

Seeing the Light

Why San Francisco Landlords are Switching to Solar

Right now, with **new subsidies and tax incentives**, San Francisco landlords have innovative ways to install solar on their buildings—while enjoying shorter paybacks, tax credits, increased property values (with no increased property taxes), and clean, renewable solar power for their tenants!

What makes solar so affordable?

- **State Rebate** – The California Solar Incentive (CSI) provides solar systems smaller than 50 kilowatts (kW) a one-time, upfront incentive payment based on expected system performance. The incentive levels decline over time as more customers take advantage of the program.
- **Federal Tax Credit** – Businesses are eligible for a federal tax credit of 30% of the solar system cost, plus accelerated depreciation. As part of the economic stimulus package recently passed, businesses can also take advantage of a **further** 60% accelerated depreciation.
- **City Incentive** – The City & County of San Francisco offers residents up to \$4,000 and businesses up to \$10,000 to install solar.

Combined, these incentives offer an unprecedented win-win opportunity for landlords and tenants to "green" their buildings!

Here's how to take advantage of these great opportunities:

1. The landlord installs a solar system for each unit in the building. The landlord and tenants agree on the system size (and thus determine how much of the tenants' electric bill the system is expected to offset).
2. Each solar array is connected to the tenant's electric meter; therefore the tenant reaps the benefits of lower electric bills and clean, renewable electricity.
3. The solar installation may be considered an allowable capital improvement that benefits the tenants; therefore the landlord may be able to pass through the cost of the installation in the form of increased rent.
4. The amount the tenant pays to receive solar power can be designed to be at or below the tenant's historic monthly electric rate. Now, the tenant pays the same amount they used to pay to PG&E—or less—but they get solar electricity. The tenants can benefit from clean energy and no net increase in their monthly expenses, and the landlord can benefit from increased monthly revenue and higher property values, with no increased property taxes.

For more information please visit www.sf.solarmap.org or call (415) 355-3780.

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SF Environment is a department of the City and County of San Francisco.