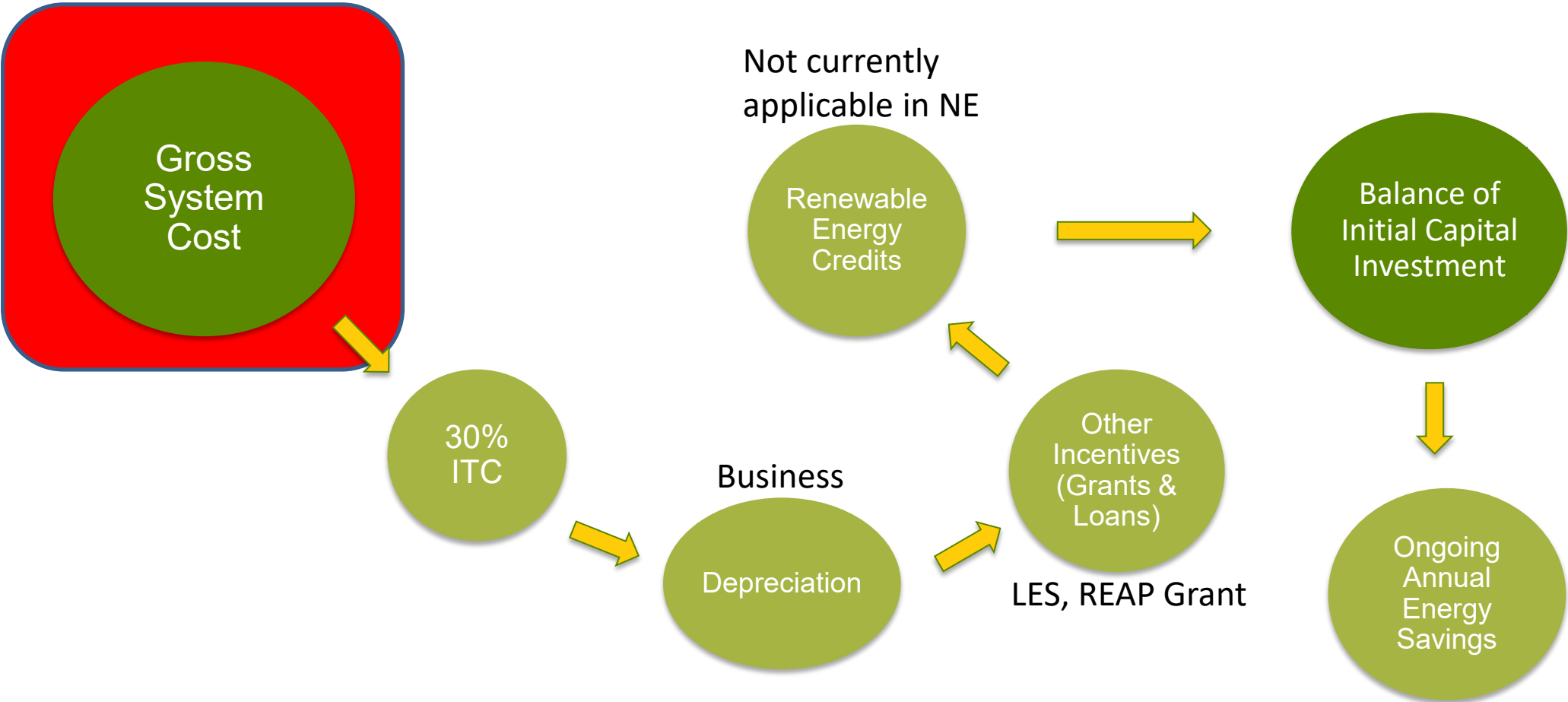
***Economics***



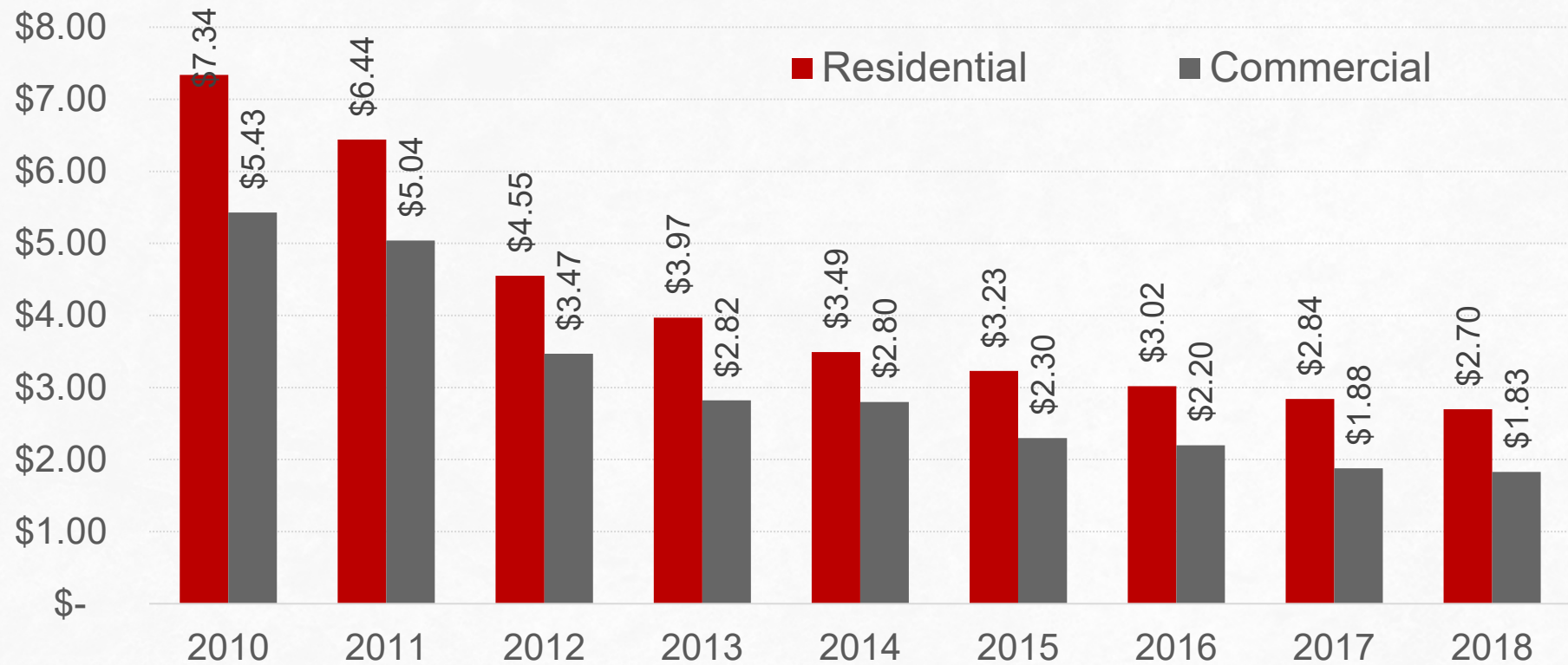
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# Cash Flow Mechanics of Investing in PV Solar

How will you get your money back and what are the assumptions?



