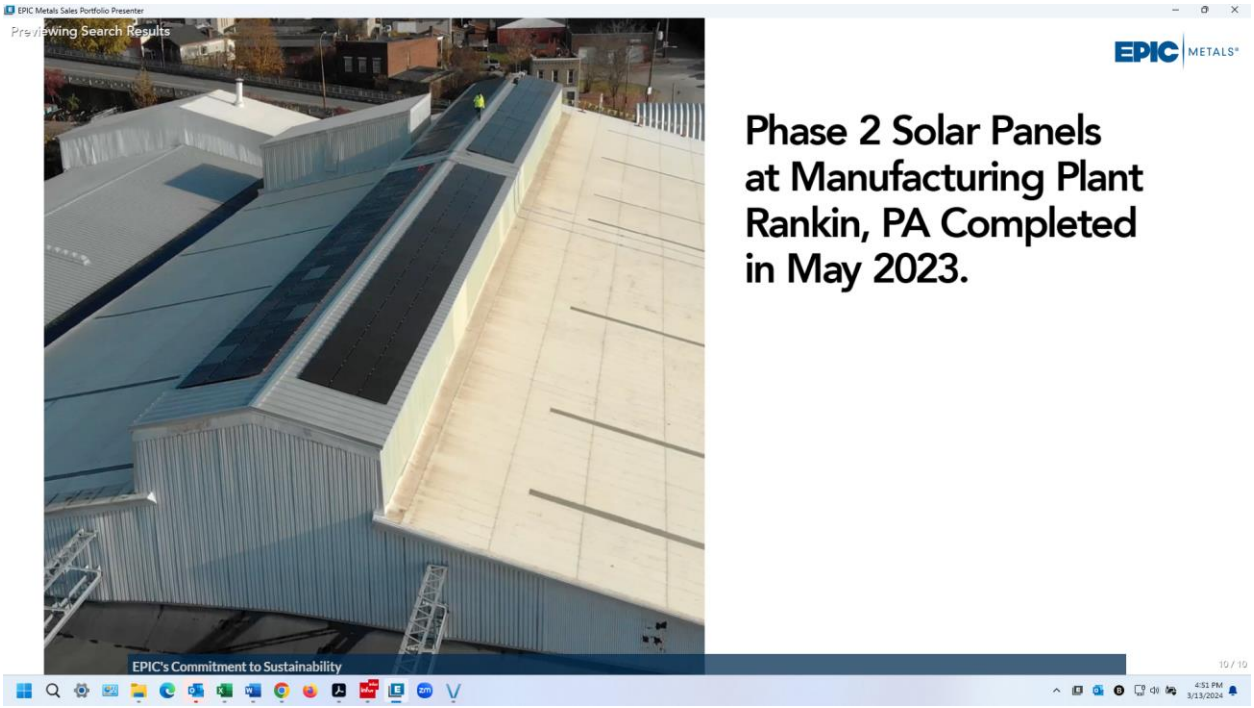
I appreciate the opportunity to testify to the House Environmental Resources & Energy Committee regarding the economic benefits of solar energy.

Epic Metals Corporation is a Pennsylvania based company that was formed 55 years ago. Epic Metals manufactures steel decking that is supplied to contractors building commercial projects.

Towards the end of 2010 Epic Metals completed the first small solar panel installation project to test how solar energy could benefit Epic Metals. In 2010 this 2.1 kW installation generated 271 kWh of solar energy.

Today Epic Metals has five solar installation locations and through February of 2024 they have generated in excess of 3,581,000 kWh of solar energy. Four of these solar installations are in Pennsylvania and one is in Florida.

The most recent installation was completed in 2023 at an Epic Metals manufacturing facility located in Rankin Pennsylvania. This building is over 120 years old. The picture below shows the solar panels at this building.



I will focus my testimony on this project since it was completed under the new Federal Investment Tax Credit rules.

This solar panel system is rated at 84 kW and the cost was $222,464.

The project qualifies for the federal Investment Tax Credit of 30% + 10% domestic content credit +10% Energy Community Bonus credit. These federal tax credits for a profitable business reduced the

investment cost by 50%, $111,232. Additionally, the depreciation deduction (not a tax credit) for the first year is $135,147. The depreciation deduction in year one at a tax rate of 21% will save an additional $28,381 in taxes.

After the investment tax credit and the depreciation deduction tax savings the system cost would now be $82,851.

The system is projected to generate approximately 84,000 kWh of solar energy per year. Currently Epic Metals is paying the utility .19 per kWh. It is estimated that the solar panels will save $15,960 per year from being paid to the utility company. Additionally, the balance available for future depreciation is $31,700 which over the next 5 years could save an additional $6,657 in federal taxes.

The solar system will have paid for itself in less than 5 years based on the $82,851 cost and the annual estimated utility cost savings of $15,960 ($82,851/ $15,960) = 5.2 years without considering the future tax savings from depreciation of $6,657.

The above payback is based on the current electricity rates being paid. Over the next 5 years it is likely that the electricity rates will go up.

The solar system should have a life well over 20 years saving utility costs for many years (less minor costs for maintenance).

The above economics do not include the benefit of the tax savings from depreciation of the system in Pennsylvania. The depreciation rates in Pennsylvania are different than the federal depreciation rates.

Epic Metals appreciates the tax benefits of installing solar energy. The main reason that Epic Metals has invested over a $1 million dollars in solar energy project is primarily for the climate and environmental impacts.

The climate and environmental impacts are what motivates Epic Metals more than the economics.

The below quotation demonstrates the power of the sun: