



Topics for Evaluation when Considering a Proposed Customer Solar PV System

We receive a number of calls from our SCE non-residential customers requesting more information on how to evaluate a solar/renewable project for their facility. To assist in making an informative decision, we've compiled a list of questions customers can ask their solar/renewable provider. These are typical industry questions compiled from various marketing materials that we have developed in the past. These questions are provided here for your reference, and you may not need to ask or to consider all of them.

Starting Point

What is your goal? (What are you trying to achieve with a new solar system?):

Minimal Sized system – "I just want to be green & do my part"

Maximum sized system- "I want to cover 100% of my existing usage"

Optimum economic return-"I want the size which will give me the best payback"

Other – "I want some long term protection against rising energy costs"

What is your current electrical usage info? Last 12 month's kWh usage? (www.sce.com/myaccount)

What is your current average cost in \$/ kWh? Do you pay Demand charges?

What is the pattern or times of day and week of your normal energy use?

Your Facility

Do you own the property used by your business? Or have a long-term lease on it? How many years is the lease?

Do you potentially have roof space for a PV system? Or ground space? Or a parking lot with room for possible carports?

Are there nearby trees or other buildings or architectural features on your roof that will shade significant rooftop areas?

Do you need to repair or replace your roof before installation? What would the cost be to move the PV system in future years while replacing roof?

Financing Your Project

Are you interested in purchasing / owning a PV system? Can you pay "cash" for it? Or require a commercial Equipment Loan?

Or would you prefer to do a solar project through a lease or PPA Agreement where a 3rd-party owns the PV system and you pay for the solar energy generated?

As a leased system ages, does the vendor guarantee the performance of the system to meet the original need?

Selecting a Solar Contractor

Have you consulted our SCE guidelines for tips on selecting a solar contractor? (www.sce.com/qosolar)

Most critically, you should discuss with and request separate quotes from at least 3 solar contractor to get competitive pricing.

It is most effective when you ask all 3 contractors to provide a quote on the same scope & basis (size of PV system; ownership or lease terms; etc.)

Request that the contractors provide you with a quote that shows details of the system size (in kW); the expected energy production (in kWh/year); the total costs; the expected \$ savings; and an estimated "payback" or economic rate of return.

Try to analyze the various quotes to compare costs on a standardized long-term \$ cost per kWh basis. How does this cost in \$ / kWh for the displaced energy compare with your current utility average cost in \$ / kWh?

Use the same assumed utility escalation rate (the rate at which you expect your future utility rates to increase each year). Make sure that you understand what escalation rate the contractor is using in their quote and projected economics.

What scope and services do the quoted costs from the contractors include? What do they exclude?

System Warranties and Maintenance

What is the expected life of the quoted solar PV system? (Normally PV systems are evaluated on either a 20 or 25 year productive life; make sure your economic comparisons use the same lifetime period.)

What warranties on the Equipment and on the Installation is the contractor providing? (*Solar PV modules generally have a 25-year Power Warranty; Solar PV inverters can come with Warranties ranging from 10 to 20 years; Workmanship warranties on PV installations are generally offered for 10 years.*)
(www.gosolarcalifornia.ca.gov/equipment/documents/list_of_resources_for_consumers.pdf)

Will the contract include Monitoring services for the PV system, so that you are aware of the continued system performance, and the need for any repairs? (gosolarcalifornia.ca.gov/equipment/perf_monitor.php)

What are the expected Maintenance and repair costs over the life of PV system?

Do you have qualified Maintenance personnel on site, or will you need to contract for O&M services for the PV system?

Tax Credits & Incentives

What tax credits and incentives may be available for your use? Are you eligible for the existing 30 % US Federal ITC (Investment Tax Credit) for solar, through 12/31/2016 (which drops to 10% starting in 2017)? (www.energy.gov/savings/business-energy-investment-tax-credit-itc)

What is your proposed project timing? Can it be completed in time to qualify for whatever projected incentives and Tax credits are being considered?

General Information

All solar PV systems will require an approved Building permit from the City or other jurisdiction that you are in. Will the contractor assist you with this? (www.solarpermit.org/jurisdiction/browse/?state=CA)

All solar PV system must apply for and receive written permission from the utility for safe interconnection to the utility grid. Will your contractor handle this? (www.sce.com/nem)

Are you considering any Battery storage at the facility? Can the contractor include a quote for this equipment?

What added benefits and costs would that involve? (www.sce.com/sqip)

Additional comments