# NREL Solar System Installation Cost \$ Per DC/Watt (Inflation Adjusted), Q4 2010–Q1 2018

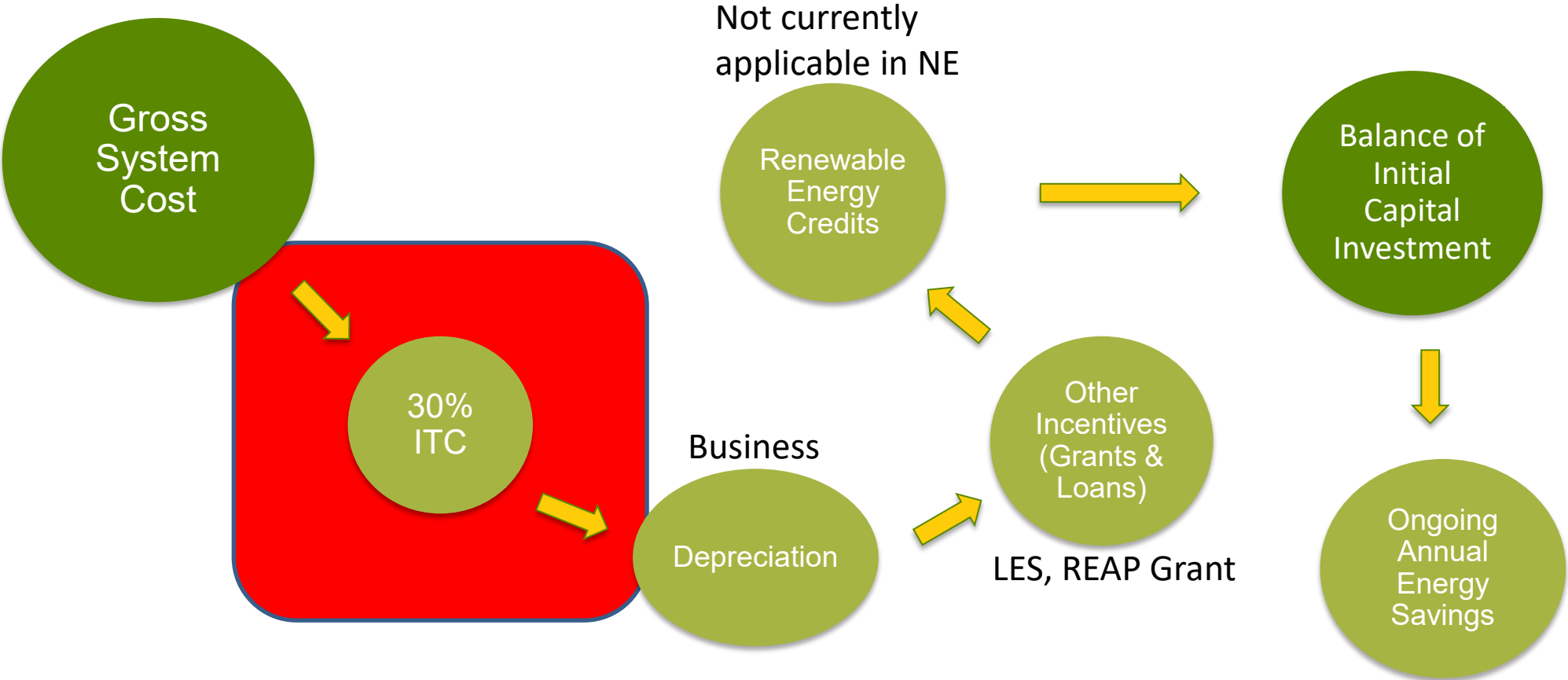


<https://www.nrel.gov/docs/fy22osti/82854.pdf>



# Cash Flow Mechanics of Investing in PV Solar

How will you get your money back and what are the assumptions?



- **Investment Tax Credits (ITC)**

- Credit for investment
- Get all credit in year one or spread across a couple of years

- **Production Tax Credits (PTC)**

- Credit for production
- Paid per kWh of energy for first 10 years



## **Investment Tax Credits (ITC)**

### **Residential:**

- **30% ITC through 2032**

### **Commercial (1 MW or above)**

- **ITC or Production Tax Credit (PTC) through 2025 – after 2025 switching to new tax credit rules**





## Commercial Renewable Tax Credits

### Production tax credit (1 MW or above)

- Solar is again eligible
- Through end of 2024, after, changes to new PTC rules
- Base amount 0.3 cents per kWh
  - 5x increase for developers that pay a prevailing wage. (or are less than 1 MW)
  - Adjusted for inflation makes rate ~2.6 cents per kWh



## **Commercial Renewable Tax Credits**

### **Investment tax credit (1 MW or above)**

- Base of 6 percent of a project's cost
  - 30 percent for developers that pay a prevailing wage.
- Additional 10 percent bonuses are available
  - domestically made materials
  - in low-income or fossil fuel-reliant communities.
  - 10% for selling the electricity via community solar to low-income families – the tax credit could potentially reach 60%.



## New Clean Electricity Production Tax Credit Beginning 2025

- Any electricity source that does not emit carbon dioxide (CO<sub>2</sub>) will be able to choose between the Production Tax Credit (PTC) and the Investment Tax Credit (ITC).



### **Additional Qualifying Projects**

- **Interconnection costs** can be included in the tax credit for projects less than 5 MW AC
- **Energy Storage projects** will also receive the same 30% ITC, even if standalone facilities.
  - Energy storage projects connected to renewable energy no longer have to be charged by renewable energy.

### **New Ways to Use Tax Credit**

- **Transferability**
  - A taxable entity without enough tax liability can transfer the credit to a third party that can use it.
- **Direct Pay**
  - A tax-exempt entity (nonprofit, state gov, public utility, native nation)
  - Take payment equal to allowable tax credit



## Rural Energy for America Program (REAP)

### Farm and Rural Businesses – Energy Efficiency and Renewable Energy

- Provides financial assistance for adoption of clean energy technologies in rural communities.
- \$2 billion for the USDA REAP program until 2031 to provide competitive grants and loan guarantees to farmers, ranchers, and rural small businesses for renewable energy systems or energy efficiency improvements.
- More than \$300 million is set aside to provide grants and loans to provide financial & technical assistance for “underutilized renewable energy technologies” that are not as widely adopted.
- Federal cost share for grants is raised from 25% to a maximum of 50%.



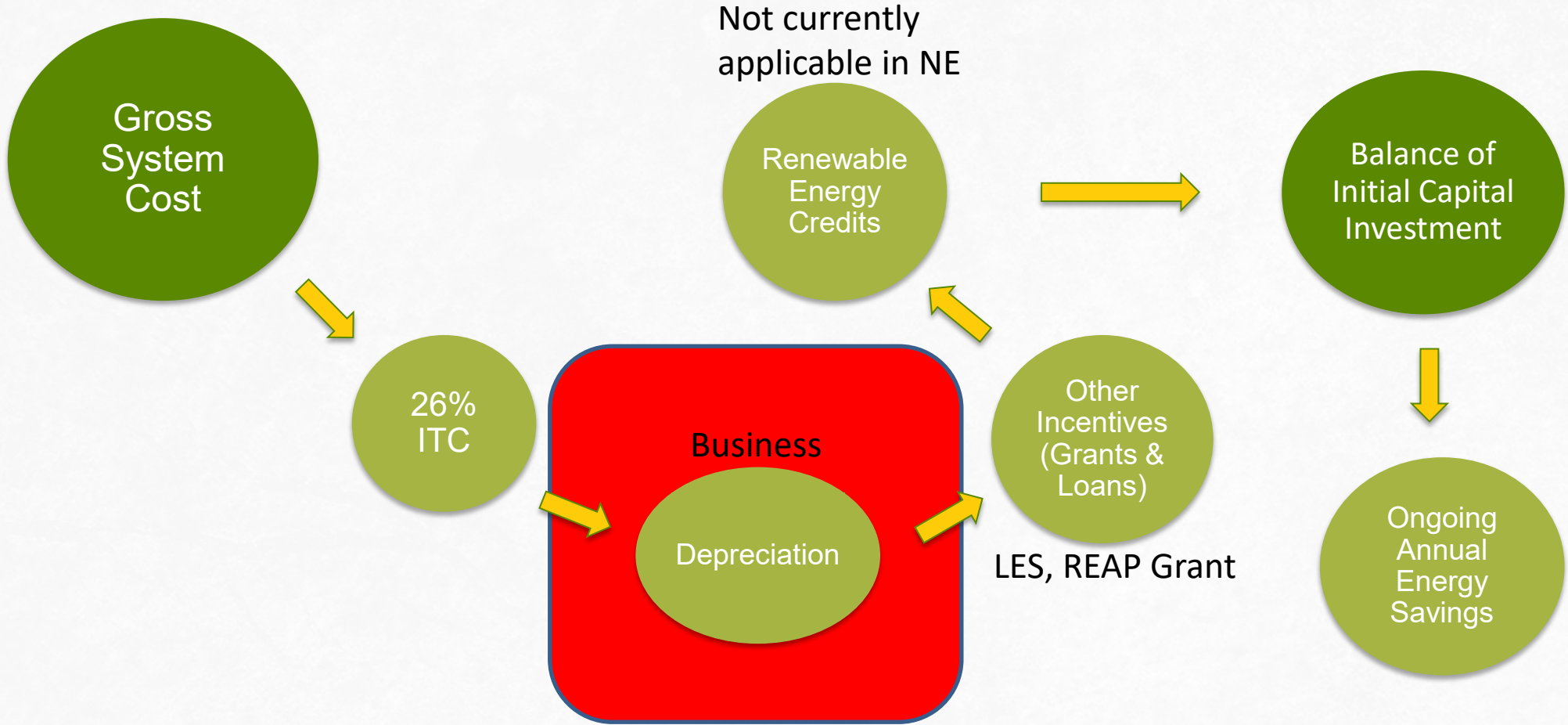
## Energy Efficiency Credits in the IRA

- **Starting in 2023, 30% credit**
- **Max credit \$1200 annually**
  - Energy Audits
  - Exterior Doors
  - Exterior Windows
  - AC
  - Electric Panels
  - Some qualifying furnace equipment
  - Heat pumps
  - Biomass stoves and boilers



# Cash Flow Mechanics of Investing in PV Solar

How will you get your money back and what are the assumptions?



