



Shining Light on the U.S. Onsite Solar Market: A Comprehensive Update

Unleash Your Energy Savings: The Unexpected Impact of Onsite Solar

The solar industry has faced unprecedented challenges over the past 18 months. Starting in late 2021, the industry encountered COVID-related constraints, supply chain issues, and inflationary pressure, which led to an increase in solar prices. However, the rate of increase has slowed, and we have observed a stabilization of solar prices in 2023. With grid power costs increasing, the financial value of onsite solar has even increased in certain scenarios.

As electricity prices continue to rise and supply chain issues are resolved, sustainability managers are increasingly considering investing in onsite solar arrays in the upcoming year. This inclination is further supported by the growing trend of corporate and industrial businesses adopting decarbonization strategies.

Based on our data, companies that invest in onsite solar can expect immediate savings, partly due to the enhanced tax incentives provided by the Inflation Reduction Act (IRA). The recent policy changes and ongoing guidance from the IRS regarding tax credits will facilitate greater corporate adoption of solar arrays at their facilities, resulting in reduced Scope 2 emissions.

Considering the imminent 2025 sustainability goal deadlines and the rapidly approaching 2030 goals, onsite solar can serve as an excellent means to help achieve your targets.



Innovation and Regulation: Two Reasons To Act Now

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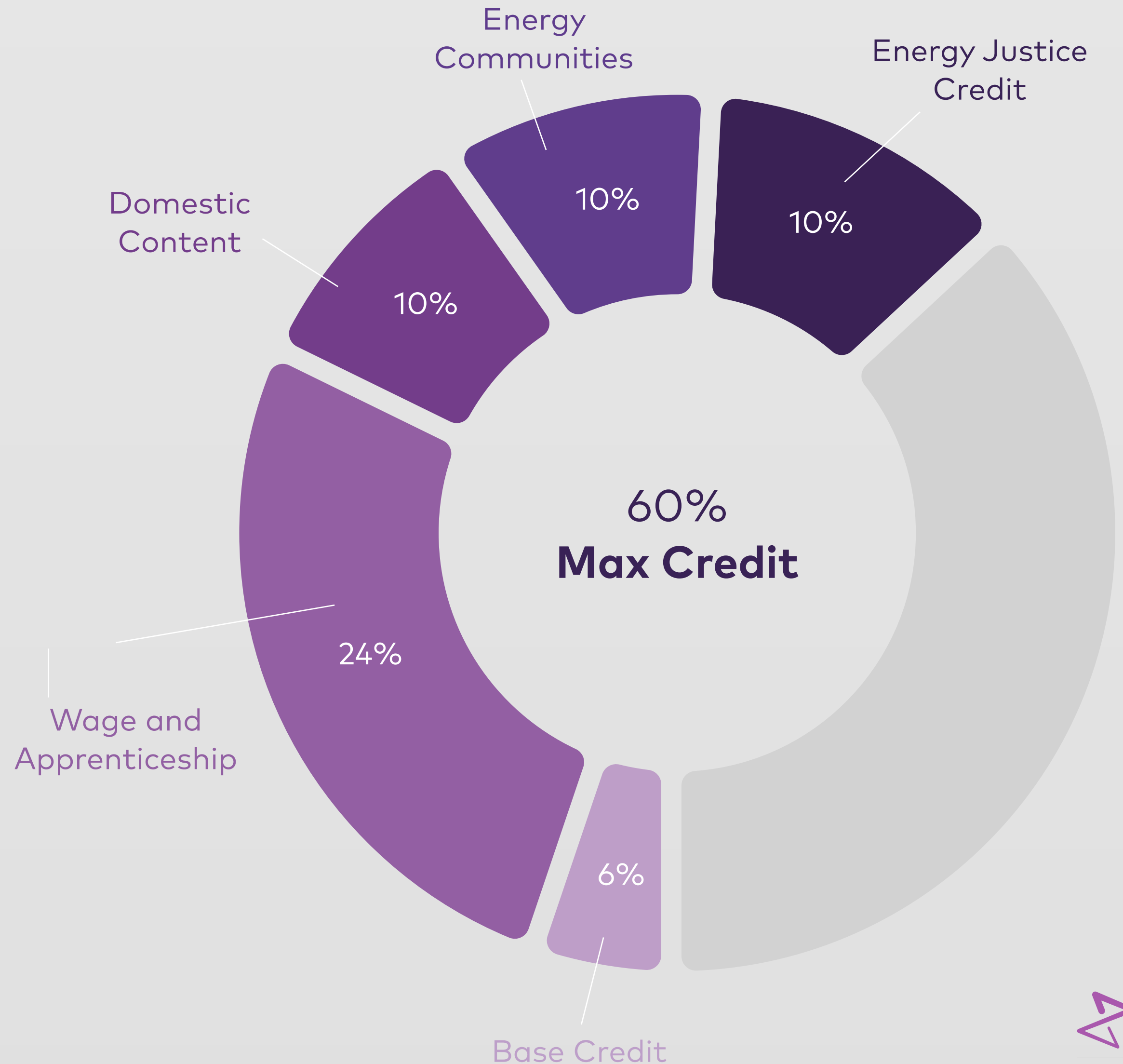
The Inflation Reduction Act created more favorable economics for onsite renewables.

