

Solar for Commercial Properties

Your Guide to a Smart Investment



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Why Solar?

Replace your utility expenses with an asset: the money you typically pay to the utility company can instead be used to purchase a solar asset that will also increase the value of your property. A minimum 51% of the original investment is recouped through tax credits and deductions, allowing solar to deliver a double-digit internal rate of return (IRR) in most cases.

On-site commercial solar electricity is cheaper than traditional, utility-based electricity. As utility rates continue to rise, so does the value of your solar system's energy, freeing up capital to fund other core business initiatives or investments. Even owners of triple-net (NNN) properties where tenants pay the electric bills can recoup their investment while also offering energy savings to their tenants. In addition to lowering your operating expenditure (OpEx), some utilities will pay you for the

renewable energy credits (RECs) generated by your system.

For those seeking to achieve environmental, social, and governance (ESG) goals or mandates, solar brings impressive and quantifiable environmental benefits to the table. It also increases the marketability of your property, giving you an edge in today's hyper-competitive market, all while generating an attractive return on investment (ROI).

Benefits of Commercial Solar

- ✓ Tax benefits
- ✓ Reduced utility expenses
- ✓ Income-generating asset
- ✓ Increased property value
- ✓ Unique differentiator
- ✓ ESG & code achievement
- ✓ Stabilized energy costs



Pictured: Colorado State University - Fort Collins, CO - 1.2 MW

Why Now?

The sooner you install solar on your property, the sooner you'll start offsetting your electricity bill and saving money. Every month you wait is another month that you continue to pay the utility company instead of owning your power production. And because the cost of solar has come down so much in the past decades, the cost of waiting may outweigh the cost of any future increases in efficiency or decreases in cost.

There are numerous incentives in place now that you can capitalize on:

- The 30% Investment Tax Credit is available for both commercial and residential solar until 2032.
- The Inflation Reduction Act includes bonus tax credits that can be stacked on top of the base Investment Tax Credit (ITC):
 - 10% if the project meets domestic content minimums
 - 10% if your project is sited in a designated Energy Community
 - 10-20% if it meets Low-Income criteria
- Colorado's Commercial Property Assessed Clean Energy (C-PACE) program allows commercial property owners to implement solar with little to no money out of pocket (100% loan-to-cost), enabling projects to be cash-flow positive from year one after recouping the tax benefits.



Pictured: Denver Water - Denver, CO - 928.62 kW

Pictured:
Spruce Street Parking Garage
Boulder, CO - 200 kW



The Economics of Commercial Solar

By adding on-site solar to your commercial property, you are offsetting your utility expense while gaining a significant asset. The economics play out differently for each property based on several factors, but the following are consistently true:

The combined ITC and depreciation benefits amount to a minimum of 51% of the original investment.

- ✓ A typical commercial solar system at scale will see a payback period ranging from 6 to 9 years on average, frequently with a double-digit IRR.
 - Solar panels come with at least 25-year performance warranties, and will often operate well beyond 30 years.
- ✓ Leveraging financing is a great way to increase your IRR – in some cases, breaking even before the second year of operation, as soon as the tax benefits are realized.
 - Colorado Commercial Property Assessed Clean Energy (C-PACE) is a financing tool that offers up to 100% loan to cost, long-term, fixed, non-recourse, non-accelerating funding. This financing is linked to the building via a special assessment on property taxes and is transferable with sale.

Namaste Solar provides free consultations with our non-commissioned experts so you can see how the economics would play out for your property.

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5 Factors that Determine Your Solar ROI



TAX INCENTIVES

For-profit entities with a tax burden can recoup a minimum of 51% of the original investment via the ITC and depreciation benefits. These tax benefits can be monetized within the first 18 months of ownership.



FINANCING

Leveraging borrowed money allows you to increase the return on your investment. One unique financing vehicle is C-PACE, which allows you to borrow up to 100% loan-to-cost. Traditional bank loans and the Colorado Clean Energy Fund are other financing options.



SYSTEM DESIGN

A local solar company with in-house design and engineering expertise will maximize your ROI. They will be able to design a solar solution to match your unique needs, can streamline the process, and will know all local code and utility requirements.



UTILITY RATES & INCENTIVES

Rates: The product of a solar system is kilowatt-hours (kWh); therefore, the value of on-site solar energy production is directly tied to the utility's price per kWh.

Incentives: Some utilities purchase Renewable Energy Credits (RECs) – For a 200 kW system, Xcel Energy will pay you roughly \$11,000 per year (for 20 years) for production.



PRICE VS. VALUE

While price is of course an integral part of any ROI, IRR, or net present value (NPV) analysis, the price of solar can only be understood in context. A well-designed system that carries with it a higher price often delivers a better ROI than a lower-cost system designed and installed by an inexperienced solar installer. These technologically advanced, complex capital improvements require thoughtful design, detailed engineering, and quality installation. Choose a partner with a proven track record of success who can deliver the best value for your system.

