

# Purchase Options

## Buying the System

- Typically higher up-front costs.
- Receive credit for excess electricity produced; See *About Net Metering*.
- May be eligible for tax credits and other financial incentives.
- Purchasing a solar system could maximize your financial returns.

## Leasing/Power Purchase Agreement

- A contractual payment plan to rent the equipment from the lessor/solar company.
- Customer purchases the power generated by the system at a set per-kWh price (may have an annual price increase).
- Solar company owns solar panel system and is entitled to rebates, tax breaks, financial incentives, etc. - not the homeowner.
- Agreements typically range 20-25 years with options to extend, remove, or purchase at end of term.
- If selling home, the customer will have to buy out the lease or transfer the lease to the new property owner.

## Solar Agreements/Financing

- Customer is the system owner.
- May be eligible for tax credits and other financial incentives.
- Terms for loans can vary from 5 to 20 years.

## About Net Metering

- Allows customers to only use the energy they need, and offset future energy bills by sending excess power back to the grid.
- Only billed for “net” energy use.

# ‘Before you Sign’ Checklist

If you’re ready to invest in rooftop solar, the Board encourages you to take a few moments and review the checklist below before signing a contract:

- I have obtained multiple bids for similar scopes of work to evaluate the best contract for my needs.
- I have verified the entity I wish to hire holds an “Active” Nevada contractor’s license prior to signing a contract.
- I have thoroughly read and understand all contract terms and had my questions/concerns addressed.
- Guarantees made related to the performance of the solar system are documented in the contract to my satisfaction.
- I have been informed of all potential costs and expectations regarding my purchase option.
- I understand I have three days after signing the contract to cancel the agreement.
- I understand my rights as a consumer and how to file a complaint with the Contractors Board or Public Utilities Commission.

## Additional Resources

### Nevada Public Utilities Commission

(775) 684-6100  
(702) 486-2600  
[www.puc.nv.gov](http://www.puc.nv.gov)

### Database of State Incentives for Renewables and Efficiency

[www.dsireusa.org](http://www.dsireusa.org)

### U.S. Department of Energy Energy Efficiency & Renewable Energy

(877) 337-3463  
[www.eere.energy.gov](http://www.eere.energy.gov)

## NEVADA STATE CONTRACTORS BOARD

[www.nscb.nv.gov](http://www.nscb.nv.gov)



**Southern Nevada**  
2310 Corporate Circle  
Suite 200  
Henderson, NV 89074  
Phone: 702-486-1100  
Fax: 702-486-1190

**Northern Nevada**  
5390 Kietzke Lane,  
Suite 102  
Reno, NV 89511  
Phone: 775-688-1141  
Fax: 775-688-1271

If you believe a contractor you hired has performed substandard work, you may file a complaint with NSCB. Complaint forms can be downloaded from our website: [www.nscb.nv.gov](http://www.nscb.nv.gov) or obtained at one of our offices.



## Residential Solar

A homeowner’s guide to solar purchase options, contract terms, and other considerations



## Is Solar Right for You?

As a Nevada resident looking to invest in residential solar, consider the following questions as you determine if going green is right for you.

### Staying Put or Planning a Move?

If you aren't planning on staying in your home for at least the next five years, you may want to rethink installing solar on your home, as it can take several years to recoup in energy savings the money you'll pay for your solar system.

### Roof Considerations

If you plan to re-roof your home within the next seven years, you may want to hold off installing solar panels, as you could lose anticipated savings with the cost to remove and re-install the panels down the road. Additionally, ensure your roof is south-, east-, or west-facing and not shaded by trees or other obstructions.

### Current Electricity Costs

Review your last 12 electrical bills to determine the amount of energy you use each year on average. Look at the amount paid per kilowatt-hour (kWh). It will be important to use this information when reviewing bids for solar systems to determine your breakeven point where the money you save each month will equal the cost of the system. Your bills will also give you the information needed to identify the size of solar system you'll need.

### Financing Options

It is important to research all financing options that may meet your financial needs and fully understand the conditions and requirements of a finance agreement before entering into a contract. Be aware of any inflation terms for interest rates over time, subjectivity to property liens, rebate options, and other related matters that may not be immediately noticeable or discussed.



## Digging Deeper: Project/Contract Details

### Materials to Be Used

Ask your contractor for specific information on the solar panel and inverters to be used, including the brand, and then research online or by calling the distributor directly to ensure the suggested materials are the best choice for your home needs.

### Structural Analysis & Building Permits

While most solar panel loads are well within the maximum weight limits of most roofs, you can request a structural analysis that reflects the actual structure of the supports in your attic. Also call your local building department to inquire about permitting needs that are required and ensure your licensed contractor obtains all permits before work begins. Request a copy of all permits and related documents for your records.

### Considerations for Roof Installations

To best prevent leaks, the industry recommends flashing or caulking the panel supports, verifying bolts in the attic are in the rafters or trusses, not the sheathing, and that the inverter is installed in a location with adequate air flow and/or shade to keep it cooler during hot summer days.

### Signing the Contract

Do not sign a contract until you have carefully read through all terms and confirm it reflects what you understand the agreement to be. *You have three days after signing to cancel the contract.*

### CONTRACT REQUIREMENTS

Effective June 15, 2017, Assembly Bill 405 was signed into law providing enhanced consumer protection requirements in solar contracts. It is recommended all consumers review the *Public Utilities Commission, "Consumer Protections in the Renewable Energy Bill of Rights,"* fact sheet for specific contract requirements.

- **COST:** Specific amounts due at signing and completion of the installation; information on monthly payments and the rate of any payment increases; and fees, incentives, tax breaks, etc. factored into the cost.
- **SOLAR PRODUCTION:** The estimated production of the solar system in the first year of operation, and any guarantees of the solar system's performance.
- **TIMELINE:** An estimated timeline for the installation with consideration for interconnecting with electric utility.
- **WARRANTY:** Minimum 10-year warranty required for installation, penetration into roof, component parts, including labor, collectors & storage units. Minimum 7-year warranty for inverters.

*Please Note: The NSCB has jurisdiction up to four years from the date work was performed to enforce the terms of a contract. Manufacturer warranties and warranties beyond four years may not be enforced.*

## Hiring a Contractor

Verify you're hiring a properly licensed Nevada contractor on the Board's website: [www.nscb.nv.gov](http://www.nscb.nv.gov) or by calling our office. Ensure the license is in 'Active' status, has a sufficient monetary limit for your project, and does not have a disciplinary history that causes you concern.

**There are a variety of solar options requiring one or more of the license classifications below, depending on the scopes of work to be performed. Contact the Board to ensure your contractor is properly licensed before entering into a contract.**

- C-1 Plumbing and Heating
- C-2 Electrical Contracting
- C-2(g) Photovoltaics
- C-15 Roofing and Siding
- C-21 Refrigeration / Air-Conditioning
- C-37 Solar Contracting

## Filing a Complaint

Individuals who hire a licensed contractor have up to four years from the date the work is performed to file a complaint with the Board if unsatisfied with the workmanship.

Simply access the online [Licensed Contractor Complaint Form](#) and submit it to the Board along with all supporting documentation. Upon receipt, the Board will begin its investigation into your concerns.

If workmanship issues are validated, the Board will work with both parties to resolve the concerns. The Board may recommend eligible homeowners to the [Residential Recovery Fund](#) in cases where remedy is not achieved.