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Local firm powers past the pandemic after surviving 20-year ride on the ‘solar coaster'

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Even before the COVID-19 pandemic, the solar industry had its ups and downs.

Weathering changes in the industry, according to Stu Frothingham of Puget Sound Solar, prepared solar companies for unforeseen events like a pandemic.

“Our company faced a lot of challenges on the ‘solar coaster' over the past 20 years, and some of those lessons helped us with dealing with the pandemic,” said Frothingham, communications director for Seattle-based Puget Sound Solar. “Most of our administrative staff have been working remotely since March 2020 to help mitigate risks. Ironically, we've also found that remote working has enhanced employee productivity.”

Finding efficiencies during the pandemic that improved profits became a silver lining for Puget Sound Solar.

Photo courtesy of Puget Sound Solar [enlarge]
Crews with Puget Sound Solar returned to work after an initial jolt to the economy from the pandemic.

Puget Sound Solar crews that were cut due to the 2020 lockdown were given their jobs back when the economy rebounded, and the company added about 20 workers in the last year.

The company also switched from doing client site visits to doing a large percentage of visits via video conferencing, as well as using satellite imagery for doing shade and production analysis, Frothingham said.

“When the pandemic and shutdowns first started our business scaled down, but by the time the restrictions were lifted we'd identified new and more efficient ways of doing business and we set new sales records in 2020,

which we will beat by about 30% to 40%, based on current projections."

The boost in business for 2021 can be attributed to macroeconomic events like the end of the recession and the election of a new president.

"The biggest difference seems to be a general enthusiasm by our customers that the Biden administration is supportive of renewable energy and working to accelerate the transition away from toxic fossil fuels to clean renewable energy sources," he said.

In late 2020, there was a rush by consumers to get solar systems installed by the end of the year, as the federal tax credit for solar projects was scheduled to drop from 26% to 22%, which saved customers thousands of dollars, according to Frothingham. When the extension of the tax credit program for 2021 was announced, he said a new surge of customers came forward to take advantage.

"We anticipate there may be some federal programs which will benefit our industry and directly or indirectly bring the costs of solar down further, making it more affordable to low- and moderate-income households," he said.

About 70% of Puget Sound Solar's business is residential. Frothingham said solar panel installation has the benefit of saving homeowners money as soon as the system is running.

"Solar may be the only home improvement option that financially benefits the homeowner before the home is sold — by offsetting or eliminating electric bills," he said. "With solar, the opportunity is there for the system to

pay itself off several times over before the equipment reaches the end of its life cycle without the home needing to be sold."

Solar panels also offer a hedge against inflation.

"By buying solar one owns their electricity versus renting it from the utility and, therefore, they lock down their electrical costs and avoid rate increases," Frothingham said. "For example, Seattle City Light recently announced a rate increase. Buying a solar system now that is warrantied to run until 2046 gives the homeowner, especially important for retirees, a way to 'freeze' rate increases."

With advances in technology and manufacturing processes, he said prices for solar panels have decreased more than 80% in the last decade.

"If anything, solar is more complicated than it was 10 years ago," he said. "There are new options such as microinverters and DC optimizers that allow designers and installers to put solar in some partially shady locations where previous generations of string inverters wouldn't have worked nearly as efficiently.

"The emergence of energy storage like Enphase's EnCharge system and Tesla's Powerwall gives consumers the ability to island and power the home when the utility's power is lost," he added. "Currently, solar without energy storage will not work during an electrical outage. We anticipate seeing large reductions in battery storage costs over the next decade as it is an important factor in developing the nation's smart grid that will be more resilient than today's electrical grid."