

Leasing solar a cost-saving option for homeowners

August 8 2013, by Carole Feldman



This undated publicity photo released by SolarCity shows Ben Kunz' house with solar panels installed on the roof in Cheshire, Conn. Kunz wanted to do "the green thing" and save on his electric bill without paying a lot of money up front. So instead of purchasing a solar system for his house, he leased one. (AP Photo/SolarCity)

Ben Kunz wanted to do "the green thing" and save on his electric bill

without paying a lot of money up front. So instead of buying a solar system for his house in Cheshire, Connecticut, he leased one.

"I thought it was a pretty good deal," he said. "I lean a little [environmentalist](#) so I'm concerned about global warming."

Increasing numbers of U.S. homeowners are relying on the sun to meet much of their hot water and [electricity](#) needs. In fact, residential electricity produced by solar in the first quarter of 2013 was almost 10 times higher than that generated in 2008, according to the Solar Energy Industries Association.

But the potential for more is huge.

Consider this: "The amount of solar energy falling on the United States in one hour of noontime summer sun is about equal to the annual U.S. [electricity demand](#)," the Energy Department says in its SunShot Vision Study.

"Saving money and being energy efficient rank really high with consumers today," said Kit Selzer, a senior editor at Better Homes and Gardens.

A Gallup poll in March found that 76 percent of Americans thought the country should put more emphasis on producing domestic energy from [solar power](#).

So what's stopping more folks from going solar?

"We found that a lot of people were afraid to go solar because they were too afraid of what they didn't know," said Ketch Ryan, who had a solar energy system installed in her Chevy Chase, Maryland, house several years ago.

To help neighbors, Ryan and Kirk Renaud founded a cooperative, Common Cents Solar, "to make sure we didn't have to reinvent the wheel. We can do it together and we can do it more efficiently."

The first thing is to get your roof assessed to see whether it's viable for solar. The roof's condition, material and angle are among the considerations.

One misconception is that you need a south-facing roof.



In this Thursday, July 18, 2013 photo, Ketch Ryan, right, and her neighbor Kirk Renaud, pose next her house with solar panels on the roof in Chevy Chase, Md. "In many ways we found that a lot of people were afraid to go solar because they were too afraid of what they didn't know," said Ryan, who had a solar energy system installed in her house several years ago. To assist neighbors, Ryan helped establish a cooperative, Common Cents Solar, co-founded with Renaud, "to make sure we didn't have to reinvent the wheel. We can do it together and we can do it more efficiently," she said. (AP Photo/Manuel Balce Ceneta)

While south is optimal, solar can be stalled on roofs facing east and west, too.

"Walk outside on a sunny day and look at the roof," advises Rhone Resch, president and CEO of the Solar Energy Industries Association.

Is the roof covered with shade? If not, your house may be a good candidate for solar. Some solar companies use Google maps for a first look before sending out staff for a fuller assessment.

Homeowners also worry that solar may not be viable in northern states. California leads the U.S. in the capacity of installed residential solar units, with Arizona a distant second. But New Jersey comes in at No. 3 and Massachusetts is eighth, according to the association.

"People are solar-new in Connecticut," Kunz said. "They never see it and they don't know it works."

But Kunz says he's saving money. He now pays about \$140 or \$150 for electricity each month, down from about \$220. And the total includes his \$115 lease payment to SolarCity, a California-based solar company that operates in 14 states.

Cost is another factor that holds people back.

Purchasing and installing a solar system can cost thousands of dollars, depending on how much electricity you want to generate.

"You'll need to pay for it up front," Resch said. Some people use home equity loans, or lines of credit or other means of financing.

Want to go solar but don't have the money to buy a system? Try leasing one.

Leasing has opened up solar to a whole new group of homeowners, said Jonathan Bass, SolarCity spokesman.



This Thursday, July 18, 2013 photo shows a house owned by Ketch Ryan with solar panels installed on the roof in Chevy Chase, Md. To help neighbors, Ryan helped found a cooperative, Common Cents Solar. The first thing is to get an assessment of your roof and whether it's viable for solar. The condition of the roof, the type of roofing material used, and the angle are among the things that need to be looked at. (AP Photo/Manuel Balce Ceneta)

"We think of ourselves as an energy provider," he said. "Installation is free and the customer pays for electricity."

Solar-generated electricity, that is, for a monthly fee. The cost is lower

than if purchased through the electric company.

"We insure the system for the customer," Bass said. "We provide monitoring service. We provide repair service... . And we also guarantee the performance of the system."

Jeff Hodgkinson of Mesa, Arizona, said it was that full-service option that prompted him to lease. He paid the full cost of the 20-year lease at the start and expects to begin realizing the savings in about five years.

Going solar for his electricity and hot water was part of a broader effort, he said. "We had moved into a new home," he said. "One of the things I wanted to do was make the house very energy efficient."

The Energy Department's Office of Energy Efficiency and Renewable Energy has a similar message. Sam Rashkin, chief architect in the agency's Building Technologies Office, said people should consider solar "If it complements an energy-efficient house and can reduce their energy requirements." He said other energy-efficient features include well-insulated walls, high-performance windows, and [energy](#) efficient heating and air conditioning systems

If your options include solar, don't think you can drop the electric company altogether, though. You'll need it as a backup for those cloudy, rainy or snowy days when sun is at a minimum, or when you're using more electricity than your [solar system](#) can produce.

But on those days when you're producing more electricity that you can use, many states allow you to put the excess back into the electricity grid for use by others. Called net metering, it will show up as a credit on your bill.

"You're seeing your meter going backward," Ryan said. "That's fun."

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