Slash Rising Utility Costs at Your Dealership

Thursday, January 15, 2026

Annual Franchise Law Seminar

New York City

January 22, 2026 | 9:30 am

The Center for Automotive Education & Training

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Controlling Your Bottom Line in the Era of Rising Utility Costs

GNYADA Member Webinar

January 15, 2026

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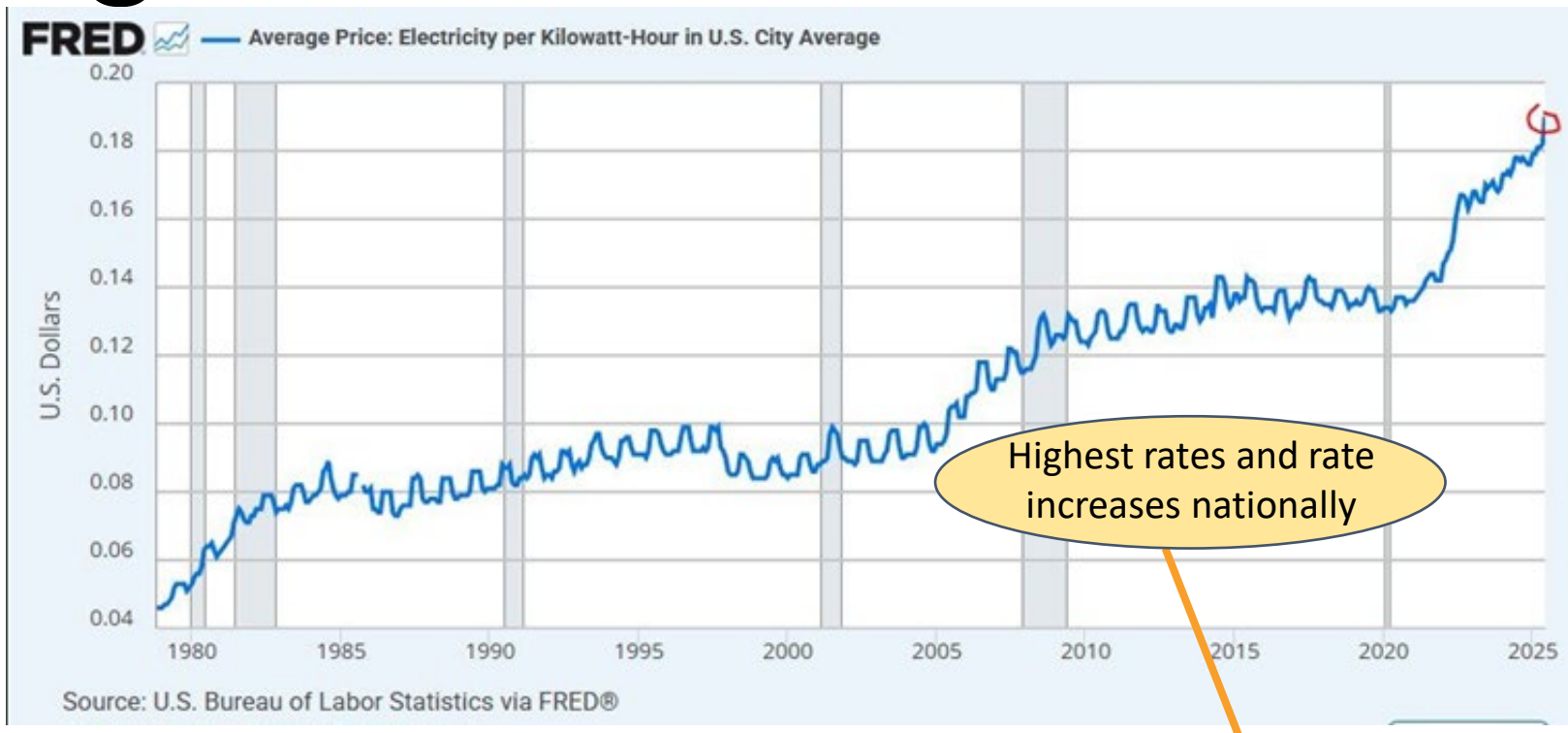
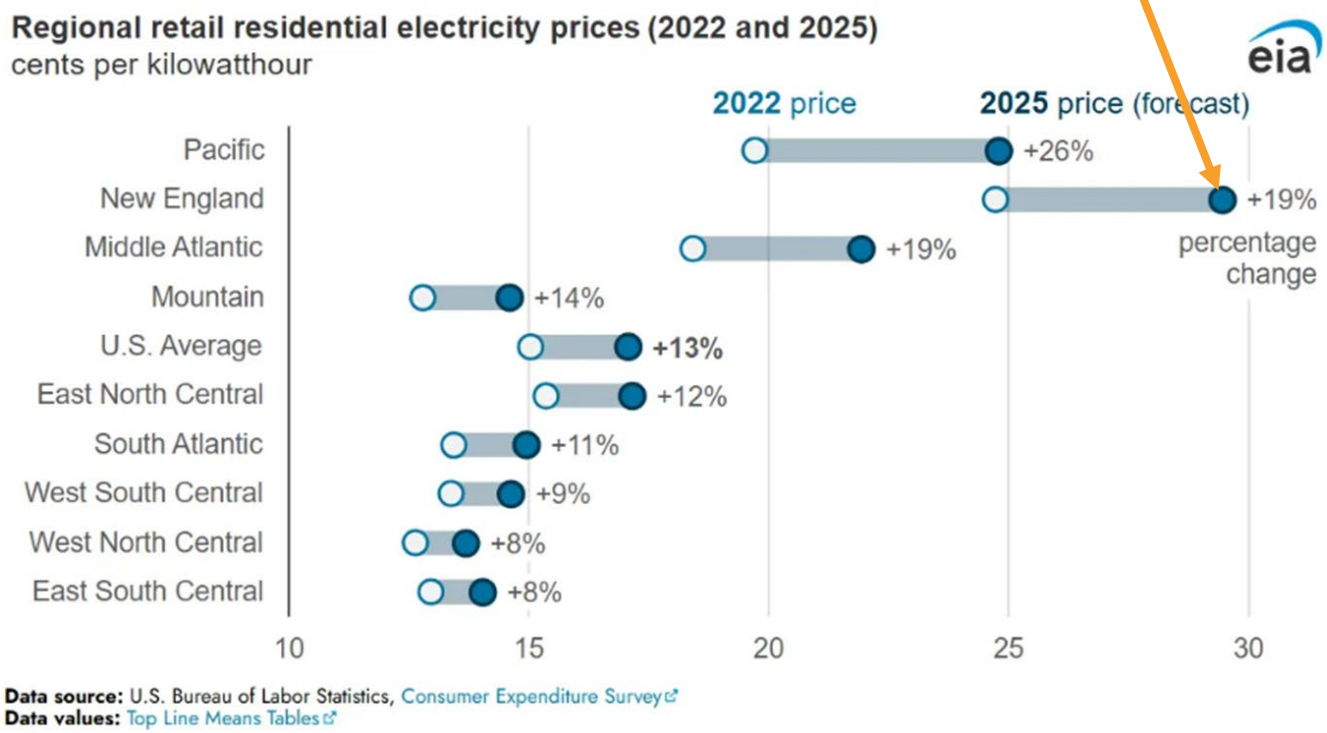
Presentation Outline and Agenda

