



**POWER NOTES - DOMINION RESOURCES EDITION**

**WINTER 2016 ISSUE - POWER NOTES**

Solar Energy Tax Credits.....Page 1  
 Solar Purchase Schedule..... Page 1  
 Solar Energy Installations.....Page 2  
 Is Solar Energy Cost-Effective?.....Page 2  
 Is Solar Energy For You?.....Page 2

**SOLAR ENERGY TAX CREDITS  
EXTENDED**

The U.S. Congress just extended the Investment Tax Credit (ITC) for solar energy through 2022.

Between 2016 and 2019, the ITC on solar energy installations is 30%. That means if you spend \$30,000 on a solar energy installation, the federal government will give you a \$9,000 credit towards your tax bill for the year. If you don't owe any taxes, they will write you a check for your credit.

Between 2020 and 2022, the credits will gradually decline to 10%.

**SOLAR PHOTOVOLTAICS VS.  
SOLAR HOT WATER**

Solar photovoltaics (PV) involves using solar panels to directly generate electricity from the sun's rays. PV is the most common type of solar energy today and is the focus of this newsletter.

Solar hot water involves using solar panels to heat water. These types of systems were common in the 1970's, but are not seen very often today. They are limited to facilities that need large quantities of hot water like laundromats, car washes, hotels, spas and some industrial facilities.

**UMS ACCEPTS CREDIT CARD PAYMENTS**

To pay your UMS bill by credit card, please contact Mary Mooney at (888)867-3230 ext. 109.

**DOMINION VIRGINIA POWER'S SOLAR  
PURCHASE SCHEDULE**

Virginia Power has an experimental solar purchase schedule – Schedule SP. Under this rate, VA Power will pay customers for the solar power that they produce. VA Power pays a flat fee of \$.15/KWH. This is an extremely attractive rate that is more than 60% higher than what typical customers are paying VA Power for their electricity.

Schedule SP is available for all residential customers and for commercial and industrial customers with peak demands of less than 500 KW who choose to produce solar energy. Residential customers may have a solar panel system of up to 20 KW and commercial/industrial customers may have a solar panel system of up to 50 KW.

This is a new and very generous rate. The number of customers that can participate is limited. In our opinion, the rate is so generous that it is likely to be reduced at some point. Customers that sign up under this rate are guaranteed to receive the current rate of \$.15/KWH for a period of five years. Thereafter, the price is subject to increase or decrease.

The rate automatically terminates 15 years after the customer enrolls under the program. At that time, the customer may use the solar power to offset his/her purchases of electricity, meaning the customer is receiving the same rate for his generated electricity as he is paying for the electricity that he consumes.

If you have ever considered buying solar panels for your home or business, this is a great opportunity to do so. Between the investment tax credit and this generous electric rate, solar power is now very financially viable in the Virginia Power service territory.

**Learn more at:**

<https://www.dom.com/library/domcom/pdfs/virginia-power/rates/business-rates/schedule-sp.pdf?la=en>



## SOLAR ENERGY INSTALLATIONS

The two most common ways to install solar panels is to mount them on the roof of a building or put them in an open field.

Rooftop installations tend to be somewhat smaller and may be more costly to install. However, they have the advantage of not taking up additional land.



Many field based installations are relatively large, covering several acres of land. These are often funded by companies that specialize in installing solar farms in many locations.



## POWER LINES NECESSARY FOR SOLAR ENERGY

Dominion VA Power must have power lines on your property with adequate capacity to receive your solar energy.

For most rooftop installations that is not a problem because Dominion VA Power already has power lines on the property to serve the building.

For field based installations, availability of adequate power lines can be a problem. Always verify the availability of adequately sized power lines before proceeding with a solar farm. The cost of extending power lines to the property can be quite significant and can make the overall project uneconomical.

## IS SOLAR ENERGY COST-EFFECTIVE?

By itself, solar energy is not cost effective compared to other sources of electricity. However, when you include the effects of the Investment Tax Credit and the incentives described above, solar energy is very cost effective in many cases.

It is often a long-term investment that provides a competitive return on investment for many years.

## IS SOLAR ENERGY FOR YOU?

If you have a large unshaded flat roof or a southern-facing roof and you are willing to make a significant capital investment, solar energy might be a good alternative for you.

If you have an unshaded lot that you do not need for other purposes and are willing to invest the capital, you might be a good candidate for a solar farm.

## LEASE YOUR ROOF OR LAND FOR SOLAR ENERGY

There are companies that will lease your roof or land to install their solar panel equipment.

If you want to support solar power, but you don't have the capital to buy and install the panels on your own, may want to use this approach.

You can help the environment and earn money from your roof or land.

### Questions?

Contact Brian Coughlan at (910) 793-6232 ext. 102. I will be glad to talk with you.

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