

Solar Billing

Multifamily Case Study



Solar Billing Opportunity

With the passing of California PUC 739.5 which permits Landlords to charge Tenants up to the utility rate, and PUC 2868 which allows independent energy producers to use or sale to Tenants on the property which the electricity is generated, there is a new opportunity for landlords. By producing electricity at \$.02-\$.05kWh and charging Tenants up to \$.04kWh (current SDG&E rate), this presents an arbitrage. Landlords unlock a new stream of perpetual income through solar. Also with solar billing, Tenants receive monthly savings on their energy bill at no cost to the landlord. It is a win-win situation.

Delta Model

This 36-unit Multifamily owner was looking to power their property using renewable energy with solar. By installing solar, the landlord has now become the energy producer for their tenants. After utilizing federal and state tax incentives, the owner was able to deduct 60% of the investment. With just an 80% solar offset, the property generated \$38,000 in additional revenue in year 1. Using a conservative 5% escalator, the payback period will be 3.5 years with perpetual income coming in for as long as the owner owns the solar asset.

El Cajon, CA

of Units

36

Offset

80%

Average SDG&E Bill

\$151.34

Tenant Discount

\$25.41

First Year Revenue

\$38,000

NOI at 5 Cap Rate

\$760,000

Gross Investment

\$364,000

Net Investment

\$145,600

Payback Period (5% Escalator)

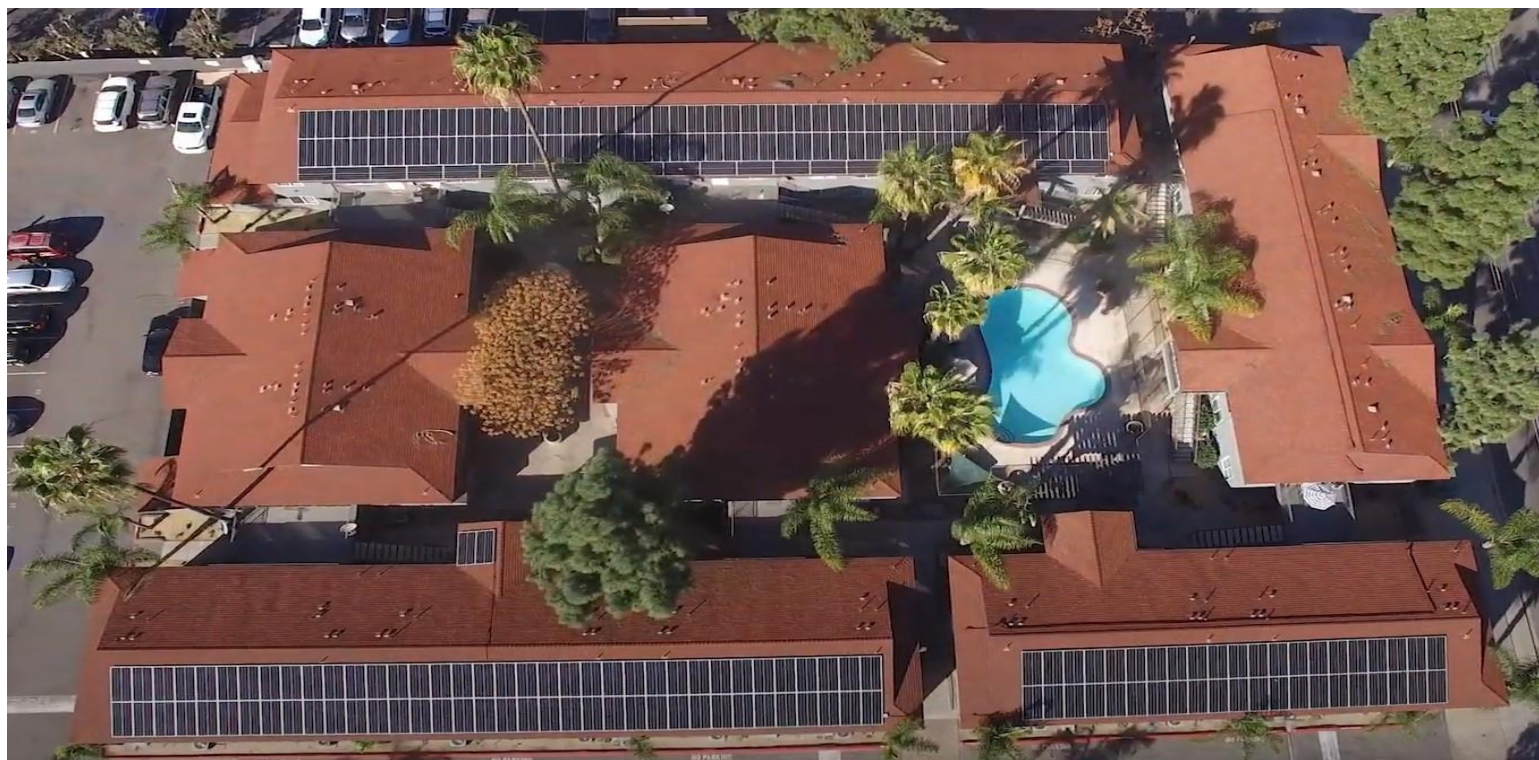
3.5 years

SolarTech's Multifamily Projects



Project Name	Size of System	Units
Garden Park	87 KW	56
Jefferson	585 KW	160
Garden Grove*	112 KW	36
Cypress*	109 KW	35
Casa Walker*	113 KW	38
Nutmeg	922 KW	210

*Delta 2.0



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