

Solar Power System for Your Home

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Solar Power Systems are hot right now. You can hear ads on the radio and salesmen are coming door to door. There are many options on how to get solar power. We got hit with a door to door salesman that prompted me to learn fast. Here is what I learned. You can either Purchase or Lease the solar system or just give up your roof and let a solar power company put their system on your roof to sell you power

Purchase Option

Buy the equipment from a solar contractor who designs and installs the system. The equipment is owned by you and you get a long term warranty for both the labor and equipment. This purchase option applies whether you pay cash or enter into financing. A purchase option would add value to your home and should pay for itself in 5 to 7 years. After it is paid for, the electricity bills are either non-existent, very small, or the electric company pays you for the energy you are producing. You can currently get a 30% Federal Tax credit as well.

Lease Option

Lease equipment from solar provider. You enter into a long term lease with a solar company and you pay them monthly to use their equipment. With this option you are just renting their equipment to produce power. The equipment belongs to the solar company unless purchased at the end of the lease. The typical length of a lease is 20 years. Typically there will be a UCC-1 Financing Statement recorded which will cause an issue should you decide to sell your home. Since you don't own the system, you don't get any tax credit.

Power Purchase Agreement Option

Purchase Power from a solar company. You enter into a 20 year agreement to purchase power from a solar company. The cost per kwh is negotiated at the time of the signing of the contract and automatically goes up each year for the next 20 years. In the first few years you pay less, but overtime you pay more. You never own the equipment unless you overpay to purchase it later. They will have you sign a contract that no person should ever sign that is completely one-sided and could cost tens of thousands of dollars to get out of if you try to sell your house. I just watched a homeowner in escrow facing having to pay nearly \$80,000 to get out of one just to sell his home. One of these companies is working Huntington Beach really strong right now. In the contract, if you die they will come after your heirs for money.