- **Objective: Provide insight into rising utility costs, the factors driving these increases, and proven strategies dealerships can use to manage and reduce expenses.**
- **Topics Covered:**
  - **Key economic drivers behind rising utility bills**
  - **Why utility costs may remain high even after installing solar**
  - **How EV charger management, solar, and battery storage work together to reduce demand charges**
  - **Analysis of real dealership utility data across the NY region**

Utility costs are rising faster than inflation and impacting NY businesses

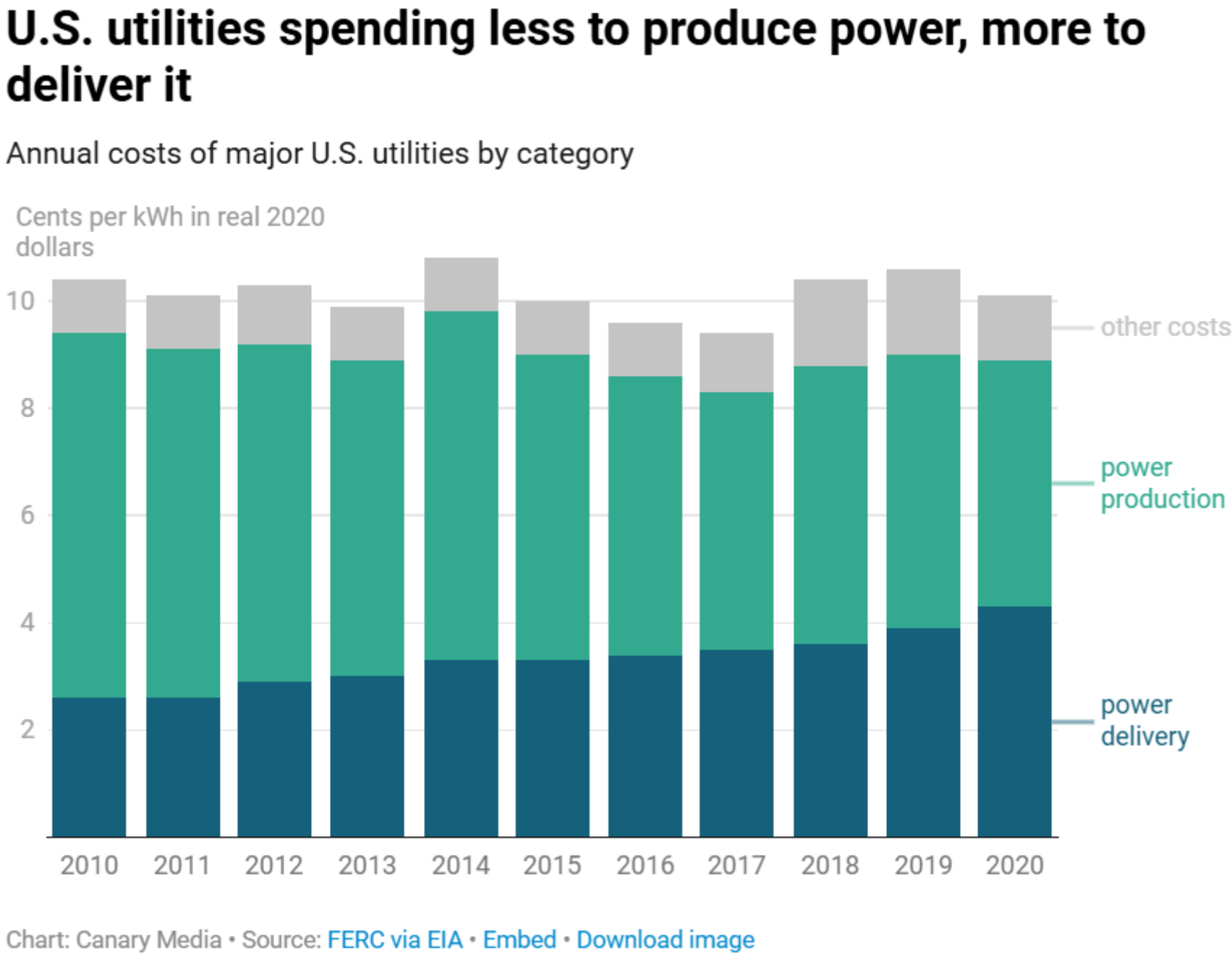
- 19% increase since 2022
- Rate increases are expected to continue, driven by:
  - Demand growth outpacing generation growth (data centers)
  - Hardening of the grid due to intense storms, increased resiliency requirements
  - Aging grid in need of expensive repairs