**Depreciation is the systematic reduction of the recorded cost of a fixed asset to match a portion of the cost of a fixed asset to the revenue that it generates.**

**Under federal Modified Accelerated Cost-Recovery System (MACRS), businesses may recover investments in certain property through depreciation deductions. Most renewable energy technologies are classified as five-year property.**

**Tax Cuts and Jobs Act - A 100% first-year deduction for the adjusted basis is allowed for qualified property acquired and placed in service after Sept. 27, 2017, and before Jan. 1, 2023**

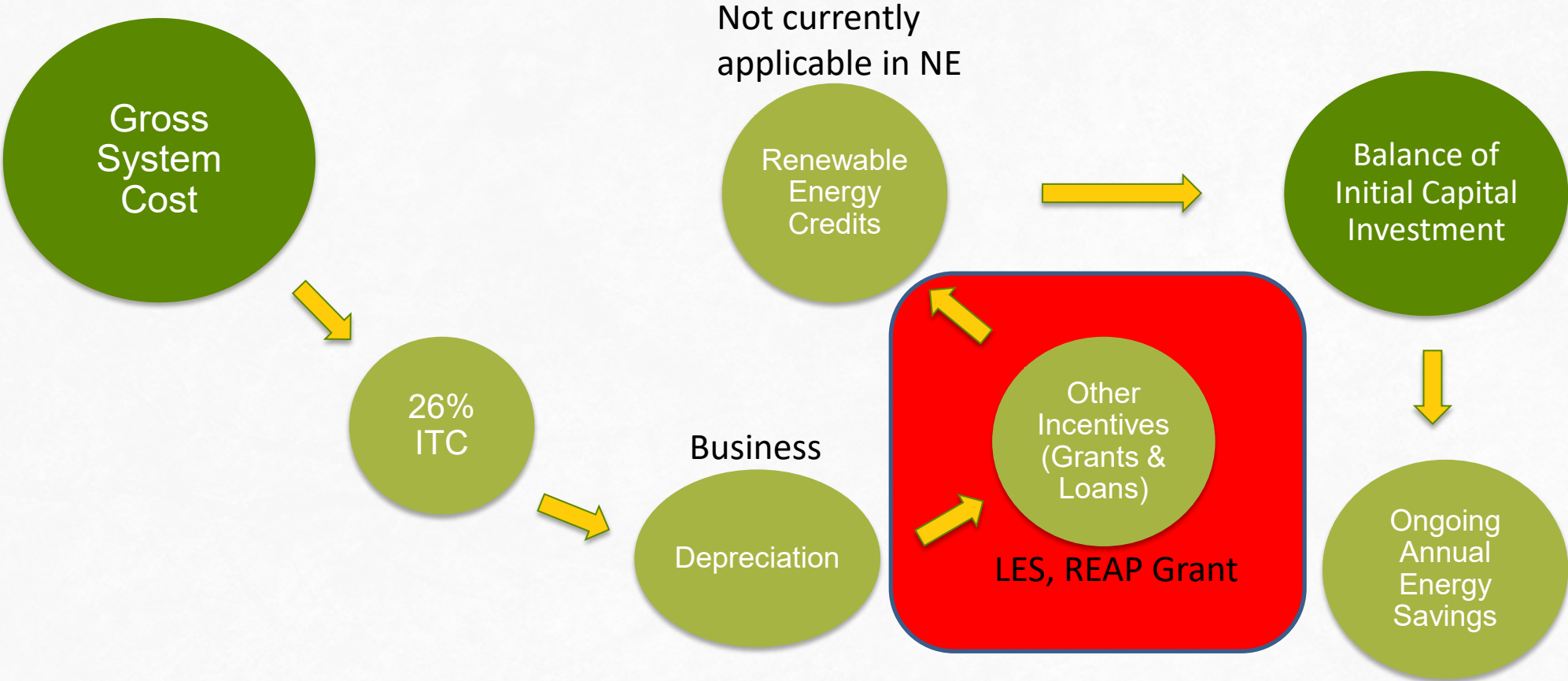
- 100% placed in service before Jan. 1, 2023
- 80% placed in service before Jan. 1, 2024
- 60% placed in service before Jan. 1, 2025
- 40% placed in service before Jan. 1, 2026
- 20% placed in service before Jan. 1, 2027





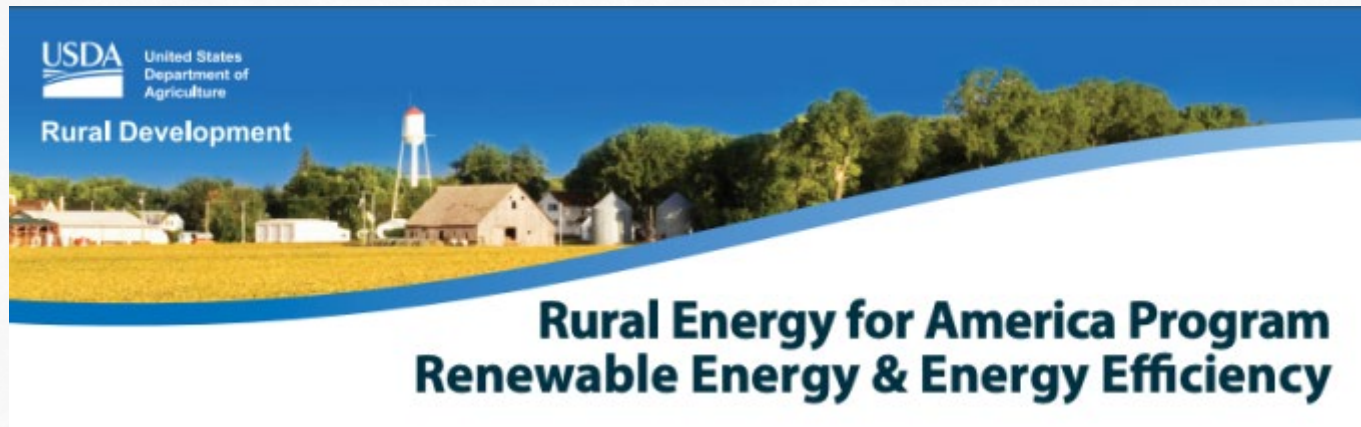
# Cash Flow Mechanics of Investing in PV Solar

How will you get your money back and what are the assumptions?



