

New Developments in Renewable Energy
Make Going Green Good Business
Solar Energy Benefits Your Business and the Georgia Economy
By Allen Bradley

It's no secret that early adopters of new technologies accept the necessity of paying premium prices. So it makes sense that companies have historically given only a cursory glance at renewable energy before opting to continue with their existing energy provider. Even if a company wanted to do right by the environment, the renewable energy option rarely made sense when it came to immediate shareholder value.

That time is now quickly coming to a close.

If your business uses or owns real estate, you owe it to yourself and your shareholders to take another look at renewable energy. Chances are good that if you're not currently incorporating renewable energy into your physical properties, you're leaving money on the table.

Why? Because the cost to purchase and maintain renewable energy equipment, particularly for solar energy, has become much more cost-effective thanks to advancements in the manufacturing process, reductions in price of some of the principal materials (such as silicon wafers) and federal and state incentives that assist in funding the systems.

Radiance Solar and Suniva are two Atlanta-based companies that are among the regional, if not national, leaders in renewable energy. Radiance designs, develops and installs solar energy systems for both photovoltaic (electric) and solar thermal (hot water) applications. Suniva, meanwhile, manufactures high-efficiency silicon solar cells that were developed with the Georgia Institute of Technology's University Center of Excellence for Photovoltaic Research. Photovoltaic converts solar radiation into direct-current (DC) electricity.

These and several other Georgia-based companies have helped make solar energy increasingly more competitive with traditional fossil fuels. Also, solar energy has led to job creation and economic development in Georgia. For example, MAGE SOLAR, MiaSolé, and Enfinity have opened, or are in the process of opening, facilities in Georgia. In addition, while Germany leads the world in installed solar capacity, Georgia is better suited for solar power than Germany. In that regard, Georgia receives approximately 5.18 solar sun hours per day, which is more than twice the solar hours that Germany receives.

So how much green can you see by going green? How can this conversion to solar energy be made financially feasible?

Businesses can receive federal tax credits or grants for up to 30 percent of their renewable energy investment and can receive state tax credits or grants for up to 35 percent of their renewable energy investment. Then, in the first year of the solar energy installment, your business can depreciate between 60 and 100 percent of the basis in the property. Plus, Georgia Power and several EMCs in Georgia offer incentives for power that is generated from solar systems. In addition, as another financing tool for renewable energy projects, the Georgia legislature recently passed, and the Governor approved, enabling legislation for PACE (Property Assessed Clean Energy) financing.

Many Atlanta nonprofit organizations are already beginning to take advantage of renewable energy. Nonprofits including the Atlanta Community Food Bank, MedShare International and the Upper Etowah River Alliance are installing solar photovoltaic energy systems as a way to decrease their energy and operating expenses as part of efforts to further their causes while reducing their environmental footprints.

So while the economy has generally caused business owners and managers to delay thoughts of investing in capital improvements, you owe it to yourself and your shareholders to look at this technology as a long-term solution to reduce or eliminate energy costs from your annual budget.

The window of opportunity will soon close on some of the financial incentives (e.g., the Federal 30% grant program will expire December 31, 2010 unless extended by Congress). That may seem like a long way off right now, but we all know how quickly time can pass in business. Start reviewing your options now so that you and your team can thoroughly and methodically find the solution for your business without any undue stress. Then begin the installment in time to take full advantage of the financial incentives.

You may be surprised at how going green can yield so much green for your business.

Allen Bradley is an attorney at Stites & Harbison, PLLC, a regional law firm with offices in Atlanta, where he practices in the Business & Corporate Services, Corporate Finance & Securities, Taxation, Energy & Electrical Power Law and Green Law service groups. He can be reached at abradley@stites.com.