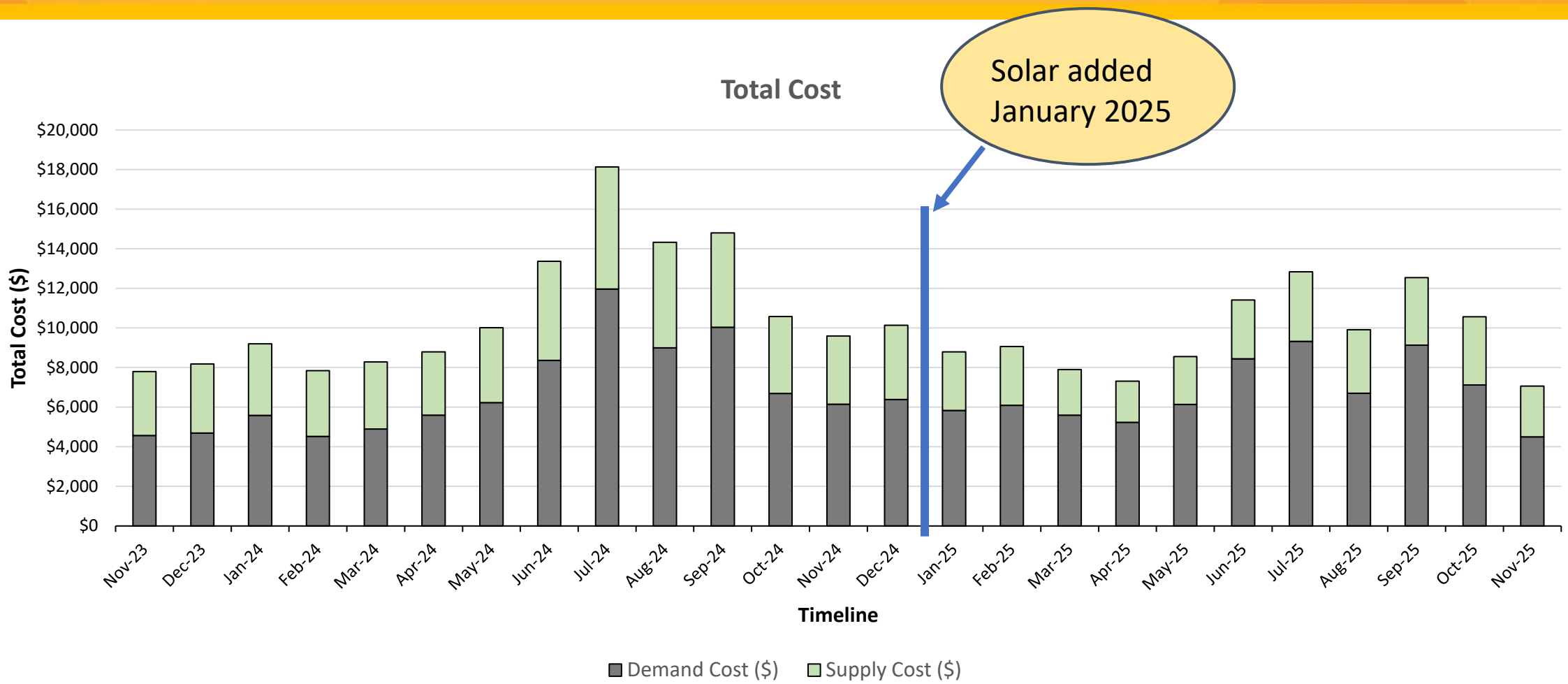


“Demand charges” are the key driver of increased costs

- Demand charges are increasing as a percent of the total bill (fuel and energy costs are falling)
- These costs pay for needed grid infrastructure and are expected to continue to rise
- Average age of grid infrastructure is 40 years, roughly same as useful life



“I just installed solar at my facilities, but my utility bills are still high – why?”