- **Incentives come from four primary sources**
  - federal
  - state
  - local government
  - utility companies
- **Incentives typically target specific sectors, so different incentives exist for residences, businesses, and agricultural producers.**
- **In most cases, grant funding is.....**
  - TAXABLE INCOME
  - NOT GUARANTEED



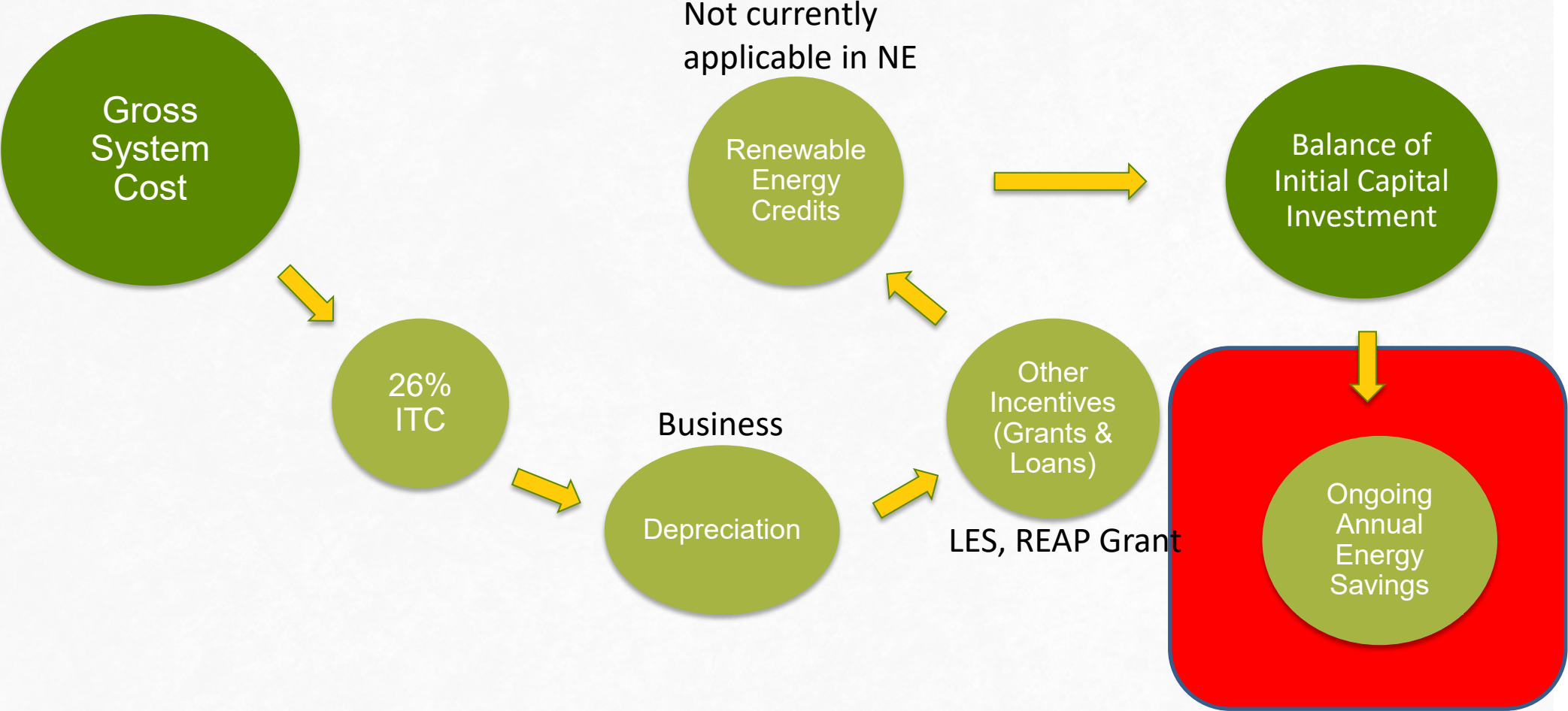


- **Farms**
- **Rural Businesses**
- **Grants up to 50%**
  - Reimbursement
  - Taxable Income
- **Loan Guarantees**
- **NOT Guaranteed Money (there is only so much money available and this grant is competitive)**



# Cash Flow Mechanics of Investing in PV Solar

How will you get your money back and what are the assumptions?



# How Are You Charged for Electricity?

## **Customer (fixed) Charge**

This fee covers a portion of infrastructure costs.

## **Energy Charge**

This charge covers the cost of producing energy (kWh).

## **Demand Charge**

Covering peak demand (both daily and seasonal) requires that power plants be available to provide energy for relatively short durations.

## **Transmission , Distribution Charges**

Distribution would cover the costs of the local utility to get the electricity to your home or business, may be part of your energy charge or fixed charge if your supplier and distribution utility are the same entity.

## **Cost Recovery Charges (other charges and fees)**

Additional charges and riders added to the bill



- **Your future electricity rates will likely change to include**
  - **Time of Use rates (residential)**
    - Different costs of electricity at different times of day
  - **Demand Charges (residential and commercial)**
    - A monthly charge based on your peak use
  - **Increase in Customer Charge or Base Cost (residential and commercial)**
    - (maybe with reduction or slower growth for per kWh energy charges)
  - **Power Factor Charges (mostly farm or commercial rates)**
    - For big motor loads,
      - Irrigators, Grain bins, Confined animal operations



# Time of Use (TOU)

## Seasonal TOU

	12am	1am	2am	3am	4am	5am	6am	7am	8am	9am	10am	11am	12pm	1pm	2pm	3pm	4pm	5pm	6pm	7pm	8pm	9pm	10pm	11pm
Jan	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Feb	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mar	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Apr	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
May	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Jun	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Jul	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Aug	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Sep	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Oct	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Nov	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Dec	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2

6.7 ¢ per kWh

7.9 – 10 ¢ per kWh

## Daily TOU

	12am	1am	2am	3am	4am	5am	6am	7am	8am	9am	10am	11am	12pm	1pm	2pm	3pm	4pm	5pm	6pm	7pm	8pm	9pm	10pm	11pm
Jan	4	4	4	4	4	4	4	6	6	6	5	5	5	5	5	5	6	6	6	5	5	5	4	4
Feb	4	4	4	4	4	4	4	6	6	6	5	5	5	5	5	5	6	6	6	5	5	5	4	4
Mar	4	4	4	4	4	4	4	6	6	6	5	5	5	5	5	5	6	6	6	5	5	5	4	4
Apr	4	4	4	4	4	4	4	6	6	6	5	5	5	5	5	5	6	6	6	5	5	5	4	4
May	4	4	4	4	4	4	4	6	6	6	5	5	5	5	5	5	6	6	6	5	5	5	4	4
Jun	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	3	3	3	3	2	2	2	1	1
Jul	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	3	3	3	3	2	2	2	1	1
Aug	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	3	3	3	3	2	2	2	1	1
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Dec	4	4	4	4	4	4	4	6	6	6	5	5	5	5	5	5	6	6	6	5	5	5	4	4

4.7 ¢/kWh

6.7 ¢/kWh

15.8 ¢/kWh

5 ¢/kWh

8.7 ¢/kWh

20 ¢/kWh

House	Seasonal	Daily
Small House	\$789	\$788
Large House	\$1,293	\$1,315

## LES Electricity Changes

	2014	2018	2022	2023 proposed
Customer Charge	\$11.15	\$22.25	\$5.00	\$5.00
Facilities Charge			\$20-\$46	\$22.50-\$52.25
Summer energy / kWh	9.95 cents /kWh	8.58 cents /kWh	7.10 cents /kWh	7.28 cents /kWh
Winter energy / kWh	5.73 - 7.30 cents /kWh	5.86 cents /kWh	5.47 cents /kWh	5.50 cents /kWh
Demand / kW	0	0	0	0





**Federal law passed in 1978, forced public utilities to connect renewable energy systems to their grid**

Facilities must be Qualifying Facility under Federal Energy Regulatory Commission

Must pay at least avoided cost

Avoided cost – what it costs the utility to generate the electricity or purchase it elsewhere (usually a fraction of the retail cost)

Retail costs include all transmission infrastructure, personnel and O&M.

