

Financing On-Grid Solar

Utility Owned
Customer Owned
and IPP owned solar

Customer Owned Customer Financed

Advantages

- Distributed Generation means lower stability issues
- Lower distribution losses
- No utility investment
- Helps meet carbon reduction goals
- May help meet daytime peak load

Disadvantages

- Reduced revenue from grid supplied power
- Less control over generation
- Limited control over installation quality

Utility Operated, Donor Financed

Advantages:

- Minimal cash outlay
- Full control over generation

Disadvantages:

- Long lead time
- Limited control over specifications and installation quality
- Opportunity cost issues

Utility Operated, Utility Financed

Advantages

- Relatively rapid implementation
- Almost complete control over specifications
- Full oversight of installation
- Full control over generation

Disadvantages

- Opportunity cost concerns
- Long term periodic payments required
- Cost recovery through the tariff

Customer Operated, Utility Financed

Advantages

- Distributed Generation means lower stability issues
- Lower distribution losses
- Customer pays for the solar directly to the utility
- Utility has full control over specifications and quality of installation
- Helps meet carbon emission reduction goals
- May help meet daytime peak load

Disadvantages

- Reduced revenue from grid delivered power
- Requires added capacity to do maintenance on many small solar installations
- Requires association with a financial institution
- Limited control over generation

IPP Large Solar Array with PPA (no storage)

Advantages

- Low capital outlay by the utility
- No maintenance responsibility
- Known cost of supply

Disadvantages

- Limited control over generation
- Concentrated source with possible stability issues
- Penalties for not accepting all generation from IPP
- Limited control over the quality of installation

DISCUSSION