- Utility bill analysis provides insights:
  - Negotiated supply contract helps
  - Solar installed in Jan 2025 provides 10-43% reduction in energy use
  - Still, demand/delivery costs overwhelm these benefits
- Why?
  - Demand costs have increased
  - On site EV charging contributes to demand volatility

What you can do – strategies to control costs

- **Analyze your bills – a comprehensive analysis is key to understanding options and investment case**
- **Drivers of cost are more dynamic and granular – "interval data" reveals the cause of demand charges.**
- **Technology solutions that bring control, measurement, and performance reporting are key.**
- **NY Utilities want your participation – you can earn by supporting the grid:**
  - ✓ **Managed Charging Programs (Smart Charge Commercial)**
  - ✓ **Demand Response (Smart Usage Rewards)**
  - ✓ **Value of Distributed Energy Resources (VDER)**

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What you can do – technology investments can help

1. **EV charger management provides control**
2. **Solar offsets energy/supply costs**
3. **BESS is key to directly targeting demand charges**

Key to getting value:

- **Integrating systems and adding real-time data adds value – allows your system to respond when demand happens.**
- **Data access helps access valuable incentives. Can also help with compliance for LL97 and climate laws**
- **Automation allows you to focus on your business.**

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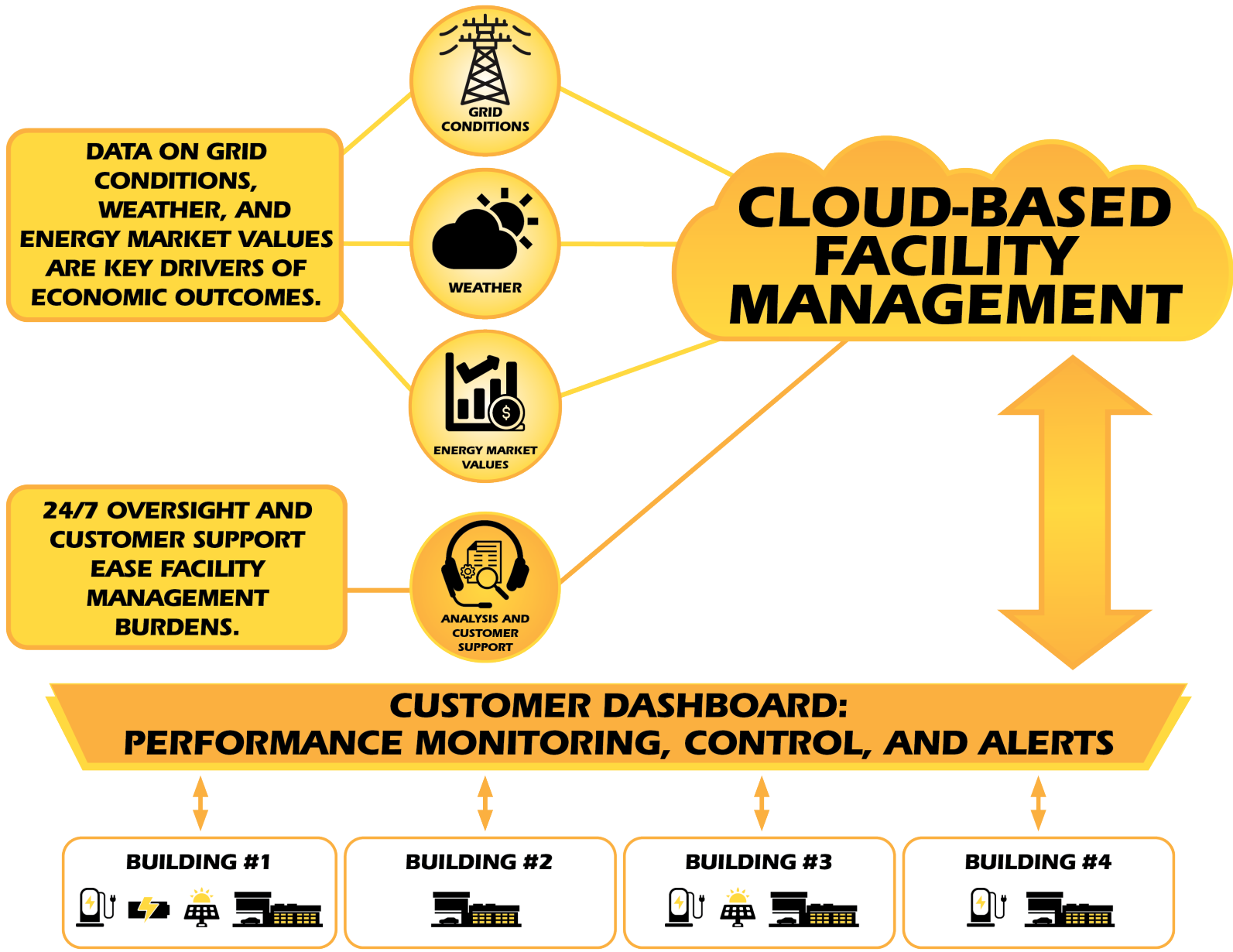
Example configuration for cloud-based control connected to a range of technologies on site.

