



# No Such Thing As Free Solar Panels (But they can be affordable!)

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**CLAIM:** You can get free solar panels installed on your roof!

**FACT:** Some companies offer solar panel installation for no money down, but it's not free—you'll be renting the panels monthly for the term of the lease (usually 20 years).

**CUB RECOMMENDS:** Explore your options. While leasing may make sense for some homeowners, buying your solar system outright could end up being much more cost-effective.

For several months now, we've been getting reports of door-to-door salespeople pitching "free" or "no money down" solar panels to homeowners all over Chicagoland. Sounds great! But are these offers legit?

In general, any company that says they'll install "free solar panels" on your roof is actually offering a solar lease.

Yes, the solar panels will be installed on your home for no money down, but you will have to pay the leasing company every month to lease the panels, and those leases typically last 20 years. Leases we've seen also include a provision allowing the company to raise the lease rate by 2.9% every year.

If you lease your solar panels, you are not eligible for the Federal Tax Credit or Illinois Shines incentive programs.

Combined, these two credits can help you pay off up to 60% of your installation cost within one year of your panels being connected to the grid.

In many cases this reduces the payback time to five to seven years. Within that time frame, your monthly electricity bill savings will have recouped the remaining cost of the panels.

With a solar lease, you will never see a return on investment, and do not see the full benefit of the monthly energy savings. Most people will pay more over the lifetime of a solar lease than if they purchased and financed a system.

There are many low interest loans available to help you finance the upfront cost of solar. Check Energy Sage's

explanation of solar loans, and list of providers for more information.

The most active solar leasing company in Illinois right now is Sunrun, an outfit out of California that has been selling and leasing solar panels for several years.

Sunrun peddles its leases door-to-door, often through third-party companies like Chicago Clean Energy Authority and Sun N Us. They're also at Costco stores, and have even partnered with Comcast to market their offer to Xfinity customers.

We've also heard of another company, called Vivint, marketing solar leases in the area. There are likely more.

So is leasing a good deal? Well, it depends.

Back when solar panels cost more, and there weren't state and federal incentives available to make rooftop solar systems more affordable, solar leasing was often a homeowner's only feasible option.

But now the price of solar panels is less than half of what it was 10 years ago. Plus, as we point out above, a combination of federal and state incentives can reduce the cost of a solar system on your property by up to two-thirds.

Before you sign a solar lease, find out how much it would cost to buy your system outright, and, if necessary, finance it. Many of the leasing companies themselves provide this option, but CUB recommends getting quotes from at least two different installers.

You can find solar installers near you by visiting the Illinois Solar Energy Association website.