

Commercial Solar FAQs

Who qualifies for a PPA?

Because PPAs are long-term agreements, it's best to see if your business or organization meets some basic criteria.

What businesses/organizations use PPAs?

Some of the largest brands and institutions such as universities, school districts, municipalities, and the U.S. military utilize a PPA. It is projected that 80% or more of non-residential solar installations going forward will utilize PPAs.

How much do PPAs cost?

Solar electricity is becoming competitive with the most expensive peak electric rates. Rebates and incentives created to encourage the use of solar power help bring costs down. IGS will analyze your current electricity usage and cost. In most cases, we can provide solar energy at a price that will reduce the total cost of electric energy at your facility, often significantly, and lock in future rates. Net Metering also makes it possible for you to get credit for excess solar power generation enabling our customers to experience even greater savings.

What's the difference between buying a solar system and a PPA?

There two primary ways to obtain solar energy: buying or leasing. The process is somewhat complicated and if an organization chooses to buy will require a significant capital outlay. Organizations that choose to install solar equipment on their own will need to go through the following process: competitive solicitation, evaluation of system design & engineering, project finance/internal finance, site specific agreements, etc.

Why do PPAs include price escalation terms?

Solar electricity agreements typically include price escalation terms for four reasons:

- Customer demand: Customers want to save money from the outset. To accomplish this, electric rates are set low and allowed to escalate over the term of the agreement.
- Money market investor requirements: Investors have market rate opportunities, transactions need to be structured to provide a market attractive return.
- Rising administration costs: Administration and billing costs are rising and will continue to rise more as the system ages.
- Rising operations & maintenance costs: the equipment must be maintained and repaired if necessary to provide continuous onsite power. Like all costs related to labor, those costs are not static over a 10-30 year term.

Who handles the permits, utility paperwork, construction process, etc.?

IGS will handle every aspect of the installation, including the filing of rebate paperwork, permits, construction, final inspections and net metering approval. IGS is proud to offer a comprehensive turnkey package, ensuring that installation of a solar power system is an easy, pleasant experience for you.

Are electric prices certain to go up?

Electricity prices are likely to continue rising for many reasons, including:

- Rising fuel costs: The long-term prognosis for energy prices is up. Even during the last 30 years when oil and natural gas prices were moderate most of the time, electric prices have risen domestically by approximately 5-7 % per year.
- Renewable source requirements: Proposed and existing legislation requires utilities to source from 10-30% of their power from renewable sources by 2020. Renewable energy and the systems to deliver it will cost more than existing delivery systems.
- Load growth: Substantial investment in systems and facilities is needed to reinforce existing infrastructure and accommodate load growth.
- Aging distribution infrastructure: Capital investment is required to replace aging distribution infrastructure and business systems.
- Rising operational expenses: System operation and maintenance costs are increasing.
- Staff turnover: Rising recruiting and training costs necessitated by an aging workforce nearing retirement
-

What size solar electric system do I need?

The recommended size of your system depends on your power consumption, your utility's rules, and the interconnection costs.

To maximize the offset of your current electrical usage from the utility with a solar electric system, the first step is for IGS to review your annual energy consumption and determine the appropriate system size. Your needs will depend upon the size of your facility and your energy loads; in many cases the solar will not offset your entire utility bill.

How much roof space will the system require?

IGS can accommodate systems of all sizes depending on the usable space available for the project. We take several factors into account including system weight, snow loading, wind loading, fire/safety codes, accessibility to rooftop equipment, any future equipment requirements, etc.

What is the best roof orientation for a solar array?

The best roof orientation is SE to SW, with due south typically being the best. IGS can adjust the orientation of arrays on flat roofs as part of our design process.

Does it matter what type of roof I have?

Not necessarily. Solar modules can be installed on nearly any type of roof with the expertise of the IGS team. Different roofing materials require different installation methods which can impact the system's installation costs.

- For pitched roofs, we use industry-standard mounting systems that do not affect your roof's warranty.
- For flat roofs, IGS uses non-penetrating mounting equipment with integrated tilts to optimize the system's performance and help facilitate water runoff.

If your roof will need to be replaced during the next 10 years, we recommend that you replace it before having your system installed. This will be discussed with you in more detail in the pre-development process.

How long will the solar system last?

Solar modules have been tested in controlled settings and in the field, with results showing average module lifetimes in excess of 25 years. Modules typically have 10 to 25 year performance warranties and 1 to 5 year workmanship warranties. IGS recommends and uses only modules which have a 25 year performance and 5 year workmanship warranties.

Who handles the permits, utility paperwork, construction process, etc.?

IGS will handle every aspect of the installation, including the filing of rebate paperwork, permits, construction, final inspections and net metering approval. IGS is proud to offer a comprehensive turnkey package, ensuring that installation of a solar power system is an easy, pleasant experience for you.

Is there any system maintenance required?

All of the routine and unscheduled maintenance (if any) is the responsibility of IGS, and is at no charge to you.

Can IGS sell excess power back to the utility?

Yes, through net metering any excess electricity generated will spin your meter backwards which has the effect of selling the excess power to the utility. On a monthly basis, you pay the utility only the "net" of the power you used (consumption minus export).

If the system generates more power than you used in a month, the utility company will forward your excess solar energy credits to be used during the next month. This allows any excess energy generated in the summer to be used during the winter when there is typically less solar energy generated and usually higher energy usage.

Will I still take electric service from my electric utility?

Yes. This is a “grid tied” system because the economics are much more attractive than an “off-grid” alternative. A grid-tied system means you will continue to be connected with your current utility company and most likely still be purchasing some energy from them.

What happens if I have a current supplier contract for electricity?

It depends on the specific utility market you are in, and the terms of your supplier contract. In many cases, the supplier agreement is not affected by installing solar, but IGS will work with you (and your supplier, if requested) to review the terms of your supplier agreement.

If I have a grid-tied system, will I lose the output of solar array in a black out?

No. We are required to have built-in shutdown mechanisms in the event of a power outage.

If the array is generating power it could be sending power back to the grid and risking the lives of anyone working to restore power. It is also vital that in the event of a fire and power loss, response workers can be assured that the solar array is not producing power.

Who is responsible for liability in a PPA agreement?

IGS is responsible for installing systems that are in compliance with all applicable laws and regulations, including building and electrical codes. Both IGS and our customers are responsible for maintaining liability and property insurance to protect and indemnify against potential claims.

Will a solar installation affect the property value?

It is likely. Since our cost savings contracts are assignable and transferrable to a new owner, you can pass along the energy savings and potentially receive a premium price for it.