Features that matter:

- Tight control of key assets
- Integration and real time management
- Vendor standing behind performance



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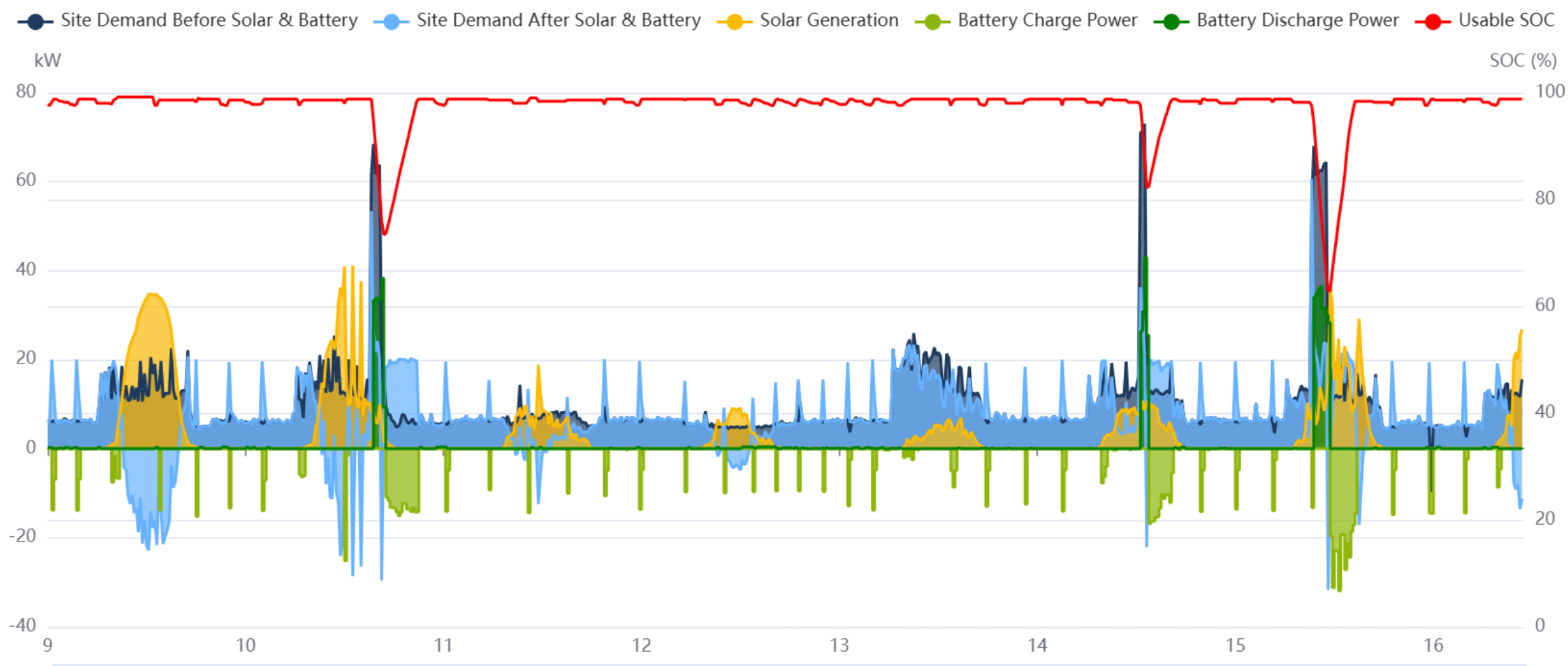
Impact of solar and BESS on demand management

