

What is a solar PPA/Lease & how does it work?

With a solar PPA/Lease, you do not own the solar system on your home. You, 'the Host' buy electricity from Solar Solution LLC 'the provider' which installs and owns the panels sitting on your roof. While solar leasing terms vary considerably, leases typically allow you to go solar with little to no money down and are based on 15 to 20 year contracts which usually allow you to buy the system at the end of the lease. Solar Solution leases are based on 15 year terms, after which the panels are transferred to the Host for only \$1.00.

In the industry, different people are often passionate that buying or leasing is better when going solar, but in actual fact either method of acquiring a solar system is a win-win situation for everyone. The answer as to whether it is better to lease or buy your solar energy system depends on the financial situation you are in and your intentions in relation to your property and a whole range of factors unique to the individual.



Advantages of a Solar PPA/Lease agreement

- 1- The first and most obvious advantage of a solar lease is that you don't have to come up with a large sum of cash to pay the large upfront capital cost to buy a system. Solar Solution provides a zero down solar lease deal where your monthly payments are lower than the amount you save on your utility bill, so you profit each month without ever making an upfront investment. I don't think people realize how rare it is to be able to make a profit, even a small one, without laying out any investment up front!
- 2- A second advantage, PPA stands for Power Purchase Agreement, which means your solar lease is an agreement based on you paying only for the power produced by solar panels placed on your roof at a specific rate. This rate is anywhere between 30% to 50% below the rate the utility charges you. Depending on how many panels you install, savings could be in the thousands each year!
- 3- A third advantage of a lease is that the provider is responsible for maintenance of the panels. This means that as the homeowner you do not have to worry about equipment failure.
- 4- And one last advantage, since you are only paying for the power produced by solar panels, if for any reason these panels are not working for a period, or are produced less power than quoted, then you get a credit for the any short comings of the system.

Disadvantages of a Solar PPA/Lease agreement

- 1- The first disadvantage of a solar lease is that usually they are very long term contracts. This means you are going to be tied to paying a monthly payment to the provider for 15-25 years.
- 2- Secondly, a solar lease can also create difficulties if you go to sell your property. Usually a provider will require that if you sell your house during the lease term that the purchaser of the house take over the assignment of the solar lease. However, if by that time there are cheaper and better solar products available and a potential purchaser does not wish to take over the lease, you may be required to pay a break fee to the provider.
- 3- Further disadvantages of a solar lease agreement is it usually has a rate escalation each year so that the electricity you purchase from the solar panels on your roof actually goes up in price annually.

Solar Solution has solved these three issues (disadvantages) by allowing you to terminate your lease agreement with absolutely no fees involved if you move from the property. Your payments will end, the when the new homeowner move in, they will be asked if they would like to continue the lease agreement where you left off. If they are not interested, Solar Solution will remove the panels and restore any alterations done on the roof at no cost to you.

Solar Solution also provides a fixed rate for the lifetime of the agreement. That means as electric rates increase year after year, your savings are more substantial and you will always know the amount you will be paying.