The IRA (Inflation Reduction Act), passed in Q4 2022, has reinstated solar tax credits to their full 30% value for projects installed by 2032. These credits consist of a 6% base credit, with an additional 24% if wage and apprenticeship requirements are met. Most onsite solar developers comply with the prevailing wage and apprenticeship guidance, ensuring that the majority of solar projects qualify for a 30% tax credit even before considering any additional bonuses.

Furthermore, the IRA has issued guidelines on increased incentives that can raise the tax credit value to 60% of the total cost of an onsite solar project. These enhanced tax credits have the potential to significantly improve the financial feasibility of many solar projects compared to the period before this was enacted. Adding to the benefits, solar project developers have an extra incentive to pass some of these savings onto companies through a power purchase agreement (PPA).

Investment Tax Credit Base and Adders Breakdown

There is a base credit of 6% and an additional 24% credit for meeting prevailing wage and apprenticeship guidance that almost all projects meet. On top of that 30% in credits, projects are eligible to receive an additional 30% in credits for meeting bonus qualifications around domestic content, energy communities, and an environmental justice credit, each worth 10%.



02

With energy prices increasing across the United States, onsite solar can help companies decrease their reliance on the grid.

Climate change has led to more severe and frequent extreme weather events, causing increased price volatility and risks across different industries. To address this, the United States has enacted legislation like the Inflation Reduction Act, aiming to reduce carbon emissions by promoting the use of electric power in sectors such as automotive, appliances, and heating. This shift towards electrification is expected to raise electricity demand and reliance on renewable energy sources that are intermittent in nature. Meanwhile, older and more reliable fossil fuel power plants are being retired.

In response to these changes, commercial facilities can alleviate the impact of rising energy costs by installing onsite solar systems. By harnessing solar energy, businesses can protect themselves from escalating energy prices. Typically, companies enter into a fixed-term power purchase agreement (PPA) with developers, securing a set energy price for all or a portion of their facility's energy consumption over 15-20 years, depending on the contract's duration.





Hot Spots for Onsite Solar in the US

Many businesses assume that the best financial value proposition for solar is found in the sunniest states. However, viability is strongly impacted by things like the cost of power and state-based incentives or regulations, which can be difficult to uncover.

The Zeigo Network works with some of the largest national onsite solar companies in the United States. To help our community better understand where to focus their efforts, we asked our developers what the top 3 states for onsite solar are based on their experience. Here are the results.



California

Coming in at the number one spot is California. California has some of the highest costs of energy in the United States, and this is a huge factor when it comes to saving money with onsite solar. Recently passed NEM 3.0 now encourages the addition of storage to any onsite solar array, which can be beneficial for decreasing high-demand charges.



New Jersey

New Jersey has a very lucrative renewable energy certificate (REC) market, so companies can get a reduced PPA rate in exchange for selling off the RECs produced by their onsite solar arrays.