Site Analytics

Last 24 hours | Past 7 days | Past 30 days

Date Range



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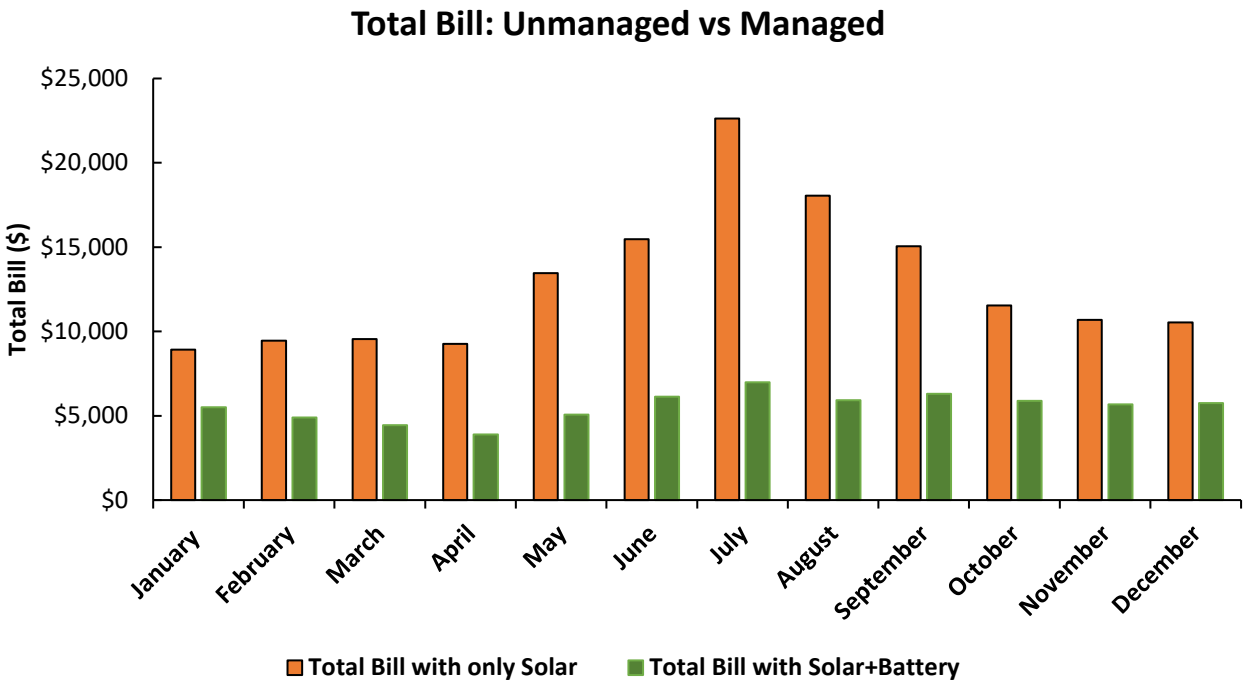
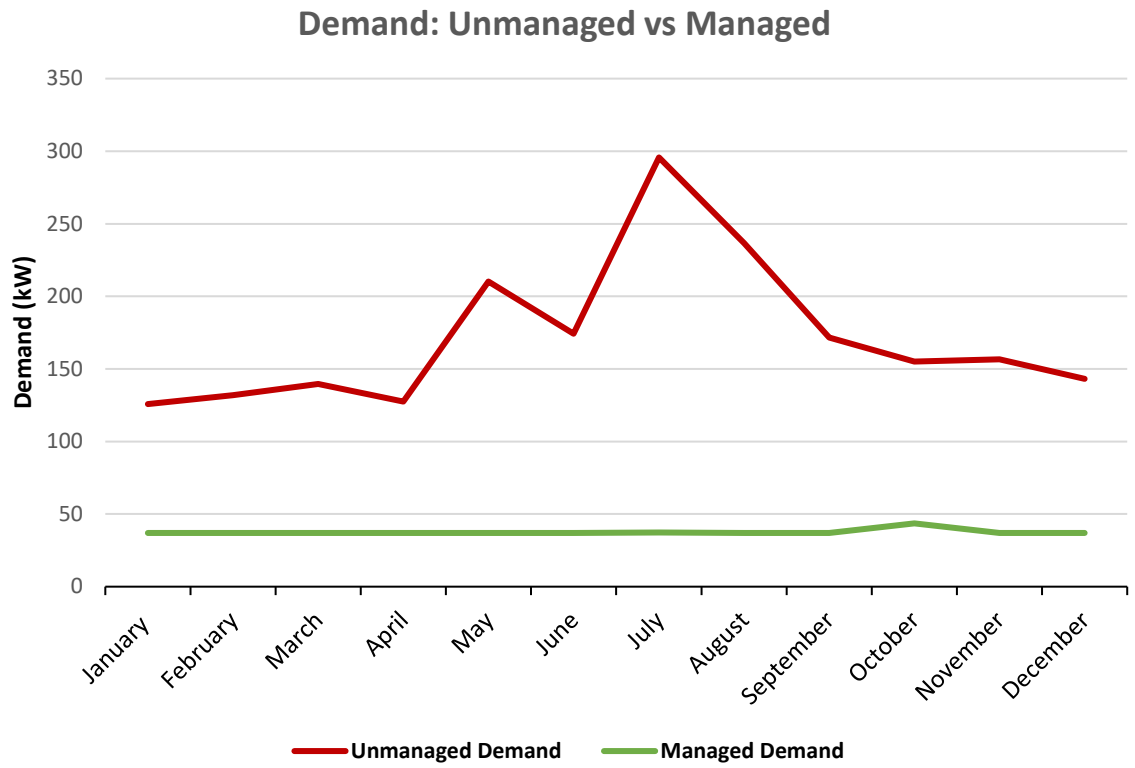
Analysis of a local dealership with solar PV and DCFCs.