Assessing Commercial Solar Proposals

Each solar proposal comes with different assumptions, equipment, and scopes of work. Below are a few considerations to help you evaluate proposals and identify a reliable solar partner:

1

Experience Matters

Look at the solar company's website and project portfolio. How long have they been around? Are they a design-build firm? How many projects have they completed in your area? Do they have trade-certified professionals?

2

Equipment

Look for a solar company that only utilizes Tier-1 equipment manufacturers to help ensure the quality of your solar system. Also consider whether the solar contractor is tied to specific vendors or if they have the flexibility to choose the best equipment for your specific project needs.

3

Project Scope

A turnkey solar project will include design, modeling, engineering, permits, installation, roofer coordination on warranty, code-required safety equipment, interconnection and associated applications, procurement, taxes, and quality assurance. Partnering with an installer with all these capabilities will save you money and hassle in the long term.

4

Rigor of Modeling

An in-depth financial analysis begins with robust utility analysis, capacity assessments, and solar energy production modeling. When talking to a solar company, ask about how they model projections. Ensure that the variables and assumptions are stated. Can they provide customer references?

5

Where Are They Based?

Are they a local company with detailed knowledge of local regulations and incentives? A solar designer and installer that understands the requirements in your area will ensure a smooth process from contract through permission to operate (PTO).

6

Utility Escalator

The lifetime value of your commercial solar system will be strongly affected by the future cost of utility energy. Each kWh of solar energy your system generates is one less kWh that you buy from the utility company, and as utility costs increase, the value of energy from solar increases. One independent source of utility escalation rates can be found at eia.gov.

7

Return on Investment Analysis

Are you comparing apples to apples? A cash deal will never present the same as a financed deal. Complex IRR analysis with dozens of variables is needed to properly assess the viability of your solar project. Does the analysis include a cash flow with annual property taxes, insurance, and operations and maintenance (O&M) costs?

8

Service and Maintenance

Does the company have a dedicated service team with licensed electricians on staff? Is O&M included in your contract? Some equipment requires annual checkups to maintain warranty, so they should have a local service department which can support you over your system's lifetime (3+ decades).

The Process with Namaste Solar

Phase 1: Let's Talk!

Our initial conversation will focus on answering high level questions, learning about your goals, and discussing whether solar is a good opportunity for your business and building.

- **What we need from you:** 15 to 30 minutes for a phone call

Phase 2: Indicative Proposal

Our team will put together an indicative proposal including a system design; price, variables, and assumptions; simple economic return; key investment metrics (IRR, NPV, NOI increase, breakeven); 30-year cashflow; and ESG impact.

- **What we need from you:** Your address and your past 12 months of utility bills (or energy model for new construction projects).

Phase 3: Site Visit

We will schedule a site visit to confirm the details of your project and answer any questions.

- **What we need from you at this time:** access to your roof and electrical room for a 1-2 hour site visit.

Phase 4: Final, Contractable Proposal

We will deliver a firm and final proposal, which accounts for actual property conditions, with design, equipment, and labor confirmed by our estimator and price reviewed by senior co-owners.

- **What we need from you:** We prefer to propose the final solution and economics in person, which can be 1-2 hours.

Phase 5: Contract Review & Execution

We will share our terms, conditions, and scope of work for your review and execution.

- **What we need from you:** your review and agreement to the contract.

Phase 6: Construction

Our back-end design and project management teams will handle the design, engineering, permitting, utility coordination, procurement, installation, and commissioning of your solar project. This construction project can take six months or more from contract to completion. We are typically on site two to six weeks, depending on the project size.

- **What we need from you:** open line of communication and site access.

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Operations & Maintenance

Solar systems do require maintenance over their lifetime, so a little investment with an experienced, long-term partner will protect your system and keep it operating at peak capacity. O&M packages have a wide range of scope options. Discuss a recommended preventative maintenance and monitoring plan with your provider.

Namaste Solar is one of the only Colorado solar companies with a dedicated Operations & Maintenance (O&M) department. Our 20 year history prompts us to ask the right questions from the beginning, resulting in accurate scopes before we start work and allowing us to minimize change orders and their associated delays and cost increases.

At Namaste Solar, we are committed to the highest safety standards in the industry. For 2024, our Experience Modification Rate (EMR) is 0.86. Namaste Solar has a full-time, dedicated OSHA Certified safety supervision team, and we adhere to a solar specific safety program developed with the guidance of SFI Compliance, a nationally recognized safety consultant.

O&M Q&A

How often should I expect to need maintenance?

An unplanned maintenance visit about every two years is typical. A preventive maintenance visit once per year is needed to maintain inverter warranty, and you can typically expect to replace inverters by year 15.

What are the most common maintenance needs?

