

Connecticut's renewable energy policies and incentives make solar a smart choice for businesses, public entities, and property owners.



Solar Incentive Program

Zero-Emission Renewable Energy Credits

The Zero-Emission Renewable Energy Credit (ZREC) program is offered through both Eversource and United Illuminating with the goal of meeting the utilities' renewable energy procurement requirements of 20% renewable energy by 2020.

The ZREC program is administered as an annual Request For Proposal (RFP) where each bidder submits a price for which they agree to sell RECs for a 15 year term. (A REC is generated by the production of 1000 kWh of solar electricity.) The utilities award lowest-price qualified bidders until all the funding is allocated. Annual funding for the ZREC program is projected to be sufficient to install about 100 MW of solar per year.

Qualified bidders must be customers of either Eversource or United Illuminating, and the maximum system size is 2,000 kW. These projects must be "behind the meter" so that the solar electricity is first used to offset utility electricity consumption, thereby reducing the customer's utility bill. ZREC revenue is in addition to direct utility savings. Additional Financing benefits include the federal 30% investment tax credit (ITC) and accelerated depreciation.

Annual RFPs are organized based on system size, with the small ZREC schedule separate from the larger programs. The small ZREC program is a tariff-based program with a prescribed REC value that accepts bids annually beginning in February. The Medium and Large ZREC and the LREC* programs are run as an annual RFP with bids due in mid-June.

ZREC Solar Program

Small ZRECs	25-100 kW
Medium ZRECs	100-250 kW
Large ZRECs	250-1000 kW
LRECs*	1000-2000 kW

*LREC = Low Emission Renewable Energy Certificate



State Policies

Net Metering

Net Metering allows excess energy produced by a behind the meter solar array to earn credits at retail value in subsequent months. When solar system owners generate more electricity than they consume in a given month, their electric meter turns backwards and the utility credits the owner's account for the excess electricity generated.

Sales and Property Tax Attention

The construction and purchase of the components for your solar array are completely free of sales tax in Connecticut, reducing start-up costs significantly. Furthermore, the installation will be exempt from property taxes throughout the life of your array.

Federal Incentives

Investment Tax Credit

The Investment Tax Credit (ITC) is a 30% tax credit for solar systems installed by December 31, 2019. The tax credit will then reduce incrementally each year until settling at 10% in 2022 and for future years.

Accelerated Depreciation

Solar energy systems are eligible under the Modified Accelerated Cost Recovery System (MACRS) to depreciate 85% of cost basis over a five-year period, with 50% bonus depreciation in the first year of service.

Interested in learning more?
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