

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 options are the same. 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	POWER PURCHASE AGREEMENT (PPA)	LEASE AGREEMENT
<p>WHO WILL OWN THE SYSTEM? YOU WILL OWN THE SYSTEM after purchasing it. If you finance the purchase, the lender may have a security interest in the system until the loan is paid off.</p>	<p>WHO WILL OWN THE SYSTEM? You will NOT own or lease the system. The solar system will belong to the company. The contract may include an option to purchase.</p>	<p>WHO WILL OWN THE SYSTEM? You will NOT own the system installed on your property. THE COMPANY WILL OWN THE SYSTEM. It is similar to renting a home. The contract may include an option to purchase.</p>
<p>PAYMENTS You may buy it outright or finance the payments over time, similar to a mortgage loan or car loan.</p>	<p>PAYMENTS A PPA is multi-year agreement to purchase electricity – you pay for all of the energy produced by the solar system at rates set by the company which increases over time. This amount of energy produced will vary and is not necessarily the same as the amount of energy you use. In addition, you will still owe money to the utility, although typically your utility payments will be lower. Evaluating a PPA requires a complicated analysis of the amount of energy the system will produce and the rates charged by the company vs. the future rates charged by the utility.</p>	<p>PAYMENTS It is a multi-year agreement to lease the system. The lease is an agreement to pay to use solar equipment that generates electricity. Payments are based on the contract/lease agreement and may increase over time, regardless of the cost of electricity.</p>
<p>SAVINGS 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 You save when the solar kWh contract rate is less than the cost of power purchased from the utility. Your kWh rate may be 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 from the utility. These factors will impact savings over time.</p>	<p>SAVINGS You save when your monthly solar lease payment is less than your utility bill savings. Your payments are set by the contract and typically can increase over time, regardless of the cost of electricity.</p>
<p>TAX INCENTIVES You may be eligible for tax credits or incentives as available from the federal government or the state.</p>	<p>TAX INCENTIVES Since the homeowner does not own the system, you are not eligible for any applicable credits and incentives. The solar company gets any applicable tax credits or incentives.</p>	<p>TAX INCENTIVES Since the homeowner does not own the system, you are not eligible for any applicable credits and incentives. The solar company gets any applicable tax credits or incentives.</p>
<p>COST It will vary by solar company and system purchased, and your financing options may affect how much you pay. Compare companies and products to get the best deal for your needs.</p>	<p>COST Many PPA contracts include an “escalator clause” that, over time, increases the amount you pay for electricity generated by the solar energy system. This escalator should be disclosed in the contract.</p>	<p>COST Many lease contracts include an “escalator clause” that, over time, increases the amount you pay to lease the equipment. This amount should be disclosed in the agreement.</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 by visiting this webpage - <https://www.nmag.gov/consumer-complaint-instructions.aspx> or by calling 1-844-255-9210 or 1-505-490-4060.

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.
- **ASK FOR A COPY OF THE CONTRACT 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 GIVE 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.

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

PURCHASE/SALE OF SOLAR SYSTEM

Purchasing a solar system for your home may 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 although this may require the loan to be paid off or transferred at the time of sale. The loan company may file a security interest against your home associated with the system.

SOLAR POWER PURCHASE AGREEMENT (PPA)

Having a PPA solar system may make it harder to sell your house. Since you do not own the solar equipment, the buyers may be required to take over the PPA unless you first pay it off. You may also have the option to purchase the system, or pay to move it to a new house, depending on the contract. The company may also file a UCC notice which will be publically attached to the title of your home and will need to be resolved if you want to sell or refinance.

LEASE AGREEMENT

Having a leased solar system may make it harder to sell your house. Since you do not own the equipment, the terms in the agreement governing a sale of your house are very important to understand. The buyers may be required to take over the lease unless the homeowner pays it off. You may also have the option to purchase the system, or pay to move it to a new house, depending on the contract.

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>