System outages can occur due to electrical faults within the building service or solar system, and are most often the system's safety features protecting the equipment from damage. In most cases these issues can be resolved with minimal troubleshooting and a simple system reset.



Why Namaste Solar?

Our company's mission is to propagate the responsible use of solar energy, pioneer conscientious business practices, and create holistic wealth for ourselves and our community. We do that by helping others gain the benefits of clean solar energy while operating our business to be a force for good in our communities. As an employee-owned cooperative, Certified B Corporation, and Colorado Public Benefit Corporation, we're built differently. What does that mean for you?



Expertise & Longevity: We've been in business for over 20 years and have installed more than 13,500 solar systems totaling 200 megawatts. Our expertise shines through in our value engineering and workmanship accountability.



Local: We know the ins and outs of solar in Colorado, from local regulations to local solar incentives. Our team lives here, works here, and is eager to make your project a success.



Vertically Integrated: As a fully-integrated, turnkey, Design-Build solar construction firm with in-house technical design, installation, and O&M teams, our employee-owners hold ourselves to a higher level of accountability, allowing you to extract maximum benefit from your investment.



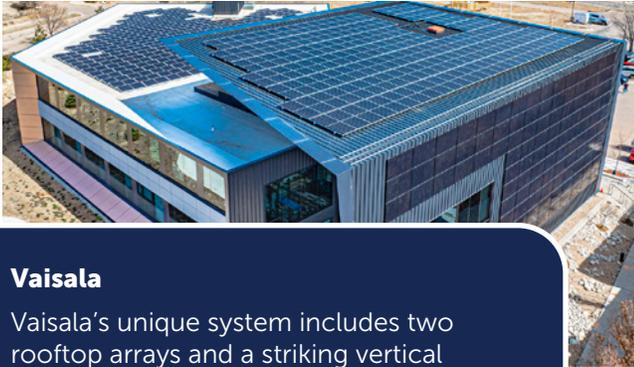
Competitive Pricing, Top Value: We're a member of the Amicus Solar Cooperative, which pools the buying power of 60+ independent solar companies across the continent to give you competitive pricing on Tier-1 equipment, optimizing value.



No Pressure, No Commission: Our non-commissioned solar experts will advise an appropriate solution for your business and deliver your project on time and on budget.

Pictured: Jack's Solar Garden - Longmont, CO - 1.2 MW

Project Portfolio Highlights



Vaisala

Vaisala's unique system includes two rooftop arrays and a striking vertical façade. The total system size is 228 kW comprised of 492 panels.



Pilatus

Comprised of 1,105 panels, Pilatus' rooftop system will offset 116.8% of the building's energy usage and will avoid 606 tons of CO₂.



Colorado State University (2020-2022)

Namaste Solar designed and constructed 4.2 MW of solar power across 20 sites. This includes sites both rooftop arrays and ground mount arrays.



NextEra at IBM Boulder

This 10 MW system spans 55 acres and uses more than 25,000 solar modules. The system contributes 20% to the City of Boulder's 2020 renewable power target.



Denver Water

The 929 kW systems for Denver Water's new net zero building included a garage top canopy, a rooftop array, and ground parking canopies.



BH 305 Arthur

The 127 kW system will offset 100% of energy usage. This is a NNN lease where the owner of the building and the tenant both benefit from solar.

[SEE PORTFOLIO](#)

Namaste Solar Case Studies



Ogilvie Properties, Inc. - Denver, CO

Ogilvie Properties is a commercial real estate investment company that specializes in property value enhancement. Ogilvie Properties selected Namaste Solar to install a 189 kW rooftop solar system on their self-storage building in Denver as part of a larger building performance upgrade. Their solar system increased net operating income by \$28,350 in year one, increasing the building's value by \$405,000. Read the [full case study](#) or watch the [video testimonial](#).

Aurora Organic Dairy - Gill, CO

The two ground-mounted solar systems generate 100% of the electricity needs for the High Ridge farm site and approximately 40% for the High Plains farm site. These systems are projected to provide \$100,000 in utility benefits and \$610,000 in tax benefits in the first year. The lifetime net benefit of the systems will be approximately \$2.88 million. Watch the [video testimonial from Aurora Organic Dairy](#) to hear about their experience with solar.



CEAVCO Audio Visual - Arvada, CO

CEAVCO Audio Visual, a video, audio, and lighting company, used the Colorado C-PACE energy program to invest in a solar system and energy efficiency improvements. They expect to see a 94% reduction in energy usage for the 33,827 square-foot facility, and they are also projecting an increase of \$406,505 in the building's value. [Read more about CEAVCO's experience utilizing C-PACE](#) to install their commercial solar system.



Transforming Energy. Transforming Business.™

Do you have additional questions? [Have a no-pressure conversation](#) with one of Namaste Solar's non-commissioned advisors to get your questions answered.

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