

Rising Electricity Costs Are Driving Commercial Solar Demand

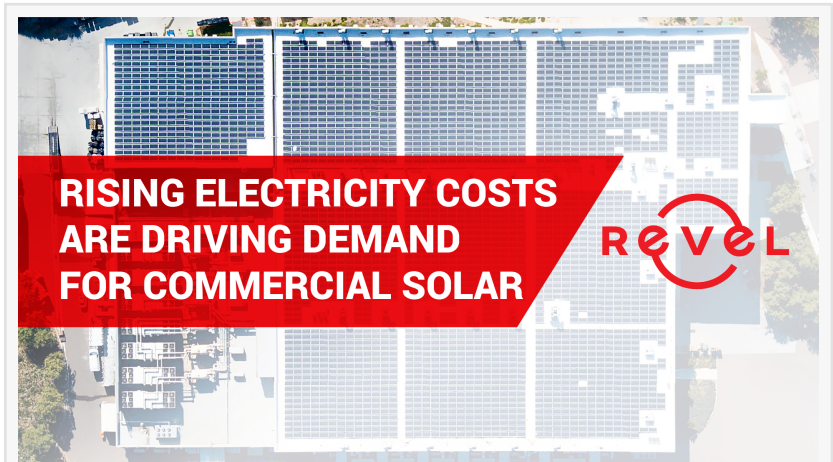
California's electricity rates have been rapidly rising to meet increasing demand, driving businesses to look for sustainable solutions like commercial solar.

IRVINE, CALIFORNIA, UNITED STATES, May 17, 2022 /EINPresswire.com/ -- California's electricity rates have been rapidly rising to meet demand of its booming private sector, prompting many commercial businesses to consider how to reduce future energy costs. Competitive businesses have found that investing into a sustainable future through commercial solar or other "green" technologies, provides energy independence and are much less-affected by [future rising electricity rates](#).

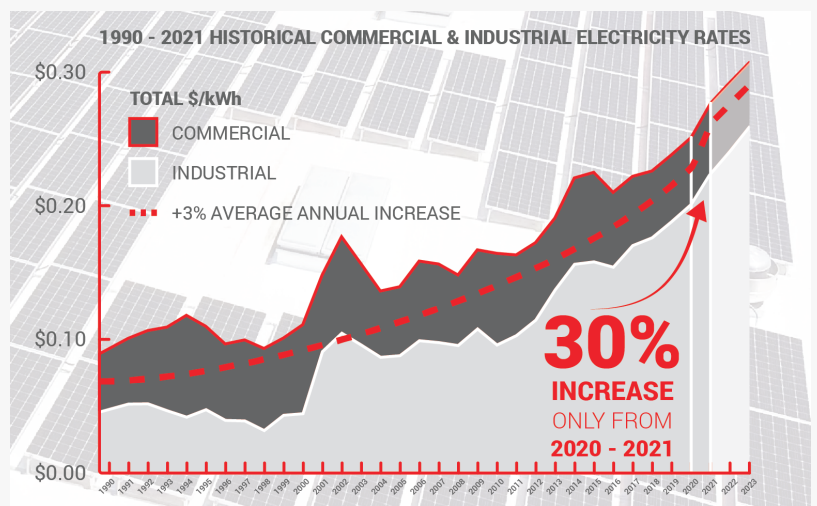
As increasing inflation rates and the threat of recession create uncertainty for California businesses, utility providers will certainly continue to raise electricity rates for their customers. Inflating prices and absorbing costs are traditionally used to curb the effects of inflation, but competitive businesses are looking ahead - generating their own free electricity, improving future cash flow through creative solutions like commercial solar.

Investor-Owned Utilities Increasing Commercial Electricity Rates

Investor-owned utilities, or IOU's, are responsible for providing most of California's electricity; they're also responsible for an average 30% rise in electricity rates for ratepayers just from 2020



Revel Energy - Rising Electricity Costs & Commercial Solar



1990 - 2021 Historical Commercial & Industrial Electricity Rates

to 2022. This rate spike was preceded by 20 years of rates consistently rising by an average of 3% annually. Even as current rates have risen 5-times more than average growth, IOU's are scheduled to continue this trend.