- **BESS provides significant demand charge benefits**
- **Volatility can be replaced with predictable costs, improving budgeting and cost management.**



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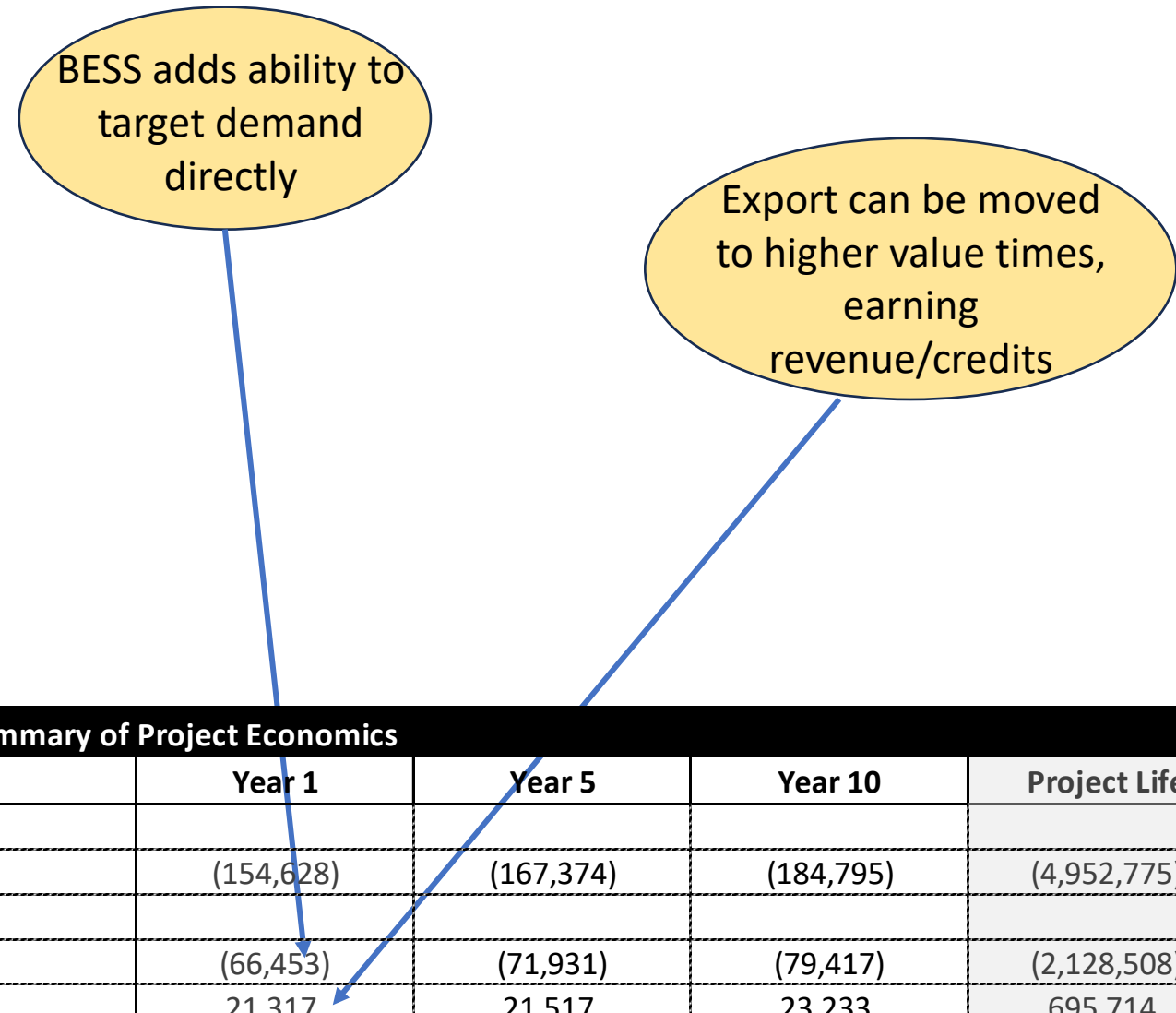
Batteries are a powerful tool in controlling your bottom line

- **EV charging operation creates unique utility bill pressures**
- **Battery prices are coming down + capabilities are growing**
- **Federal, NY State and Utility programs create strong economics for BESS**
- **Evaluating the business case for Battery Storage is complex – and should be tailored to your needs:**
  - ✓ **EV Charging will add electric use and cost – BESS should address that directly**
  - ✓ **BESS alleviates grid stress on both sides of the meter – and you can be compensated**

If you have installed solar and are disappointed in performance, consider adding BESS

- **Solar is stored and used to directly target demand reduction and export opportunities**
- **Cloud-based management can optimize economic opportunities**
- **IRR = 56.2%, payback 2+ years**



Executive Summary of Project Economics				
	Year 1	**Year 5**	**Year 10**	**Project Life**
As is (unmanaged)				
Utility Costs	(154,628)	(167,374)	(184,795)	(4,952,775)
With Managed MicroGrid System				
Utility Costs	(66,453)	(71,931)	(79,417)	(2,128,508)
Credits & Revenues Earned	21,317	21,517	23,233	695,714
Operating Costs (cloud-based oversight service, O&M)	(7,501)	(8,119)	(8,964)	(240,259)
Net Operating Cost	(52,637)	(58,533)	(65,149)	(1,673,052)
Net Economic Benefit of System	101,991	108,841	119,645	**3,279,723**

New Construction/renovation – the ideal time to evaluate investments

Sunrise Toyota

New Construction

2851 Horseblock Road,
Medford, NY 11763

New Construction/renovation – the ideal time to evaluate investments

- Incremental solutions can be added efficiently
- Value engineering and tax benefits can be optimized to your financial advantage
- Key questions to ask:
  - What are available utility cost control options?
  - Are federal, state, and utility capital incentives included?
  - How do options impact my long-term operating costs?

