



Interfaith Solar Power Purchase Agreement Frequently Asked Questions

What is a Power Purchase Agreement?

A Power Purchase Agreement (PPA) is a contract to buy electricity from a specified provider over a specified period of time, usually 15 – 20 years. In this case, it is a contract to buy electricity from solar photovoltaic panels that are owned by a third party but are installed on your property. The obvious benefit is that the congregation's electricity is not only *green* but also an immediate statement of affirmative environmental stewardship given the PV array on the congregation's property!

What are the advantages of a PPA?

Solar panels require a big investment upfront: a congregation could easily spend \$50,000, \$100,000 or more for a system that would supply only part of its electric needs. With a PPA, you receive a monthly bill for the electricity that the panels produce, like the bill you currently receive from your current utility. Because PPAs make solar electricity affordable, they now account for about 40% of residential installations in California where the idea originated.

What is the cost of electricity from the Interfaith Solar Power Purchase Agreement?

In the first year of the contract it would be around the same cost per kilowatt hour you pay your utility today and would increase each year at a specified rate, usually between 3 – 4%. Over the past 8 years, costs for electricity in the Boston area have gone up between 6 – 8% per year. A 4 percentage point difference in the rate of inflation between the PPA and a utility would mean a congregation using 50,000 kilowatt hours of electricity would save more than \$13,000 over 10 years. But utility rates may go up even faster, in which case the savings would be even greater.

But if we bought and installed the panels, wouldn't we save more money?

Perhaps, if you can raise enough money to buy the panels outright. The payback period on this investment is likely to be 10 – 15 years. There may be other energy-saving investments you would want to make first that would offer faster payback, such as insulation, windows, and efficient heating & AC. With a PPA, you can have solar electricity now and raise funds for those other improvements.

If we produce our own electricity, do we still need an account with our local utility?

Yes. The system will likely produce less than your total electric usage. Plus, on cloudy days or in winter, the system will produce less electricity than you need. It is common for solar electricity systems to be connected to the local utility (“grid-tied” in industry jargon). If you need more electricity than your solar panels are producing, it pulls the extra from the grid. On the other hand, if you produce more than you need, it sends the excess into the grid and you earn credits on your bill.

What are the requirements to be part of this program?

We are looking for locations with a minimum of 1000 square feet of roof (generally south-facing if pitched) that receive little or no shade where solar panels could be installed. Note that solar panels cannot be installed on slate roofs. If you don’t have a roof that qualifies but have enough property, there are other ground-based systems that could be considered. If you are not sure your property qualifies, please contact us and we can quickly make a preliminary assessment

Can I sign up now?

Not quite yet, the program is still in development. We’ve identified and had preliminary conversations with potential funding sources and solar contractors. To make this idea a reality, we need to assemble commitments from 10 – 20 congregations with a total capacity of at least 250 kilowatts in order for the project to be big enough to begin negotiations over specific terms of this project.

What do you need now?

If you think you meet the criteria above, contact us. After a little research, if you seem to meet these criteria, your legally-authorized Board would initiate the process by approving and signing a “Letter of Interest”. This is not a binding commitment, but permits serious discussions with installers and financiers. You will be kept informed on the progress toward the official Power Purchase Agreement contract. After reviewing the actual contract, you will be asked to make a firm commitment.

Who is creating this program?

The idea originated with Jim Nail. In his day job, Jim is an Internet technology executive. He has a passion for alternative energy and a desire to contribute to transitioning our country away from fossil fuels. He has driven a Toyota Prius hybrid since 2002, had solar panels on his house since 2005, and installed solar hot water system in 2007. He serves as Senior Warden at St. Dunstan’s Episcopal Church in Dover, Massachusetts.

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