What You Need to Know Before You Buy

Purchasing or leasing photovoltaic, or solar panels is a big investment in your home. There are many benefits to installing solar panels on your home or property - not only can you generate your own power and save on energy costs, but you may even be able to sell power back to the electric grid.

Before committing to installing a solar energy system in your home, make sure you fully understand all obligations and requirements in any purchase or lease contracts. Also, check with your electric provider about any rules or requirements on solar power buyback programs and rates.

Common Myths

1. Once I install solar panels I won't have to pay a utility bill.

Fact : Solar panels don't cover all your power needs. At night or on cloudy days, you will use electricity from the grid. You still might have monthly base charges from your electricity provider.

2. Installing solar panels will disconnect me from the electric grid.

Fact : Unless your system is specifically designed to be totally independent, you will still be connected to the grid. It is rare to be totally disconnected.

3. For electricity I sell back to the grid, I will get paid the same price that I pay when I purchase electricity.

Fact : The buyback rate is part of your contract with your electric provider. The buyback rate is usually lower than the retail price that you pay.

4. Grants or rebates from the state of Texas will greatly reduce the cost of solar panels.

Fact : The State of Texas does not offer grants or rebates for installing solar panels. (Texas Tax Code 11.27 covers property tax exemptions for solar panels.)

WHAT TO KNOW AND ASK

Questions for Solar Salesperson

Is my home a good fit for installing solar panels and equipment?

- Is the size of the solar energy system appropriate for the size of my home and my level of energy use?
- Roof Suitability
  - Is it in good condition?
  - How will the direction and tilt of my roof affect the design of the system?
  - Is my roof large enough to fit the solar panels and can it support the weight?
  - How much shade does my roof get?
- Solar Panel Maintenance
  - What kind of maintenance will I need?
  - How frequently?
  - Are maintenance costs included in my contract?
  - Who is responsible for repairs if your system is damaged by severe weather?
  - Who is responsible for any damage to my house caused by solar panels?

What are payment options for purchasing or leasing solar panels and equipment?

There are many ways to finance solar equipment and installation. Customers should carefully review any contract or agreement to clearly understand all terms and obligations. Sales, long-term leases and retail electric provider contracts are binding.

- What are my financing options? Explain the differences between leasing and purchasing options?
- What is the size of my down payment?
- How much is my monthly payment, and will it change over time?
- What is the interest rate on any financing?
- Are there any additional fees?
- Am I eligible for any federal or state tax credits?

- What are the ongoing costs of the system? How expensive is maintenance or repairs?
- How long is the system expected to last?
- Are the panels and installation covered by a warranty?
- What happens to the system when I sell my house? Will there be a lien on my property?

How do I register the system and who do I register it with?

The homeowner or the installer must register the solar energy system with the local utility (the company that manages poles and wires).

- Will the installer register for me, or am I expected to do that?
  If I am expected to do that, what steps must I follow?

Questions for Electric Provider

- Do you provide rebates or incentives for the installation of solar panels?
- Do you offer a net metering or buyback program for excess power put back onto the grid?
- What other services related to solar panels do you provide?

Buyback rates

Buyback rate is the price you are paid for any electricity you put back onto the grid.

- Rules for the buyback rate depend on what kind of provider you have.
- In areas where you can shop for your retail electric plan, you can shop for a plan with a buyback rate and other features.
- In areas of the state not open to competition, contact your utility to find out its buyback rate.
- City-owned electric utilities and electric cooperatives set their own buyback rates.

Need More Information?

Contact the Texas Department of Licensing and Regulation (TDLR). TDLR regulates contracts for the sale or lease of residential solar energy systems, including solar panels and solar shingles, with some limited exceptions.

https://www.tdlr.texas.gov/residential-solar-retailers/

Contact the Public Utility Commission of Texas (PUCT). The PUCT regulates the poles and wires companies that deliver power from the grid, except for city-owned utilities and electric cooperatives. The PUCT also regulates retail electric providers in areas where you can shop for your electricity plan.

Contact:

Public Utility Commission of Texas
Office of Public Engagement
(512)936-7343
public@puc.texas.gov

Additional Resources
U.S. Department of Energy - Homeowner's Guide to Going Solar
https://www.energy.gov/eere/solar/homeowners-guide-solar

National Renewable Energy Lab - PVWatts Calculator
http://pvwatts.nrel.gov/index.php