For each MWh of renewable electricity that is generated, one REC is also produced in order to track clean energy generation and ensure only one party is taking credit for it. Current NJ Solar REC prices are ~\$80/MWh, which can lead to meaningful cost savings for C&Is installing onsite solar in the state.



Illinois

Illinois has the Adjustable Block Program, which greatly incentivizes the installation of onsite solar at facilities in Illinois.

Don't be deterred if you do not have facilities in these states. Inside the Zeigo Network, we have tools to help you evaluate how cost-effective solar can be achieved in other areas like Pennsylvania, Colorado, and New England, among others.

Join today and request a custom analysis to help you determine where to explore onsite solar opportunities. →

600 +

Corporates



Access to global intelligence,
Like white papers and
market reports

150 +

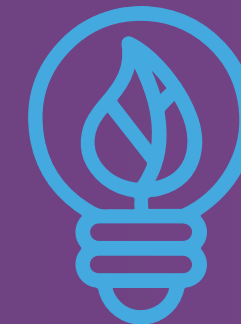
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Use the Zeigo Network to Achieve Onsite Solar Success

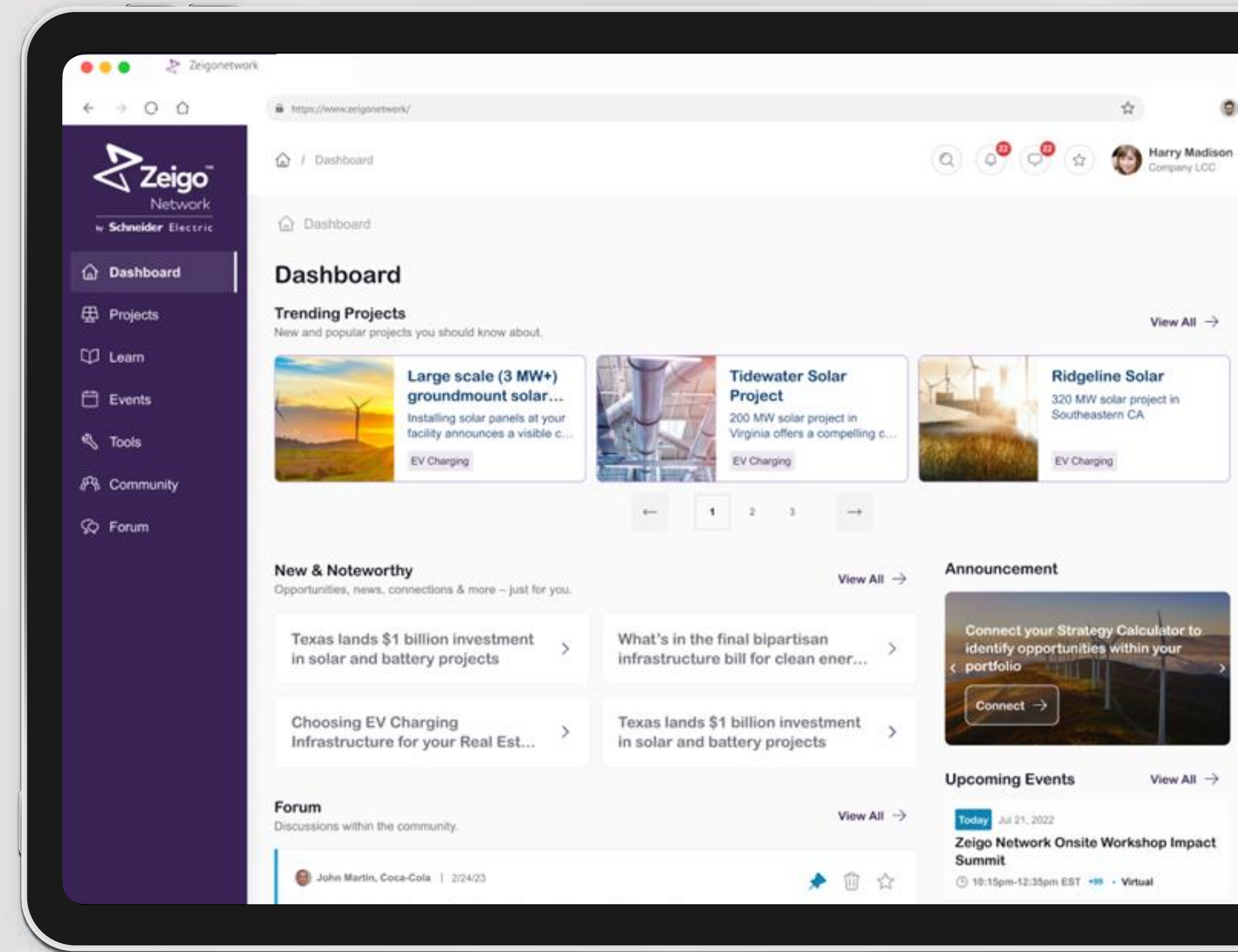
Businesses today may not know which sites are viable for onsite solar, what the financial implications are, or how to identify reputable, qualified partners. And while consulting services can help, many companies don't have the budget. Our members repeatedly asked for a no-cost, light touch service to help them progress on their on-site solar journey.

