



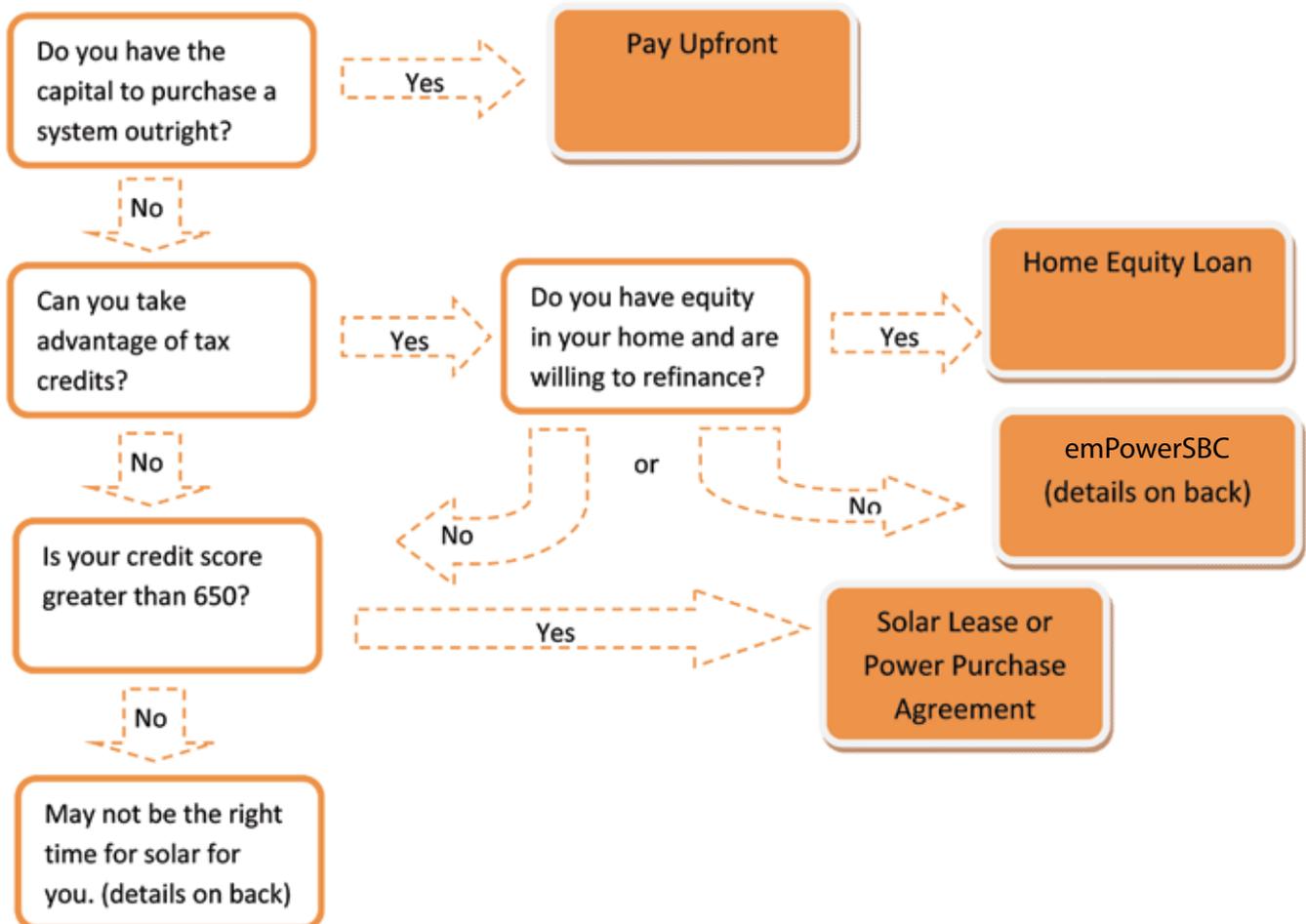
Solar Financing

Funding options to help switch to solar

Greening your life



In a climate like ours, where the sun shines more than 300 days a year, it would seem like every home and business would go solar. One of the main reasons we don't see solar on every rooftop is the upfront cost – even with rebates and tax credits, the out-of-pocket expense can be too high for some. The good news is that there are a number of ways to finance a solar system, from standard home equity loans to more creative leasing programs.



