



Business

Financing your project

Compare options

Solar

Case study: Solar photovoltaic (PV) system

Find out how a shopping centre owner determined that it would be financially better off if it invested in a solar photovoltaic (PV) system since the expected reduction in the cost of electricity purchased from the grid over the life of the system exceeds the cost to purchase and install it.

Situation

A shopping centre owner is investigating ways to reduce the amount of electricity it purchases from the grid. The owner decides to investigate installing solar photovoltaic (PV) at the site, as there is suitable space for a solar PV system and it intends to keep using the site for many more years. A system of 90kW total capacity is considered.

How does the energy-efficient (EE) system compare to the standard system?

Equipment type	Value
Cost to install (\$)	\$222,300
Electricity generation (kWh p.a.)	124,380

Equipment life (years)	25
Electricity cost reduction in first year from the system (\$)	\$24,876
Simple payback period for the system (years)	8.9

Item	NPV
Renewable energy system	\$57,139

Finance option selected: Environmental upgrade agreement (EUA)

The company decides to seek an Environmental Upgrade Agreement to finance its solar PV system, as this results in the highest expected NPV.

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Downloads

Download all the details and a cash flow model specifically from this case study

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model
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Checklist

Check if an environmental upgrade agreement is the right option for your business.

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the
checklist**

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