

# Considerations for installing solar panels in Delaware

## Enjoy the independence of generating your own clean power

Installing solar panels on your home can:

- Result in lower electric bills
- Generate income through the Delaware solar renewable energy credit programs (SREC), an incentive for renewable energy
- Increase your home's value
- Support economic growth through the creation of green jobs in Delaware
- Protect the environment by reducing carbon dioxide emissions

## Purchasing and financing options

As a consumer, you have 3 primary options to pay for your solar panel system, depending on utility and program availability.

	<b>Purchase</b>	<b>Lease</b>	<b>Power Purchase Agreement (PPA)</b>
<b>Rebates &amp; Incentives</b>	You own the system and may be eligible for rebates depending on power utility provider and incentives available.	The leasing company owns the system, and asks you to transfer the rights to the rebates, tax credits and other incentives to them.	The PPA company owns the system, and asks you to transfer the rights to the rebates, tax credits and other incentives to them.
<b>Financing</b>	You pay for the system outright or take out a home equity or other loan to finance.	Little or no money down is required by you. Terms of the lease are typically 20 years with an option to purchase or continue the lease.	No money down is required by you. Terms of the PPA agreement are typically 20 years with an option to purchase or continue the PPA.
<b>Electricity prices</b>	Owning the panels will result in lower electric bills.	You will have a predictable monthly payment for electricity for the life of the lease.	You will have a predictable monthly payment for electricity for the life of the PPA agreement.
<b>Installation &amp; Maintenance</b>	You select and manage the installation contractor and maintenance of your system.	The leasing company will pay for, install, and maintain the system.	The PPA company will pay for, install, and maintain the system.

Before committing to one type of payment plan, compare quotes from several different solar installers to find the option that works best for you.



# Frequently Asked Questions

## Q: Will my system produce all of my electricity?

A: A solar system usually only offsets a portion of electricity use, so there is an additional cost to purchase electricity from your utility, above what the system is producing.

## Q: If I use more electricity than my system generates, how much would my utility charge me for the additional electricity?

A: Any extra electricity you need to purchase would either be at the current utility rate or at a price specified in your contract, which may increase over time.

## Q: If I lease my system, what will the monthly lease payment be?

A: Lease payments will often be a little lower than the energy usage charge on your electricity bill. Additional costs for electricity above what the system is producing plus any lease payments should be considered in the total costs of electricity for the home.

## Q: Does the lease payment change over the life of the lease?

A: Generally, there are two types of leases: one where the lease payment stays the same for the life of the lease or one where the lease payment starts lower and increases over time.

A changing lease payment typically mimics projected utility rate increases which have increased by approximately 2.5% per year in Delaware.\*

## Q: If I choose a PPA, how much will I pay to purchase electricity?

A: Generally, there are two types of PPA agreements: one where the rate stays the same and another where the rate starts below market and increases at a pace similar to the PPA's projections for utility rates. Utility rates have typically increased by approximately 2.5% per year in Delaware.\*

## Q: How can I track my system's performance?

A: Your installer should provide you with a meter that measures your system's production.

## Q: What happens if my system is not producing electricity as estimated in my contract?

A: Look for a Performance Guarantee or Limited Warranty section listed in your contract. They often provide coverage for this situation.

## Q: What happens at the end of the lease or PPA term?

A: There are a few options typically included in your contract:

- You can buy the system at either the fair market value or the price specified in the solar lease or PPA contract, whichever is higher
- The leasing or PPA company will remove the system at no cost to you
- You can leave the solar panel system in place and renew the solar lease or PPA

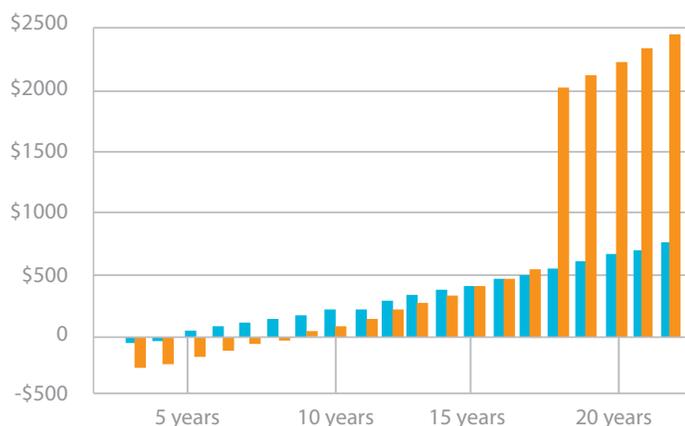
## Q: What happens if I sell my home prior to the end of the lease or PPA term?

A: There are a few options typically included in your contract:

- The new homeowner can take over your contract, and continue making the lease payment or paying for their electricity at the rate established in the PPA
- You can transfer the use of the system to the new homeowner and you will continue to pay the lease or PPA rate
- The leasing or PPA company will remove the system at the termination amount described in the lease or PPA agreement
- You can purchase the system prior to selling the home

## Annual Cash Flow

### PPA/Lease vs Ownership



Based on 7.8kW residential system at \$3.90 per watt

## For more information

Solar incentive program in Delaware:

<http://www.dnrec.delaware.gov/energy/services/GreenEnergy/Pages/default.aspx>

Participating Photovoltaic Installation Contractors for Delaware solar incentive programs:

<http://www.dnrec.delaware.gov/energy/services/GreenEnergy/Pages/PVInstallers.aspx>

Delaware SREC programs:

<http://www.energizedelaware.org/Solar-Renewable-Energy-SREC-Program/>

Whether you choose to purchase, lease, or enter into a PPA, a solar power system can reduce your electricity bill and protect the environment.



\*Based on US EIA Delaware residential retail electric rate data history, 2003 - 2014