Capital Cost Breakdown	
Solar	$255,435
Battery Storage	$82,500
EV Charging Station Scope	$126,000
Electrical Upgrades	$282,942
Engineering and Misc	$33,900
System Commissioning	$16,159
MG Management System	$28,250
Permitting	$29,945
Project Management	$46,048
Total	**$901,178**
Incentives	
Incentives	$50,000
Investment Tax Credit	$323,445
Accelerated Depreciation (MACRS)	$229,812
Total incentives	**$603,257**
Net Capital	**$297,922**
IRR	22.1%

Timing issues to watch - Highlights from OBBB

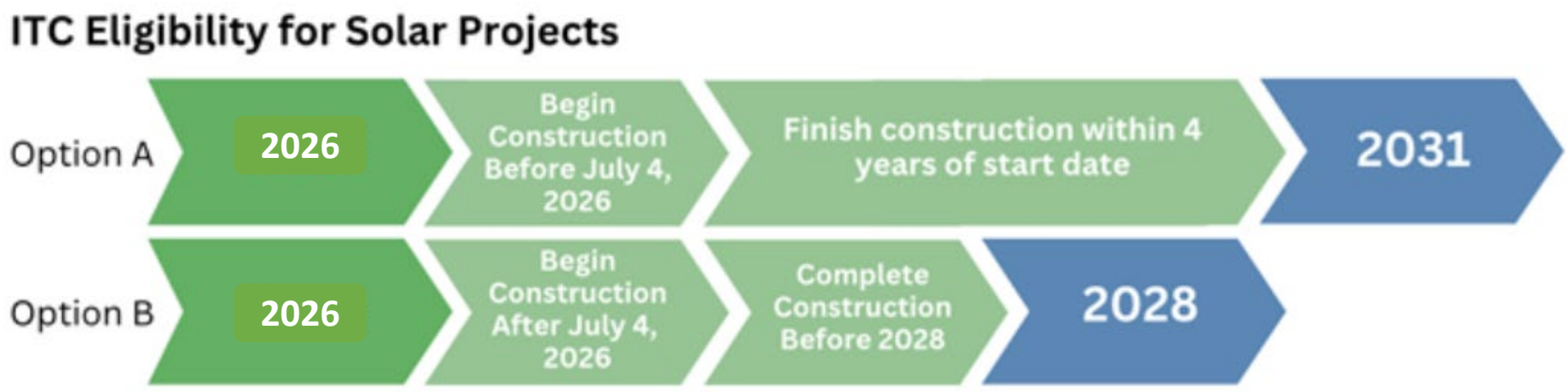
Solar tax credits: Solar projects that begin construction within one year of enactment (by 7/4/2026) will qualify if placed in service within 4 years. **OR** Solar projects that begin construction after 7/4/26 must be placed into service by 12/31/2027 to qualify. Projects starting construction after 12/31/2025 must meet the material assistance from prohibited foreign entities requirements (FEOC).

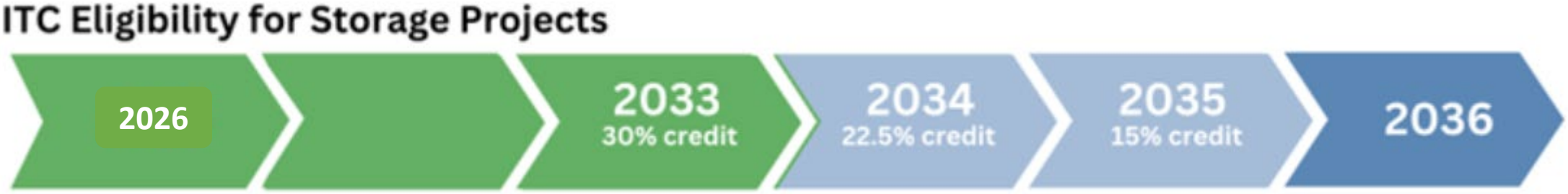
Material Assistance From a Prohibited Foreign Entity: Material assistance is determined by the "material assistance cost ratio" of a qualified facility, energy storage technology, or product line that produces eligible components. This is the portion of the cost of manufactured equipment used. Until further guidance is given, the "material assistance cost ratios" are:

- Begin construction in 2026 = above 40% (solar) and 55% (storage) from non PFEs
- Begin construction in 2027 = above 45% (solar) and 60% (storage) from non PFEs

Bonus Depreciation: Businesses can deduct 100% of qualifying assets (solar and storage) in the first year. No scheduled phase-down (was 40% this year). Equipment must be acquired and put into service after 1/19/25.

Project timelines to consider





Note: ITC can be monetized to offset capital costs or can be credited directly to the business owner.

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Takeaways

- **Rising utility costs are a growing business issue.**
- **Solar generation can help, but battery storage is the most powerful cost control tool for bill volatility.**
- **Your “use case” will be tied to your needs – increased electrification can create demand spikes and increased utility bills. Batteries can help most when targeting those issues directly.**
- **Be sure economic models include the interval data analysis mentioned earlier, not annual averages.**
- **Let us know if you’re ready for an energy assessment.**

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