

Tips

Hiring the Right Contractor

There are thousands of solar businesses across the country. When choosing the company that best fits your needs, keep these tips in mind:

Deal only with State Licensed Contractors

Check with your state's regulatory agency to make sure the contractor is properly licensed to install a solar energy system.

Get at Least Three Written Bids

Make sure the bids are all based on the same work and material specifications. Get all the information in writing.

Ask the Contractors for Three References

Ask the references if they are satisfied with the work and if the contractor kept to the construction schedule and contract terms. If you can, visit the contractor's previous jobsites yourself.

Get Your Contract/Agreement in Writing

The contract should detail all the work to be done, the materials to be used and the system to be installed. Be sure there is a schedule of payments and a timeline for when the work will be completed. Make sure the contract requires the contractor to pull all building permits. Be sure you understand the contract before signing it as it is legally binding. All changes to the contract should be made in writing and signed by both parties.

Don't Make a Big Down Payment

Check the down payment laws in your state. Generally, do not pay more than 10% or \$1,000 down, whichever is less. Don't make the final payment until you're satisfied with the completed work. Verify all liens on your property have been released.

Get All Building Permits and Inspections

Make sure your contractor pulls all building permits and that inspections are completed.



Additional Resources

Better Business Bureau
Phone (703) 276-0100
www.bbb.org

Federal Trade Commission
Phone (202) 326-2222
www.ftc.gov

Interstate Renewable Energy Council
Phone (518) 621-7379
www.irecusa.org

National Renewable Energy Laboratory
Phone (202) 488-2200
www.nrel.gov

Solar Energy Industries Association
Phone (202) 682-0556
www.seia.org

State Consumer Protection Agencies
Phone (844) 872-4681
www.usa.gov/state-consumer

U.S. Department of Energy
Phone (202) 586-5000
www.energy.gov

National Association of Attorney's General
Phone (202) 326-6000
www.naag.org

This valuable information is provided courtesy of:



NATIONAL ASSOCIATION OF STATE CONTRACTORS LICENSING AGENCIES

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A Consumer's Guide to Solar Power for the Home



Options

Is Solar Power Right for You?

There are many factors to consider when deciding if solar power is right for you.

How Long Do You Plan to Stay in Your Current Home?

It will take a number of years to recoup in energy savings the money you'll pay for your solar system.

Roof Orientation

Make sure your roof is oriented toward the Southern (including Southwestern and Southeastern) sky, and isn't shaded by trees or other obstructions that could limit the amount of energy you can generate.

Age of Roof

If your roof is less than seven years old, you might want to wait until it's time to re-roof, so you can get the full worth of your current roof.

Kilowatts of Power and Your Cost

Get together a year's worth of electric bills and determine how much you currently pay for a kilowatt (kW) of power. Your savings depends on the cost of the electricity from your solar system compared to the kW cost from your current utility. This will also help to estimate the size of the solar system you'll need and possible rebates.

Payment

Determine how you're going to pay for your new solar system. There are many options.



Decisions

Solar Isn't Free

Although the sun is free, installing a solar system for your home isn't. The cost of a new solar system typically ranges from \$15,000 to \$20,000 and some financing programs require that you pay off your solar system loan before you can sell or refinance your home. The three most popular payment choices are:

Buying / Financing

You can purchase your solar system with either cash or a loan. The purchase will help increase the value of your home and provide tax credits and other available deductions. As the owner of the solar system you are responsible for its maintenance and repair. Make sure you control when loan payments are made to your contractor. If not, the contractor may stop working after getting paid.

Some states have implemented Property Assessed Clean Energy (PACE) financing programs, which add the loan payments to your property tax bill. Be aware that some solar-specific financing programs may place liens against your property and may charge above-market interest rates.

Leasing

You can lease a solar system for a fixed term, during which time you make fixed monthly payments (which may include an escalator clause) to the solar company, while receiving the electricity that the system produces. Ideally, you would pay less for the energy produced by the system over the term of the lease than you would have paid for the same amount of energy from your current electricity provider.

With a lease, the solar company owns the system and is responsible for its upkeep, but they get the tax credits and other available deductions. You may be able to purchase the system after a certain amount of time. Be aware that selling your home during the term of the lease can get complicated.

Power Purchase Agreements (PPA)

Typically, the solar company installs the system at no cost to you and sells you the power it generates at an agreed upon rate. You may be required to pay for all energy the solar system produces, even if you don't use it.

The solar company owns the system, so is responsible for its upkeep, and gets the tax credits and other available deductions. You may be able to purchase the system after a certain amount of time. Be aware that selling your home during the term of the agreement can get complicated.

Notice

Other Things to Remember

Payments for solar loans and leases can last as long as 20 years. Check the numbers carefully to make sure you'll save money. Be wary if a solar company promises specific savings or tells you that electricity costs from your utility will be a specific amount.

Return on Your Investment

Many factors determine the time it takes to see a return from your solar system, including the current amount of your electricity bill. If your bill amounts are low, you'll likely have a 20-plus year payback. If you have a large bill, you may see a return on your investment in as little as 7 to 10 years.