Pacific Gas and Electric (PG&E) have already proposed additional rate increases up to 25% starting in 2023 for commercial, industrial and agricultural customers. Sempra Energy, parent company of San Diego Gas & Electric (SDG&E), is paying their

investors its highest profits ever recorded, most significantly from SDG&E as its ratepayers face the highest per-unit electricity prices in the county.

Commercial Electricity Costs Case Study

To provide a tangible example of rising electricity rates, [Revel Energy conducted a case study](#) using a Southern California Edison (SCE) commercial ratepayer going back 5 years. From 2018 to the beginning of 2022, this commercial business saw a shocking 37% increase in their electricity rates, an average increase of more than 7% annually.

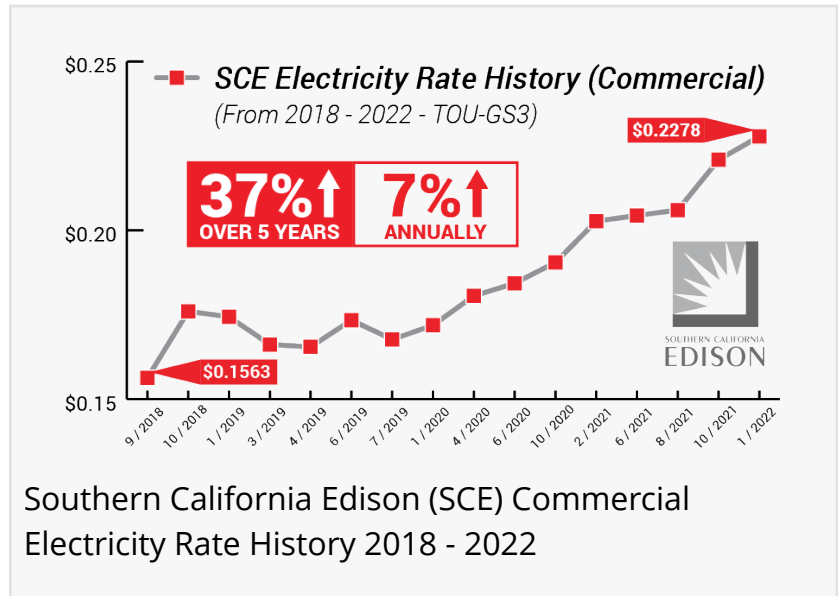
With the foresight to look ahead, operations and management were intent on fighting electricity cost increases and inevitable future rising rates. Working with Revel to install a rooftop commercial solar system paired with energy storage, the facility was able to significantly offset electricity use starting in early 2020.

With increased cash flow from electricity savings added with lucrative incentives like the [Solar Investment Tax Credit \(Solar ITC\)](#) and the Self-Generation Incentive Program (SGIP), state and federal bonus depreciation - the net cost of the system was brought down to pay for the system back in less than 3 years. Designed with an expected 3% annual increase in electricity costs, the actual 7% annual average increase didn't affect the solar-equipped facility as much as their neighbors without solar.

Rising Electricity Costs - A Catalyst for California Businesses Going Green

"Going green" is undeniably a good thing, doing so affordably is the challenge for modern businesses. As electricity rates get more and more expensive, generating free electricity is making commercial solar more affordable.

Without solar businesses will continue to pay rising electricity bills, it is baked every year into their budget. Investing that money into commercial solar and generating free electricity is the catalyst for California businesses going green.



Revel Energy has helped commercial, industrial and agricultural businesses take control of their consistently-rising electricity costs with dynamic energy solutions including commercial solar, energy storage, LED retrofitting and EV charging stations determined around their needs. Contact us today to learn how much your business could save in the face of future rising electricity costs.

Sources

PG&E: <https://www.jdsupra.com/legalnews/pg-e-proposes-significant-rates-1973888/>

SDGE: <https://www.kpbs.org/news/local/2022/04/15/sempra-to-give-record-profits-to-investors-on-heels-of-sdg-e-customer-bill-spikes>

Tyler Crossno

Revel Energy LLC

+1 949-281-7171

[email us here](#)

Visit us on social media:

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