

# Solar Power for Your Business – Now is the Time!

**Now is a great time to add solar power to your commercial building!** The government of Canada is offering (until 2020), through the CRA, an accelerated capital cost allowance (CCA) incentive of 50% on qualifying systems, to encourage businesses to adopt the use of renewable energy technologies.

**Here is how it works.** You purchase a solar power system to offset some or all of the electrical power usage of your business. You then can claim as a business expense the depreciation of this asset at up to 50% per year, on a declining balance basis. If you don't need to use all of the allowance in a given year, you can carry it forward to succeeding years, against future profits. If you were to use the full allowance each year, you could **write off the full cost of your system in just over five years!** Plus, you capture the full value of the electricity that your system generates, rather than paying BC Hydro for it, **indefinitely into the future.** *How sweet is that?!*

**Here's an example.** Let's say you have a business that occupies 5,000 square feet of space, and your yearly electricity consumption is 40,000 kWh - a typical amount for office or retail operations. To totally offset that amount (to bring your BC Hydro bill to zero), you would need a 33kW solar power system at an approximate installed cost of \$115,000. The value of the electricity that your system generates would be about \$4000 the first year, and will increase every year due to rate increases announced and planned by BC Hydro. As shown below, the **system is written off in just over five years:**

Year	Rate*	Production**	Production***	annual depreciation
1	0.1243	40,300	\$4,143	\$28,875
2	0.1287	40,179	\$4,303	\$43,313
3	0.1325	40,059	\$4,442	\$21,656
4	0.1358	39,938	\$4,558	\$10,828
5	0.1392	39,819	\$4,677	\$5,414

\* BC Hydro rate escalator at 2.5% annually

\*\* Includes annual decline in panel output of 0.3%

\*\*\* Includes reduction for annual Operating & Maintenance fee at \$866

To assess the solar potential of your business to reduce or eliminate your electrical bills for decades to come while creating a valuable business asset that is quickly paid for, **contact Greg at Peace Energy Cooperative**, your solar design and install experts in the Peace Region. *We advise that you check with your tax consultant to confirm that your business qualifies for this government incentive program.*

## THE PROGRAM: the CRA Capital Cost Allowance Class 43.1 or 43.2. Check it out!