In Nebraska

Avoided cost ~3-4 cents per kWh

Retail cost ~8-12 cents per kWh



**A Net metering policy is an agreement between a utility provider and electric consumer who own generates their own electricity with an onsite renewable energy facility.**

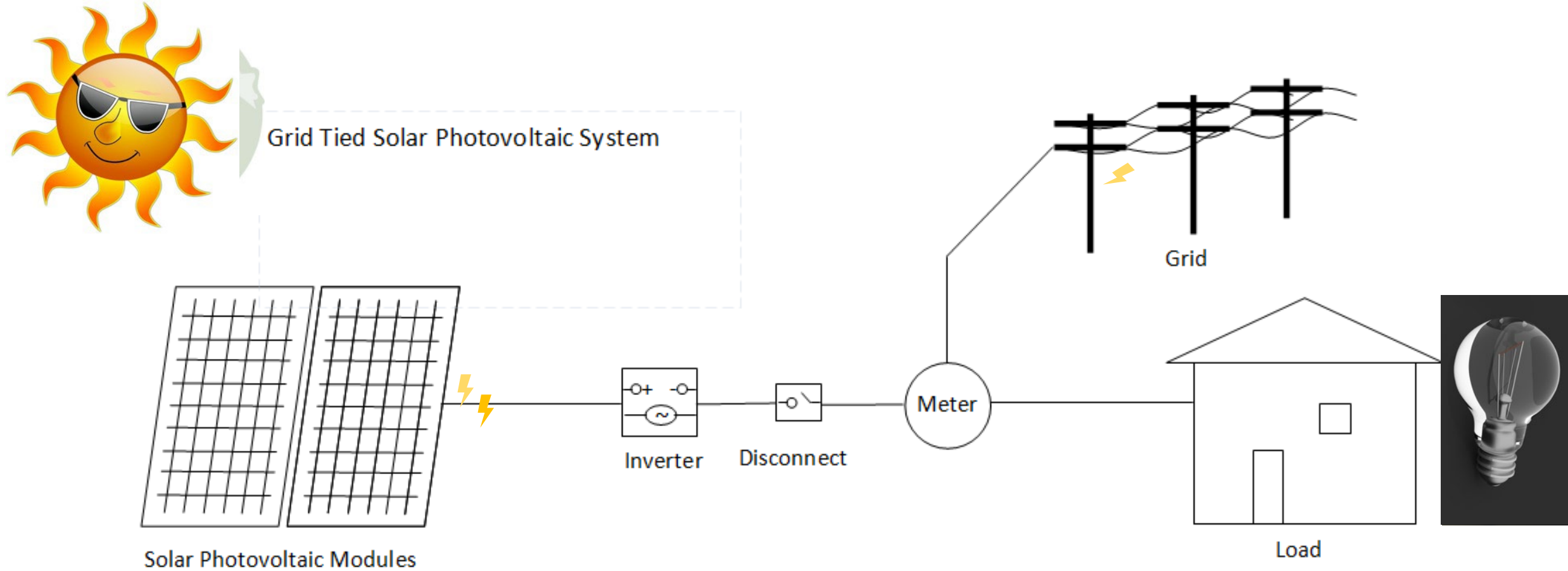
"Net", in this context, refers to what kWh's remain after deductions of any energy outflows from metered energy inflows during the billing period.

Under net metering, a system owner receives retail credit for **at least a portion** of the electricity they generate

In Nebraska: Utilities must net meter customers until net metered customer generation reaches 1% of their demand. After which they do not have to net meter additional customers

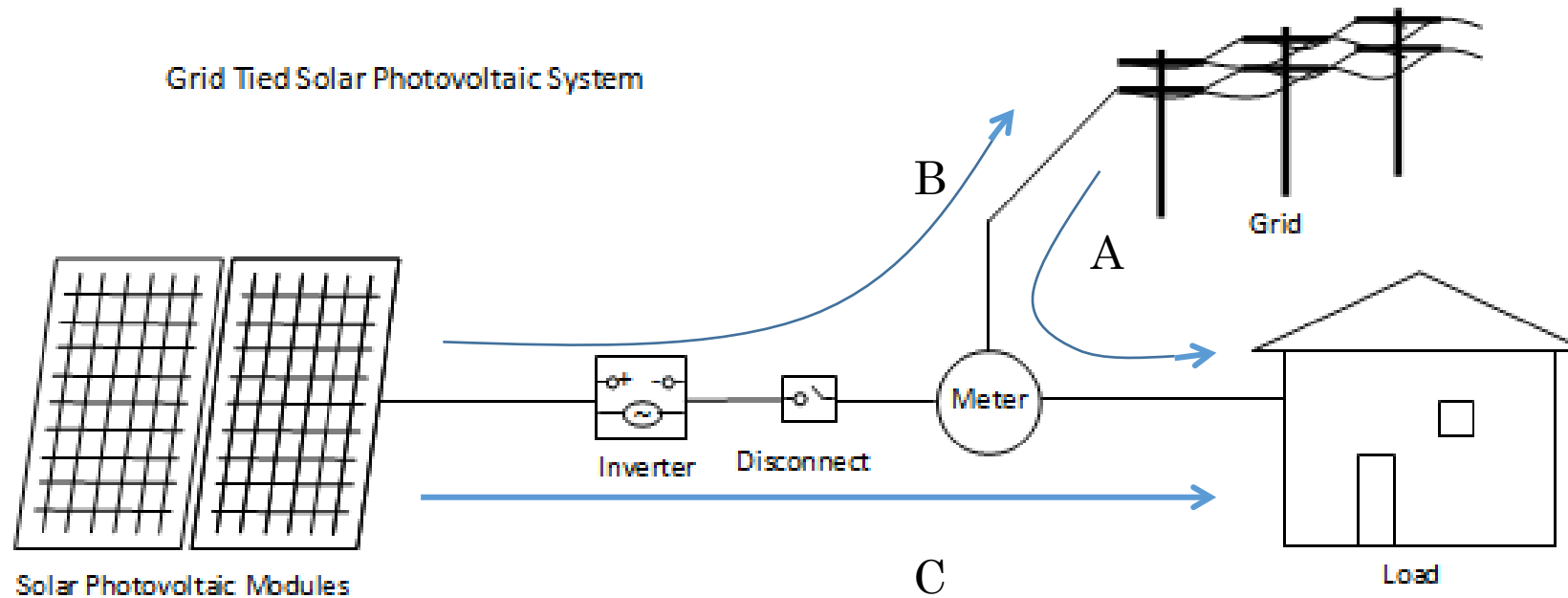


# EXAMPLE OF GRID TIED PHOTOVOLTAIC SOLAR SYSTEM



# NET METERING

## GRID TIED PHOTOVOLTAIC SOLAR SYSTEM



### Net Metered Electric Bill:

Base Fee: \$

Demand: \$/kW if applicable

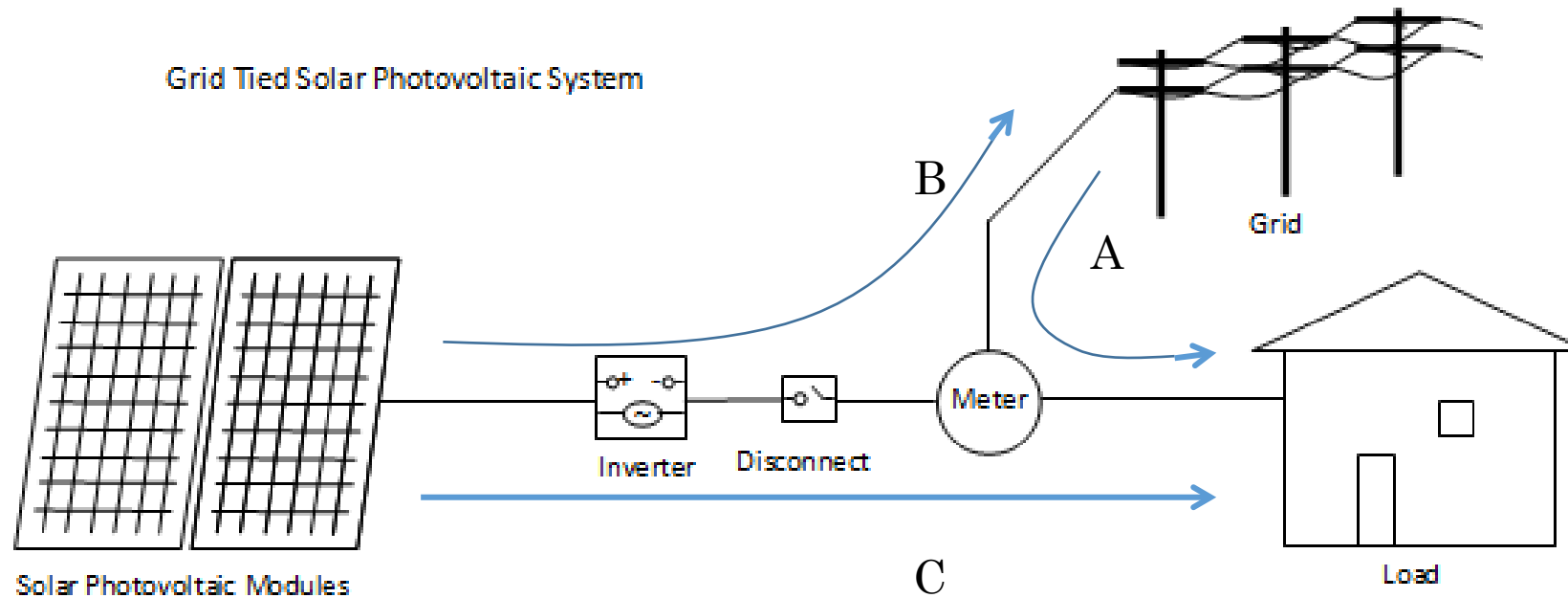
Energy: \$/kWh x (A-B) kWh

C is used instantaneously by you load and offsets A

(if A-B is negative (net excess generation) then avoided cost is paid to customer for net excess generation)

