

Don't Get Burned in a Hot Solar Market

BBB Tips on Going Solar

Burnsville, MN – March 9, 2018 – With many people becoming more interested in solar power and the affiliated rebates and tax credits available to homeowners and businesses, Better Business Bureau® of Minnesota and North Dakota (BBB) offers tips on things people should consider before "going solar." While there are definitely potential benefits – both financial and environmental – there are also some risks involved.

"For many, solar power has much to offer," said Susan Adams Loyd, President and CEO of BBB of Minnesota and North Dakota. "But it's a decision that shouldn't be made in haste. Do the research, confirm any rebates or incentives on your own and always review company track records before signing a contract."

Before even starting conversations with businesses in the solar industry, BBB recommends the following:

- Contact your utility company. They will be able to advise you as to available rebates and incentives. Ask about local, state, and federal laws concerning standards and codes for solar panels. You should also inquire about net metering programs, which allow you to measure the difference between what you pay for energy you purchase and the value of energy that homeowners provide back to the utility from collection through solar panels.
 - Additionally, ask about the cost of installing a new meter, if applicable.
 - Ask for an energy audit to evaluate potential savings. From there, do the math. Is solar right for you?
- **Be clear about tax credits**. The federal solar tax credit, also known as the Investment Tax Credit (ITC) allows the deduction of 30% of the cost of installing a solar energy system from your federal taxes. That deduction runs through 2021, however it will be cut back to 26% in 2020 and 22% in 2021.
- **Dive into the details.** Research the average number of sunny days there are per year in your area and talk to an expert to make sure solar panels will be beneficial. Compare costs and decide if it is better to lease or purchase solar panels. Determine whether the panels will receive more light exposure on your house or in your yard.

- Choose a business. Once you have decided that solar panels are right for your home or yard, do some comparison shopping. Research businesses who lease, sell, and install them. Ask friends and family members who have solar panels installed for suggestions, as well as pros and cons. Search for reliable businesses through bbb.org by reading customer reviews and complaint details.
- **Ask the right questions.** Inquire about cancellation fees. Find out who pays for a repair if damage occurs during the installation process. If you're leasing your solar panels and have to move or sell your house, what are your options? Additionally, ask businesses what will happen if promised savings don't materialize. Be sure you're clear on the length and the terms of any contract before you sign on the dotted line. Make sure start and end dates are included.

In Minnesota, contractors are licensed through the <u>Minnesota Department of Labor and Industry</u>. In North Dakota, all contractor projects valued at \$4,000 or more require licensure through the <u>ND Secretary of State's Office</u>. Solar projects generally require electrical work, so it's important to make sure businesses you're considering are properly licensed.

Other things to consider:

- Is there a warranty on the solar panels and what does it cover?
- How old is your roof? If you have to have your roof replaced (on average every 20 – 25 years), will the company remove and replace the panels for free or will you be charged?
- Installation of panels on your roof may void your roof's warranty. If that's the case, who will be responsible if your roof leaks or needs to be replaced?
- Be sure to verify any claimed affiliations or partnerships with your utility company prior to signing a contract.

Going solar is a choice more and more people are making these days. But it's important to take the time to ensure that choice is right for you.

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