

THINKING OF SOLAR FOR YOUR HOME?

The City of Albuquerque is committed to developing sustainable renewable energy resources. Home solar offers many benefits, but not all companies offer straightforward options. Review the table below to see the differences between home solar contracts.

REVIEW THE DIFFERENT OPTIONS BEFORE YOU SIGN – A PURCHASE CONTRACT OR A LEASE OR POWER PURCHASE AGREEMENT ARE NOT ALL THE SAME FOR A HOMEOWNER.

PURCHASE OF SOLAR SYSTEM	SOLAR POWER PURCHASE AGREEMENT (PPA)	LEASE AGREEMENT
<p>WHO WILL OWN THE SYSTEM?</p> <p>YOU WILL OWN THE SYSTEM after purchasing it.</p>	<p>WHO WILL OWN THE SYSTEM?</p> <p>You will NOT own the system. THE COMPANY WILL OWN THE SYSTEM and sell you electricity even though the system is installed on your house. The contract may include an option to purchase.</p>	<p>WHO WILL OWN THE SYSTEM?</p> <p>You will NOT own the system. THE COMPANY WILL OWN THE SYSTEM. It is similar to renting a home. You do not own it, even if it is installed on your property. The contract may include an option to purchase.</p>
<p>PAYMENTS</p> <p>You may buy it outright or finance the payments over time, similar to a mortgage loan or car loan.</p>	<p>PAYMENTS</p> <p>It is a multi-year agreement to purchase electricity, not the system. The electric power is produced from a solar system that is installed at your home. Payments often increase over time.</p>	<p>PAYMENTS</p> <p>It is a multi-year agreement to lease the system. Payments are based on the contract/lease agreement and may increase over time, regardless of the cost of electricity.</p>
<p>SAVINGS</p> <p>You own the electricity produced from the solar system. It will offset and reduce your electric bill charges depending on the energy produced and electricity used.</p>	<p>SAVINGS</p> <p>Any savings resulting from the generation of solar power go to the company. Your kWh rate is fixed, but the amount of electricity produced will vary based on time of year. Your payments typically can increase over time, regardless of the cost of electricity. These factors will impact savings over time.</p>	<p>SAVINGS</p> <p>Any savings resulting from the generation of solar power go to the company. Your payments are set by the contract and typically can increase over time, regardless of the cost of electricity.</p>
<p>TAX INCENTIVES</p> <p>You get the benefit of any tax credits or incentives available.</p>	<p>TAX INCENTIVES</p> <p>The solar company gets the tax credits or incentive. The homeowner gets no tax credit or incentive.</p>	<p>TAX INCENTIVES</p> <p>The solar company gets the tax credits or incentives. The homeowner gets no tax credit or incentive.</p>
<p>COST</p> <p>It will vary by solar company and system purchased. Compare companies to get the best deal for your needs.</p>	<p>COST</p> <p>Many PPA contracts include an “escalator clause” that reduces your savings and increase your costs over time. Your electricity costs will be determined by the contract, not the actual cost of electricity.</p>	<p>COST</p> <p>Many lease contracts include an “escalator clause” that reduces your savings and increase your costs over time. Your electricity costs will be determined by the contract, not the actual cost of electricity.</p>

Research the company **FIRST**, before signing anything. Look out for complaints, lawsuits or reported problems.

DISCLOSURES REQUIRED BY LAW

New Mexico law requires the company to give you a disclosure form with important information about the agreement before you sign the agreement. Did you get one? Review it carefully before signing. Ask questions, if you are not sure. Do not sign papers if you do not feel comfortable with the agreement or the information provided. If you were not given the disclosures, please report it to the NM Attorney General's office.

WHAT ARE MY RIGHTS IF IT IS A DOOR-TO-DOOR TRANSACTION?

DOOR -TO- DOOR TRANSACTIONS:

- The company will often use a I-pad tablet for contracts signatures and disclosures and promise to email the documents to you. **BEWARE.**
- You have the right to request the contract IN WRITING before signing anything and the right to review it with enough time to understand its terms before signing.

IF YOU HAVE NOT RECEIVED A COPY OF THE CONTRACT, DO NOT ALLOW INSTALLATION OF THE SYSTEM. KNOW WHAT THE CONTRACT SAYS BEFORE INSTALLATION.

DOOR TO DOOR TRANSACTIONS REQUIRE THAT YOU BE GIVEN A RIGHT TO CANCEL NOTICE:

- You have a right to receive a Notice of Cancellation explaining your right to cancel the contract in a door-to-door transaction.
- This means **you can cancel the contract** – the sale, the lease or the PPA - **if you cancel within 3 days of signing the contract.**
- If the company does not give you a paper notice and tell you they will send you the contract by email, you may not get the disclosure in enough time to cancel before installation– or may not see the notice – or it may not be clear how to cancel in a timely way. **ASK FOR A WRITTEN DISCLOSURE** before signing.

WHAT ABOUT MY ABILITY TO SELL MY HOUSE WHEN I WANT TO?

PURCHASE/SALE OF SOLAR SYSTEM	SOLAR POWER PURCHASE AGREEMENT (PPA)	LEASE AGREEMENT
Purchasing a solar system for your home can increase the home's value. It can go with the home, when sold, as part of the home's equipment if included in the sales contract.	Having a PPA solar system may make it harder to sell your house. Since you do not own the solar equipment, it may impact your ability to sell. The buyers will be required to take over the PPA unless you first pay it off, which can be very expensive, or, if allowed by the contract, pay to move it to a new house. When you have a PPA, the company may also file a UCC notice– which operates like a lien against your home. That will also impact your ability to sell or refinance your home.	Having a leased solar system may make it harder to sell your house. Since you do not own the equipment installed on your home, it may impact your ability to sell. The buyers are required to take over the lease unless the homeowner pays it off, or, if allowed by the contract, pay to move it to a new house; each option can be very expensive.

FOR ADDITIONAL INFORMATION:

GO TO: <https://www.energy.gov/eere/solar/homeowner-s-guide-going-solar>

OR TO: <https://www.consumer.ftc.gov/articles/0532-solar-power-your-home>

This information does not constitute legal advice. Please consult an attorney for legal advice specific to your circumstances.