# Interview with Jared Haines, President, Mercury Solar Systems

Published on October 12th, 2009

Jared Haines, President, Mercury Solar Systems, Courtesy of Mercury Solar Systems

Mercury Solar Systems is a major solar installer in New Jersey and neighboring states. The B-GC interviewed their President, Jared Haines, and learned why Mercury Solar Systems is growing rapidly in a highly competitive business.

B-GC: **Can you tell us about Mercury Solar Systems?**

**Jared Haines:** *Mercury Solar Systems is a privately held company that designs and installs solar energy systems, both roof and ground mounts, for residential and commercial customers, municipalities and schools. But we are much more than a solar installer. We offer a full-suite of services including site evaluations; system design; engineering and installation; permitting and rebate processing; to financing solutions. Our team consists of 75 experienced and trained employees who are focused on meeting the needs of our customers. The fact that we do not outsource any part of the jobs we work on is a key differentiator for us.*

*Our headquarters is based in Port Chester, NY in Westchester County but we have operations in Long Island, New York, New Jersey (Mays Landing and Tinton Falls) and Connecticut (Greenwich). This is just the tip of the iceberg though. We are actively looking to expand our*

*operations on the East Coast both organically and through strategic acquisitions and our relationship with Oppenheimer & Co. Inc. enables us to execute this strategy. Some of our key target areas include Pennsylvania, Massachusetts, Maryland and Delaware.*

: **How is business right now? Is Mercury Solar Systems growing and is part of the growth being driven by the Federal ARRA stimulus funds?**

**Jared Haines:** *We are fortunate that business has steadily increased over the past few years and are hopeful the momentum will continue. To put it in perspective, in 2008 we installed approximately 3.0 MW of solar power. By the end of 2009, we expect to install about 10 MW, more than a 300% increase year over year. We purchased K-Solar in 2009, adding about 1 – 1.5 MW, but the balance of our growth was organic.*

*Most of this growth has been in the commercial end of our business, but residential is also growing. If you look at New Jersey, in particular, the solar renewable energy certificate (SREC) policy has really stimulated the market as it has significantly shortened the payback time. But like any growing company, we have also made some internal investments. We have increased our sales force and our marketing efforts and that has helped drive some of our recent growth. Things seem to be paying off though, as we only lose about 10% of the jobs we bid on to the competition.*

*At this point in time we haven't seen ARRA flow down into any real deals. However, we do anticipate that it will help drive significant new business opportunities in the fourth quarter of 2009 and the first quarter of 2010.*

: **How has the pricing of photovoltaics changed recently and how has it impacted business? Which photovoltaic products do you use and why?**

**Jared Haines:** *Photovoltaic pricing has dropped considerably in the past year. At this time last year, the installed cost was $8 to $9 per watt. Now we are seeing projects that go for $5 to $7 per watt depending on the size of the project. But as prices have dropped, so have the payback times. Increasing rebates and SRECs in New Jersey have dropped the payback period from 4 to 5 years to as low as 1.5 to 3 years. These returns have stimulated a lot of our growth. Looking ahead though, we expect prices to level out as the margins of solar cell manufacturers are getting too tight.*

*The three principal crystalline silicon photovoltaic products we install are from SunPower, Evergreen and SunTech. SunPower has the most efficient product. It is also the most elegant*

*product and looks best on a residential roof. Evergreen is manufactured in the U.S. and providers get great kWh performance. SunTech has a low cost, high quality product and is often best for the most competitive bids. For our commercial customers, we also design systems using UNI-SOLAR, which uses an amorphous thin film that adheres to a roof membrane or sheet metal roof. There are cases where an accelerated depreciation of the roof will provide an advantage for a customer and UNI-SOLAR can be a good approach when you integrate the roofing membrane with the solar product. We also use thin film technology from EPV when a PV coating on glass is desired.*

: **Could you tell us a little more about your business in the State of NJ. With over 4,000 solar installations, NJ appears to be one of the most aggressive states in the US for solar energy? What is NJ doing right? What NJ policies would you like to see other states adopt?**

Figure 1: A 383 kW commercial installation in Deptford, NJ, Courtesy of Mercury Solar Systems

**Jared Haines:** *We have been very successful in New Jersey having installed nearly 12% of the 4,000 plus installations.*

*The state of New Jersey's success is related to its issuance of SRECs. These impose penalties on utilities that do not meet certain goals and enable owners of rooftop PV systems to generate revenue that they couldn't otherwise obtain. It is a fantastic model and we would encourage other states to look at what New Jersey has done and implement similar policies.*

**: How are doing installations in New York City different than in more suburban or rural applications?**

**Jared Haines:** *New York City is different than other areas and can pose some challenges for businesses and homeowners. Space is limited. Rooftop dimensions are small and are often congested with mechanical equipment, bulkheads and elevator shafts. The second challenge we commonly run into is shading resulting from the neighboring buildings.*

*However, Mayor Michael Bloomberg has been a great advocate of solar power and has offered New Yorkers' property tax abatements on top of Federal and State tax credits and accelerated depreciation schedules. As a result, incentives can total 100% or even 105% of the solar investment even before you factor in the energy savings. But despite all of these incentives, New York City businesses and homeowners have been slow to adopt solar as there is still a significant upfront cost.*

**: Does Mercury Solar Systems install any Building Integrated Photovoltaics (BIPV)? If so, can you give us some examples? Which products do you use? Do you think these applications will grow?**

**Jared Haines:** *Yes. About 5% or about 500 kW of the photovoltaics we will install this year will be BIPV. We have used UNI-SOLAR and SunPower solar roofing products in most of our BIPV applications, however, for building facades First Solar and EPV products would be more applicable. From our perspective though, adding BIPV to the buildings façade is a niche application. The cost is high and the electrical output is still relatively small. At this point, it is more of a cool factor than an economically driven application. We do see the roof integrated systems becoming more widely available and more affordable and believe many of the roofing manufacturers will use the PV market to drive their businesses over the next few years.*