Your financing options

UPFRONT PAYMENT

If you have the capital to purchase a solar system by paying cash up-front, this option will give you the fastest return on investment because you will not be paying interest.

HOME EQUITY LOANS

Solar projects have traditionally been financed through a home equity line of credit (HELOC), which uses the value of your home as leverage. If you have equity in your home, this is a good option and can be done through almost any lending institutions. Most solar installers can point you to a lender that they have worked with previously. Tax credits and state rebates are still available if you take out a loan. Traditionally this type of financing has provided the best interest rates.

SOLAR LEASES AND POWER PURCHASE AGREEMENTS

A lease is still a type of loan, but instead of depending on the value of a home, it leverages the value of the solar system itself -- which means that a homeowner's credit score typically needs to be higher than 650 to qualify. The main benefit of a lease is that upfront costs are significantly reduced or eliminated, and maintenance is usually included. Payments are made on a monthly basis, as a lease payment for the equipment or as a payment for electricity (the latter is known as a power purchase agreement). While the system is eligible for state rebates, the homeowner will not get the tax credits.

Other programs

Paying for solar is getting easier every year as costs come down and creative solutions multiply. The following programs all aim to help reduce the cost barriers typically associated with solar.

NET EXCESS METERING

Homeowners can get paid for generating more electricity than you use in a 12 month period. Alternatively, you also have the option to roll over any excess generation indefinitely (which could be a great idea if you decide to get a plug-in electric vehicle in the future). If you have a solar array already and have not been notified of your options, contact your utility.

EMPOWER SBC

If you own your home and have completed some basic energy efficiency improvements through the Energy Upgrade California rebate program, you can qualify for a low interest loan through the county-wide emPowerSBC program. Through emPowerSBC, the County of Santa Barbara has partnered with Coast Hills Credit Union to offer low interest, unsecured loans to homeowners for energy efficiency and solar upgrades. Check out www.empowersbc.org for more information.

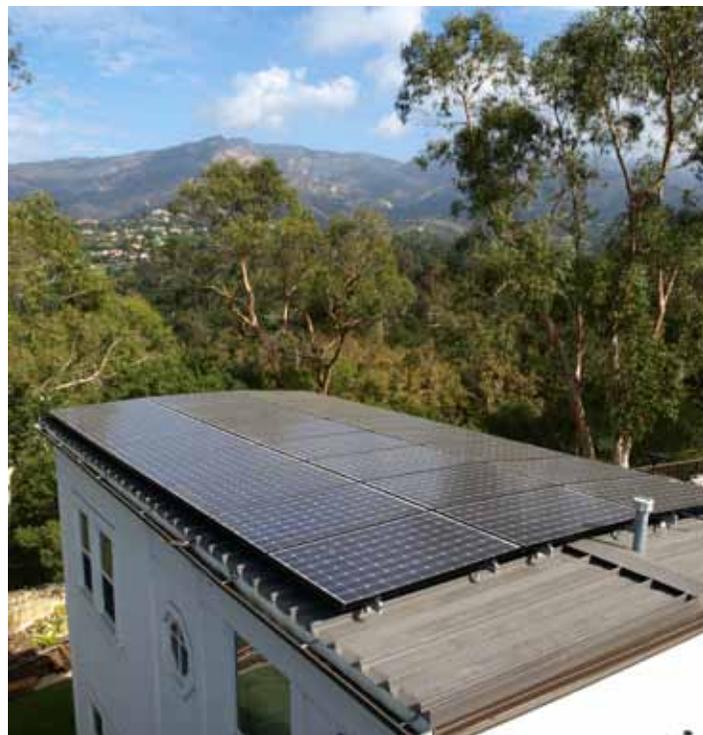
Resources

California Solar Energy Industrial Association

Residential leases and power purchase agreements
calseia.org/residential-leases-and-power-purchase-agreements.html

GetSolar.com

5 Things Buyers Should Know About Financing a Solar Energy System
www.getsolar.com/blog/wp-content/uploads/2009/04/getsolar_whitepaper3_financing.pdf



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