# NET BILLING

## GRID TIED PHOTOVOLTAIC SOLAR SYSTEM



### Net Billing Electric Bill:

Base Fee: \$

Demand: \$/kW if applicable

Energy:

A kWh x \$Retail/kWh is paid by customer

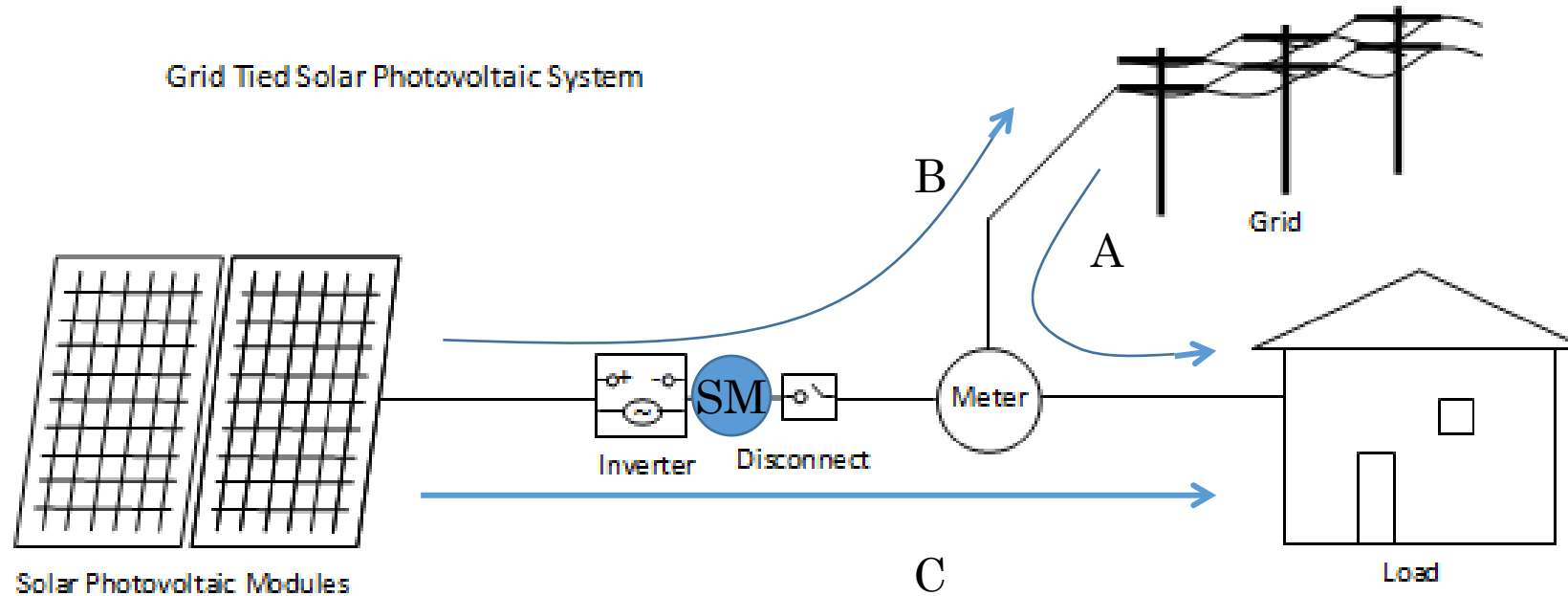
B kWh x \$Avoided Cost/kWh is credited to customer

C is used instantaneously by you load and offsets A

(A is valued at energy rate for your rate schedule B is valued at avoided cost)

# BUY ALL SELL ALL

## GRID TIED PHOTOVOLTAIC SOLAR SYSTEM



### Buy All Sell All Electric Bill:

Base Fee: \$

Solar Fee if applicable

Demand: \$/kW if applicable

Energy:

A kWh x \$Retail/kWh Charged to customer

B kWh x \$Avoided Cost/kWh Credited to customer

Solar Meter (SM) – B = C

C kWh x \$Avoided Cost is paid to customer

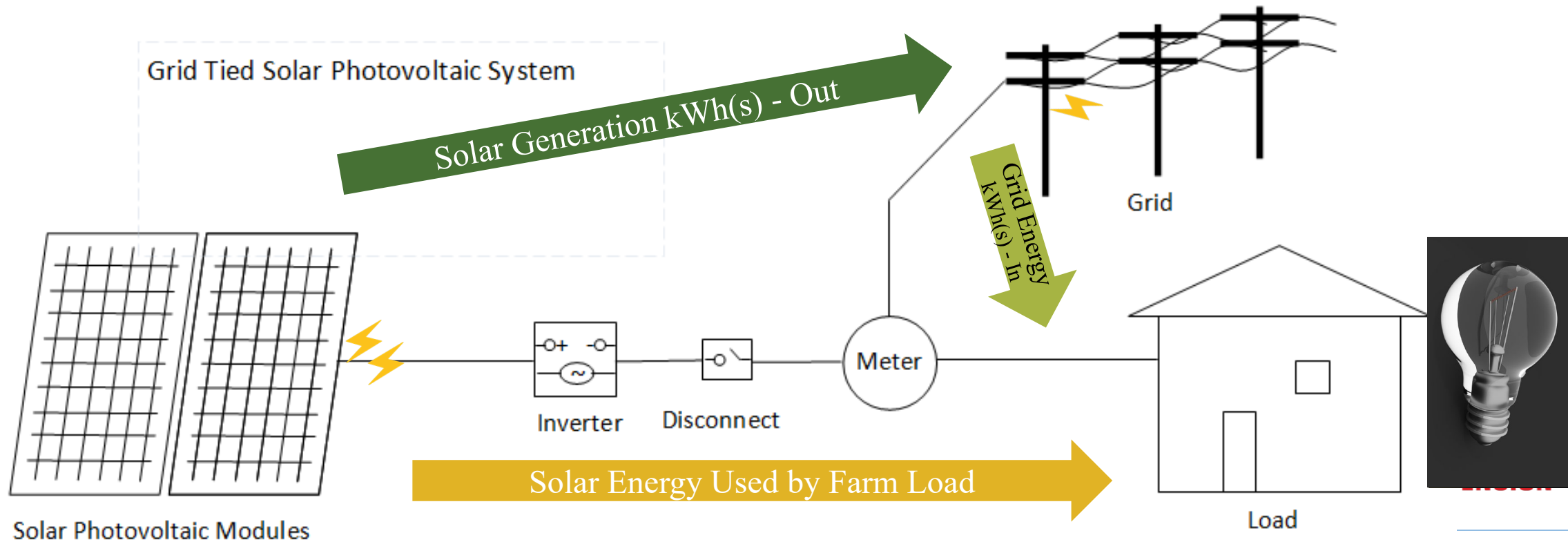
C kWh x \$ Retail is charged to the customer

# GRID TIED PHOTOVOLTAIC SOLAR SYSTEM

$$\text{kWh(s) - In} - \text{kWh(s) - Out} = \text{Net kWh(s)}$$

(+) Positive Value Represents Net Usage

(-) Negative Value Represents Net Excess Generation



# Considerations for Good Financial Analysis

## Assumptions:

- **Solar electricity generation**
  - Degradation
  - Shading
- **Value of the electricity generated**
  - Net excess generation
- **Inflation**
- **Discount rate**
- **Tax implications of incentives**
  - Tax Credit
  - Depreciation
  - Utility incentives
- **Insurance**
- **O&M**

