

Lighting the Way – Evaluating Solar Energy Options

When considering solar energy for your home, research the choices, the contracts, the costs as well as the savings. The [Office of Energy Efficiency & Renewable Energy](#) and the [Maryland Energy Administration](#) have detailed guides for the decision.

Here is a summary:



Is Solar Right For You?

Rooftop panels are not the only option when looking for greener energy. You can explore ground mount systems, install solar shingles, join a [community solar program](#), or [change your energy supplier](#) to one sourcing solar energy.

- Review your utility bill for the electricity you used in the last year and what it cost and compare it against future costs of your solar energy choice.

To Buy or to Lease Rooftop Panels?

You've decided that rooftop panels may be right for you. You can buy the system outright and own the panels and the energy they produce, lease the panels from a company to get power, or enter into a Power Purchase Agreement.

- How long will you stay in your home? Most systems or loans have a 15-25-year term. Also think about the impact solar panels will have on your home's resale.
- Look at your home. The power you get from a solar system depends on:
 - The average number of hours of direct, unshaded sunlight;
 - The pitch (angle), age, and condition of your roof;
 - Factors such as snow, dust, leaves or shade that can cover the panels.

Leasing or Power Purchase Agreements

Leasing or Power Purchase Agreements (PPA) are substantially cheaper than buying but will not qualify you for any [tax credits](#) or [financial incentives](#). When you lease or enter into PPAs, the panels are installed on your home, but the company owns the system. Leases require a long term "rental" contract and during that time, you're entitled to use all the power the system produces (or doesn't produce) for the same monthly fee. With PPAs you pay a fixed price per kWh for the power you generate.

Before you lease, or enter into a PPA, [get bids from several companies](#). Avoid [common scams](#) by asking questions. Read the company's contract [carefully](#) and compare terms such as:

- *Costs vs. savings* – Compare the cost of installation and monthly fees to the amount of money you will save with the solar panels. Will the monthly fee go up? during the contract term? Does the contract include a “performance guaranty?” What happens if the system doesn’t produce the amount of energy promised?
- *Maintenance and Repair* – Who repairs the system and who pays for it? How long is any warranty on the system? What happens if a power failure affects the system; is there backup power?
- *Contract termination* – What is the duration of the contract? Can you renew or buy the system at the end of the term? What happens if you sell your home? Are there early termination fees?

Buying a Solar System

If buying, you will pay the cost of the system up front. Financing is available but [there are many variables to consider](#) when choosing the loan. Be aware of [possible financing scams](#). Costs depend on the system’s size, and it may take years to see a return on your investment. You will also be responsible for all maintenance and repair costs.

If you buy, however, you may be eligible for [tax credits](#) or [financial incentives](#). Depending on locality, you may be able to sell excess power to your local utility. You also may be able to sell or get credit for renewable energy certificates. [Before buying a new system](#), get bids from several companies and compare:

- The expected performance of the equipment;
- Incentives available to reduce the cost of the system;
- The total cost of installation, including any building or electrical permits;
- Whether the system is guaranteed to produce a certain amount of energy, and
- What warranties apply to some or all of the equipment.

Before you sign, take time to fully understand the process and the contract. Solar may be a great way to get renewable energy, just make sure it’s a great choice for you.



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