Here's an overview of how the process can work:

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01 Join the Zeigo Network.
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02 Get familiar with your options by browsing "projects" in the web app and find solar developers that can provide bids for your sites in certain areas or states.
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03 Receive system designs and savings analysis from Onsite Solar Developers in the Zeigo Network.
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04 Select a solar developer to work with and begin enjoying the benefits of onsite solar at your facilities!

Want a little more support?

Or, if you'd like some extra guidance, the Zeigo Network team can help you identify the top sites for onsite solar within your portfolio based on location, load, and other details. Then, work with you to identify onsite solar developers that would be a good fit to bid on your site(s) and facilitate introductory calls with each developer to help you make your decision.



Meet Our Onsite Solar Developers

We partner with national vendors with extensive experience working with corporate clients. You can easily contact them directly on the Zeigo Network Platform. There is absolutely no cost or commitment to contact a provider and have them evaluate your site.





EDP Renewables North America, Distributed Generation

EDP Renewables North America (EDPR NA) is a renewable industry leader and the fourth-largest wind developer in the United States. We are experienced developers and operators of renewable energy, with wind farms, solar parks, and storage projects throughout the continent.



Empower Energies

Empower tailors renewable solutions to your goals. From day one, Empower is focused on lowering your energy costs and getting you results. Implementing large-scale, distributed renewable programs can be daunting, but Empower makes it simple by handling every aspect the project requires.



NextEra Energy Resources – Distributed Generation

NextEra Energy Resources is a leading wholesale power generator, operating power plants and offering a diverse fuel mix to utilities, retail electricity providers, power cooperatives, municipal electric providers, and large industrial companies. Today, we are the world’s largest generator of renewable energy from the wind and the sun.



Onyx Renewable Partners

Onyx is a leading U.S. renewable energy company with a proven track record of developing renewable projects of any scope, size, and geography across the U.S. in many sectors, including C&I, utility-scale, and community. Our integrated platform delivers strong capabilities in development, EPC, M&A, and asset management.



Pivot Energy

Pivot is a national solar provider that develops, finances, builds, and manages solar energy and energy storage projects that help decarbonize our nation’s electricity, increase equitable access to clean energy for local communities, and provide real cost-savings to American businesses and families.



Sol Systems

Sol Systems works with Fortune 500 companies, municipalities, and others to finance and develop sustainable, clean energy. Sol Systems has developed nearly 300 MW of onsite solar and storage projects for public and private customers on adjacent property across the nation to achieve energy savings and sustainability.



PowerFlex

PowerFlex is a national provider of renewable energy infrastructure with a comprehensive suite of flexible, turnkey solutions designed to transform any organization into a clean-energy facility. Our scalable offerings include onsite solar, battery storage, electric vehicle charging, microgrids, and energy management systems.

Join the Zeigo Network

to learn about the basics of onsite solar and discover other helpful decarbonization resources.

IT'S FREE! JOIN TODAY. →

 **Zeigo**™ Network
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