## Financial Metrics

- Payback
  - Simple
  - Discounted
- Net Present Value
- Levelized cost of electricity
- Electricity bill with and without system

## Payback (Nebraska 2021)

- Using conservative assumptions
  - Residential 12-16 years
  - Commercial/Agricultural 9-14 years

**NOTE: system economics are unique the numbers here are only estimates**





## Residential Example – Eastern NE – Using System Advisor Model – National Renewable Energy Lab

6 kW solar (roof mount)	Net Billing	Buy All Sell All with \$35 per month fee	Conservative Assumptions (O&M, Insurance, normal inflation)	Back of the envelope calculations (no other ongoing costs)	6% escalation of electrical prices (no other ongoing costs)
<ul style="list-style-type: none"> <li>• House load: 10,500 kWh per year</li> <li>• \$2.50 per Watt (total cost)</li> <li>• Finance: 100% at 2.5%</li> <li>• Insurance and O&amp;M</li> <li>• 1.5% energy cost escalation</li> </ul>					
Payback	18.6 years	50+ years	14.6 years	13.5 years	10.5 years
Net Present Value (6% discount Rate) (25 years)	-\$1,387	-\$12,600	\$740		\$7,456



Over 25 kW  
Utility has met 1%

## Small Commercial Example – Eastern NE – Using System Advisor Model – National Renewable Energy Lab

25 kW solar (ground mount) <ul style="list-style-type: none"> <li>• Business load: 55,000 kWh per year</li> <li>• Non demand rate schedule</li> <li>• \$2.20 per Watt (total cost)</li> <li>• Finance: 100% at 2.5%</li> <li>• Insurance and O&amp;M</li> <li>• 1.5% energy cost escalation</li> <li>• 100% bonus depreciation</li> </ul>	Net Billing	Conservative Assumptions (O&M, Insurance, normal inflation)	Back of the envelope calculations (no other ongoing costs)	6% escalation of electrical prices (no other ongoing costs)
Payback	16.5	13.8 years	10.2 years	9.5 years
Net Present Value (6% discount Rate) (25 year)	\$2,945	\$7,359		\$28,036

# *Picking an Installer*



***IN OUR GRIT, OUR GLORY™***

- **Quality Installation**
  - Long lasting few problems
- **Cost of Installation**
  - Reasonable within the market range
- **Data presented to customer is honest and correct**



- Quality Installation



- Poor Installation





- **Clearly list make and model of all major equipment**
- **Clearly mark total price**
  - Not just the net price after tax credits
- **Energy Production Estimate**
  - Includes tilt and azimuth
  - Includes **shade** if any
  - Is in the ballpark of what PV Watts says
  - Solar panels
  - Inverter(s)
  - Racking
- **Economic analysis if there is one**
  - **Having a false or bad economic analysis is worse than not having one**
  - Should include
    - Includes reasonable inflation factor 1-3%
    - Uses actual rate schedule for your utility and not just a single value for all electricity
    - Correct calculation of incentives
  - May include
    - Panel degradation
    - Depreciation can't depreciate all of tax credit value
    - Insurance

*Picking an Installer*  
*-Trade Ally Programs*



***IN OUR GRIT, OUR GLORY™***



- **How many systems have you installed?**
  - Where? How many years? Have you worked with my utility?
  - Can I see one? (straight lines, no hanging wires, good dirt work and good concrete work)
- **What is estimated production of a system at my location?**
  - Compare to PV Watts ([pvwatts.nrel.gov](http://pvwatts.nrel.gov))
  - Or your Utility's Solar Calculator
- **Does my system need rapid shutdown?**
  - (A good installer should know about this and explain it in a way you can understand)
- **Do you set up internet monitoring?**
  - Internet monitoring is important for all systems but is required to initiate warranty for some inverters
- **Check with your utility for their experiences?**
- **Trade Ally Programs**
  - List of installers who have been trained by the utility



## Why the utilities started Trade Ally programs

- **Misleading advertising**
  - Unrealistic paybacks (exaggerated cost inflation)
  - Exaggerated production (not accounting for shade)
  - List of incentives that don't exist (raise price and reduce by rebate)
- **Poor installations**
  - Over promise under deliver



## **What is a Trade Ally Program?**

- **Training offered to installers by utility**
- **Participating installers promise to represent utility information accurately (rates, incentives, etc)**
- **Customers utilizing a participating installer may access utility incentive programs**



## What a Trade Ally Program is NOT

- Not an endorsement or guarantee
- Does not ensure quality installation

**Prospective solar owners need to do their homework when picking an installer**



## Goals

Lincoln Electric Systems Solar Trade Ally Network

1. **Increase quality of economic analysis**
2. **Increase likelihood of quality installations**

## Trade Allies must

- **Attend Training**
- **Complete acknowledgment**
  - Promise to represent rate schedules and other LES incentives accurately

## Customers

- **Customers who use Trade Ally installers can access the value-of-capacity incentive**





## SUSTAINABILITY

Sustainability Series

Decarbonization goal

Sustainable Energy Program

LES Peak Rewards

Solar power

# SOLAR TRADE ALLY NETWORK

Solar installers listed below have been educated about and have formally acknowledged that they will represent LES rates, incentives and other utility-related information in a consistent and accurate manner. Only projects installed by a network participant are eligible for LES' value-of-capacity incentive.

Inclusion on the Solar Trade Ally Network participant list does **NOT** constitute an endorsement or guarantee of service by LES.

If you have any questions, contact LES at [402.475.4211](tel:402.475.4211) or [energyservices@les.com](mailto:energyservices@les.com).

## Goals

1. **Customers will understand how their bill will be affected**
2. **Increase likelihood of quality installations**

## Trade Allies must

- **Attend Training**
- **Use Solar Checklist**
  - Provided to customer prior to agreement signature
- **Use correct rate schedule for calculations**
- **Display inflation rate of electricity used in calculations**



<a href="#">Accounts &amp; Billing</a>	<a href="#">Save Money</a>	<a href="#">In Your Neighborhood</a>	<a href="#">Powering Nebraska</a>	<a href="#">Outages &amp; Safety</a>	
<a href="#">Public Power</a>	<a href="#">Energy Resources</a>	<a href="#">Current Projects</a>	<a href="#">Powering Our Future</a>	<a href="#">Powering Your Everyday</a>	<a href="#">Solar</a>

[Home](#) > [Powering Nebraska](#) > [Solar](#) > Solar Trade Ally Network

# Solar Trade Ally Network

Investing in solar is a big decision as the investment is significant for a long-term project. NPPD is here to assist customers and vendors who are helping them when installing solar.

<a href="#">Want to be an NPPD Solar Trade Ally?</a>	<a href="#">Looking for a Solar Installer?</a>
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Are you a solar vendor interested in participating in NPPD's Solar Trade Ally Network? Participants must view NPPD's Solar Trade Ally Network training video and review the Guidelines and Acknowledgement Agreement. By submitting the agreement, participants verify they have been educated about NPPD rates, the inspection process, and will follow the guidelines outlined.

## Steps to Become a Solar Trade Ally

1. View the training video below in its entirety.





## **Goals** Omaha Public Power District Solar Trade Ally Network

- 1. Increase quality of economic analysis**
- 2. Increase likelihood of quality installations**
  1. Knowledgeable installers
  2. Customer satisfaction and faster start up times
- 3. Support local businesses**

### **Trade Allies must**

- Attend Training**
- Complete acknowledgment**

### **Customers**

- Customers who use Trade Ally installers can access OPPD rebate incentive**



# Trade Ally Central

## A Comprehensive

We've gathered every estimate rebates, request

[How to Become a Trade Ally](#)

## Find a Trade Ally

Click the type of project icon below to display our most active Trade Allies that can help save on energy and costs.



