

Community Solar Provides Big Benefits

Nixon Peabody, an international law firm with almost 700 attorneys across the U.S., Europe, and Asia, has a long standing corporate commitment to sustainability in their legal practices, office spaces, and firm-wide policies and programs. So, sustainability was a key component of designing and planning their new Washington, D.C. office. Nixon Peabody has made a number of energy efficiency renovations to their space, including a three story living wall, which is watered using condensate from the HVAC system. The firm is pursuing LEED Platinum for Commercial Interiors for their 66,000 square foot office space and incorporating renewable energy is an integral component to achieving their goal.

Project Keys to Success

In the early stages of planning their new office, Nixon Peabody approached their property owner, Brookfield Properties, about installing a solar PV system on the roof of the nine story downtown office building where Nixon Peabody occupies three floors. To maximize the return and financing options, the project included solar installations on two other nearby rooftops.

This approach, commonly known as community solar, allows a utility ratepayer with a meter located in Washington, D.C. to have access to solar electricity generated offsite through virtual net metering. In 2013, the D.C. legislature became the tenth jurisdiction to pass community solar legislation through the Community Solar Renewables Energy Act (B20-007)¹.

In addition to the predictable energy prices and environmental benefits, the solar installation allowed Nixon Peabody to demonstrate their commitment to the community by donating a portion of the generated renewable energy to affordable housing tenants in Washington, D.C.

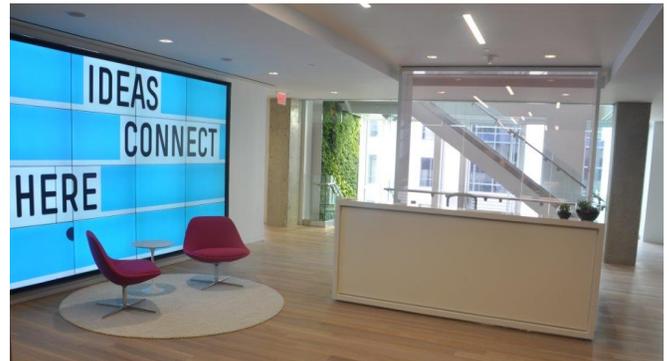


Photo credit: Nixon Peabody

SOLAR PROJECT SPOTLIGHT

Date Installed	July 2015
Location	Washington, D.C.
Installation Type	Roof mounted, ballasted
Size	Approximately 250 kW-DC, across 3 sites
Annual Production	330,000 kWh/year
Monthly Bill Savings	\$800/month for first 10 years (low income residents receive majority of savings), \$1300/month after that.
Expected Payback	No upfront cost to building owner or tenant
Financing	Roof license with 3 rd party ownership

¹Council of the District of Columbia, Community Renewable Energy Act of 2013, Effective December 13, 2013, <http://dcclims1.dccouncil.us/lims/legislation.aspx?LegNo=B20-0057>.

Financing

To take advantage of the legislation, Nixon Peabody and Brookfield Properties worked with a third-party to set up a special purpose LLC which owns the solar installation and monetizes the Federal tax credit and the local solar renewable energy credits (SRECs). The third-party owner sells 50% of the generated electricity to Nixon Peabody through a power purchase agreement (PPA) to pay off the loans required to build the system. 25% of the electricity is donated to local affordable housing residents and the remaining 25% is provided to Nixon Peabody free of charge.

Once the installation has been paid off, 50% of the electricity will be credited to Nixon Peabody monthly and 50% will be donated. This model did not require either Brookfield Properties or Nixon Peabody to pay anything up front and saved Nixon Peabody \$800/month for the first 10 years and \$1300/month every year after that on electricity bills.

KEY TAKEAWAYS

- ▶ Communicate early and often with your potential landlord about your sustainability goals. Develop a sustainability plan for new leased space and negotiate a “green lease” to embed sustainability in the tenant/landlord relationship. Often, selecting space in LEED or ENERGY STAR rated buildings will minimize your expenses and ensure a landlord who will support your sustainability goals.
- ▶ Separately meter tenant space energy use and pay for actual consumption. This enables the tenant to capture the value of energy-efficient tenant improvements and offsets provided by onsite renewable energy generation.
- ▶ Consider all local and federal incentives, tax credits, and legislation when selecting projects. Often, community solar or net metering can help to be key to financing a project.
- ▶ Take the time to learn about high performance buildings and use brokers, architects, and lawyers with experience in green buildings.