Lighting



HVAC



Solar

[Begin Process Application](#)



[All News | Update](#)

## OPPD Resources to Help Customer-Owners

- Quick Start Guide with Video
- How Net Metering Works
- Solar Calculator (Try it!!!)
- FAQ's
- Online Application System
- Trade Ally Program to Protect Consumers



[www.OPPD.com/COG](http://www.OPPD.com/COG)

Periodic utility-led training sessions for solar contractors and developers, electricians, City/State electrical inspectors and stakeholders

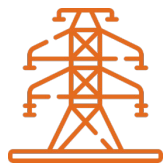
## Benefits of the new program:



- Ability to offer utility solar rebates (when available)
- Referral source - Listing on OPPD website



- More knowledgeable contractors
- Improved satisfaction from proper expectations and faster startups



- Higher application approval rates
- Higher witness test pass rates
- Higher overall customer satisfaction



## Contractor Requirements (partial):

- Attend training at least once every 3 years
- Accurately represent utility programs, energy costs and escalation rates
- Agree to code of conduct
- Maintain NABCEP certification
- Physical address in OPPD territory
- Been in business at least 12 months under current name
- Installed at least two systems in OPPD footprint in previous 12 months



# Solar Electric Investment Analysis – bioenergy.unl.edu



**EXTENSION** EC3008

**SOLAR ELECTRIC INVESTMENT ANALYSIS**  
F. John Hay

## Assessing System Cost

The average installed price of electricity in the U.S. increased from 2.2¢ per kilowatt-hour in 2001 to 3.6¢ per kilowatt-hour in 2010. Investing in a PV system is generally thought to be a long-term investment. However, recent advances in technology have lowered the cost of solar panels, inverters, and other components. This has led to a significant increase in the number of residential and commercial systems installed. Assessing the cost of a PV system is a critical step in determining its feasibility. This document provides a comprehensive overview of the factors that influence the cost of a PV system, including the cost of solar panels, inverters, and other components. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

### UNDERSTANDING YOUR BATE STRUCTURE

The following table shows the typical cost breakdown for a residential PV system. The total cost of a PV system is typically between \$10,000 and \$20,000, depending on the size of the system and the location of the installation. The cost of solar panels is the largest component of the total cost, typically accounting for 40-50% of the total. The cost of inverters and other components is typically between 10-20% of the total. The cost of labor and other expenses is typically between 10-20% of the total.

Component	Cost Range
Solar Panels	\$4,000 - \$10,000
Inverters	\$1,000 - \$2,000
Other Components	\$1,000 - \$2,000
Labor	\$2,000 - \$4,000
Other Expenses	\$1,000 - \$2,000
<b>Total</b>	<b>\$10,000 - \$20,000</b>

### DIRECT CAPITAL COSTS

Direct capital costs are those costs that are directly associated with the PV system and can be clearly assigned to a specific part of the system. These costs include the cost of solar panels, inverters, and other components. They also include the cost of labor and other expenses. Indirect capital costs are those costs that are not directly associated with the PV system but are necessary for the system to be installed. These costs include the cost of permits, inspections, and other fees.

4 | Solar Electric Investment Analysis

## Forecasting the Value of Electricity

The average retail price of electricity in the U.S. increased from 2.2¢ per kilowatt-hour in 2001 to 3.6¢ per kilowatt-hour in 2010. This increase is due to a variety of factors, including the depletion of fossil fuel reserves, the increasing cost of oil, and the increasing cost of natural gas. As a result, the price of electricity is expected to continue to rise in the future. This document provides a comprehensive overview of the factors that influence the value of electricity, including the cost of fossil fuels, the cost of natural gas, and the cost of renewable energy. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

### UNDERSTANDING YOUR BATE STRUCTURE

The following table shows the typical cost breakdown for a residential PV system. The total cost of a PV system is typically between \$10,000 and \$20,000, depending on the size of the system and the location of the installation. The cost of solar panels is the largest component of the total cost, typically accounting for 40-50% of the total. The cost of inverters and other components is typically between 10-20% of the total. The cost of labor and other expenses is typically between 10-20% of the total.

### HOW ARE YOU CHARGED FOR ELECTRICITY?

Although the components of a PV system are generally the same, the way that you are charged for electricity can vary significantly. This document provides a comprehensive overview of the factors that influence the way that you are charged for electricity, including the type of meter you have, the type of rate schedule you are on, and the way that your utility company calculates your bill.

4 | Solar Electric Investment Analysis

## Estimating System Production

Producing renewable energy is much like gardening or farming – the quantity produced and the unit value of the product is variable. The quantity produced is determined by the amount of solar radiation that falls on the solar panels, the orientation of the panels, and the weather. The unit value of the product is determined by the market for the energy. This document provides a comprehensive overview of the factors that influence the production of a PV system, including the amount of solar radiation, the orientation of the panels, and the weather. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

### YOUR SITE-SPECIFIC SOLAR RESOURCES

PV systems should be installed in areas that receive a significant amount of solar radiation. This document provides a comprehensive overview of the factors that influence the amount of solar radiation that falls on a site, including the orientation of the site, the shading of the site, and the weather. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

4 | Solar Electric Investment Analysis

## Understanding Incentives

Developing a PV solar project requires significant upfront capital investment. To help the developer overcome the initial financial barrier, a variety of incentives are available to reduce the cost of a PV system. These incentives include the federal investment tax credit (ITC), the state ITC, and the production tax credit (PTC). This document provides a comprehensive overview of the various incentives available to reduce the cost of a PV system, including the federal ITC, the state ITC, and the PTC. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

### WHAT ARE THE IMPORTANT INCENTIVES?

The federal ITC is the most significant incentive available to reduce the cost of a PV system. It allows the investor to deduct 30% of the cost of a PV system from their federal income tax liability. The state ITC is a similar incentive that is available in many states. The PTC is a tax credit that is available for the production of renewable energy. This document provides a comprehensive overview of the various incentives available to reduce the cost of a PV system.

### KEY RESIDENTIAL INCENTIVES

Although the federal ITC is the most significant incentive available to reduce the cost of a PV system, there are several other incentives that are available to residential investors. These incentives include the state ITC, the PTC, and the net metering program. This document provides a comprehensive overview of the various incentives available to residential investors.

4 | Solar Electric Investment Analysis

## Conducting a Financial Analysis

Understanding the financial viability of a PV system is a critical step in determining its feasibility. This document provides a comprehensive overview of the factors that influence the financial viability of a PV system, including the cost of a PV system, the value of electricity, and the various incentives and financing options available to reduce the cost of a PV system. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

### THE IMPORTANCE OF PRE-TAX AND POST-TAX

When conducting a financial analysis, it is important to consider both the pre-tax and post-tax value of a PV system. This document provides a comprehensive overview of the factors that influence the pre-tax and post-tax value of a PV system, including the cost of a PV system, the value of electricity, and the various incentives and financing options available to reduce the cost of a PV system.

### USING THE SAM MODEL

The SAM model is a software tool that is used to conduct a financial analysis of a PV system. It allows the user to input the various parameters of a PV system and calculate the financial viability of the system. This document provides a comprehensive overview of the SAM model and how it is used to conduct a financial analysis of a PV system.

4 | Solar Electric Investment Analysis

## PV Solar Example

Installing a PV solar system is a significant investment that also involves long-term operating expenses. This document provides a comprehensive overview of the factors that influence the financial viability of a PV solar system, including the cost of a PV system, the value of electricity, and the various incentives and financing options available to reduce the cost of a PV system. It also discusses the various incentives and financing options available to reduce the cost of a PV system.

### USING THE SAM MODEL

The SAM model is a software tool that is used to conduct a financial analysis of a PV system. It allows the user to input the various parameters of a PV system and calculate the financial viability of the system. This document provides a comprehensive overview of the SAM model and how it is used to conduct a financial analysis of a PV system.

### PV SOLAR OHIO EXAMPLE

This document provides a comprehensive overview of the financial viability of a PV solar system in Ohio. It includes a detailed financial analysis of a PV solar system, including the cost of a PV system, the value of electricity, and the various incentives and financing options available to reduce the cost of a PV system.

4 | Solar Electric Investment Analysis

# Contact me for Questions

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PH-300  
00-170

solar**edge** HD wave

PH-300  
00-170





















# Wyandot County Solar (12 MW / 83 Acres / 159,200 panels)



