

# Is This the Best Time To Go Solar, or Should I Wait?

 solarisesolar.com/is-this-the-best-time-to-go-solar-or-should-i-wait



In this blog, you will learn:

The cost of solar energy systems has been dropping over the past decade as the numbers of solar panel installations have been increasing throughout the country and the world. The Solar Energy Industries Association (SEIA) report (2020) indicates that solar panels for homes now are just 50% of the 2010 cost. With the equipment costs lowering so much over the years, homeowners who want to make the transition today may wonder if they should finally go solar *now*, or keep waiting to save even *more*.

## The Right Time to Install Solar Panels

If solar panel system prices continue to go down this year (2021) at rates similar to 2020, homeowners could expect to save around \$150 by waiting another year to purchase solar equipment and an additional \$150 off by waiting *two* years. However, there are *other* cost considerations that factor into the total financial return from investing in solar panels over the period of the same 1 to 2 years.

So, a homeowner *may* realize a relatively small potential savings of about \$150 per year or so by waiting to start using a solar energy system, if prices actually continue to decrease. However, at this point in the evolution of the solar market, those potential savings have become negligible, in contrast to the total amount to be gained financially by starting to produce your own electricity.

Every year you wait to begin generating your own electrical power and paying off your equipment is one more year that you're not yielding the financial benefits of *having* a solar energy system at work for you. The effective *loss of opportunity* to take advantage of

the available financial gains sooner is an effective *cost* of choosing the smaller savings on the price for solar panels later.

## Opportunity Cost Incurred by Waiting

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With increasing electric utility costs, you're missing savings you could be gaining by continuing to wait to stop paying your utility company for some or all of the electricity you use monthly. The average price of electricity for U.S. customers has escalated over recent years.

At that rate, over the coming years, your energy bills may increase by another several percent per year. This means that for every year that you do not have the benefit of solar energy generation, you're losing available savings. You are losing the opportunity to cut your utility costs by large amounts annually over the coming years.

Further, paying for electricity, even if the cost remains at the current utility rate, is likely to cost more than paying solar equipment payments. This means you'll save even while you pay your solar equipment payments *and* pay the utility company for the portion of your electricity that you will continue to buy until your solar equipment is paid off.

## Shrinking Incentives as Solar Use Grows

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Incentive programs from states continue to be phased out as solar costs shrink due to increased solar adoption. The much anticipated Consolidated Appropriations Act (2016) extended the federal investment tax credit (ITC) for renewable energy equipment to 30% through 2019. The credit was then dropped to 26% for new construction in 2020, and down to 22% on new construction in 2023. The ITC is scheduled to settle *permanently* at 10% starting in 2024!

Various state and local programs can also be expected to shrink and ultimately disappear over the coming years, as so many already have done. Solar incentives differ between states. Find out about rebates and other programs in your state, for clarity on how delaying your solar installation can be expected to affect the amounts of any tax credits and rebates you can get now.

## Expect SREC Programs to End

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A Solar Renewable Energy Certificate (SREC), like some other incentive programs, *pays you* for the solar energy your system produces. SRECs are still being offered by some state governments and utility companies. But, these production-driven incentive programs, like so many other current incentives, will no longer be offered as solar adoption continues expanding across the U.S. and global markets.

If your state offers SRECs, and if you're thinking about waiting to go solar, you should consider the lost value of the missed opportunity to generate income from your residential solar panels over future years.

## Current Financing Options Ideal for Going Solar

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Extraordinarily low-cost financing opportunities are still available at this point, making it exceptionally easy for homeowners and small businesses to have a complete solar energy system installed affordably. Many offer a \$0 down payment. Some even offer \$0 down and low finance charges. When determining whether waiting to see if purchase prices can fall even farther may make sense, be sure to include the lost opportunity cost of the likely lowest finance charges in the calculus.

## When Is It Really Time to Go Solar?

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Your “opportunity cost” is the cost of opting for savings on upfront purchase price instead of the greater financial gains to be had by investing earlier in energy independence with solar. It is recommended that you learn about your current solar options. Get an estimate of costs for solar panels to generate the amount of electricity that will substantially reduce your electricity bills — enough to offset the cost of your solar equipment payment.

Comparing the benefits of starting vs. waiting to go solar and advance toward full energy independence reveals clearly enough the greater advantages of reducing your use of the public power grid.

Advantages of Going Solar Now:

- Start saving money on energy bills.
- Stop renting power production and begin to own it for payments typically less than utility bills.
- Take advantage of sizable tax credits that are reducing every year.
- Get rebates and other incentives that are disappearing with each passing year.
- Increase your property value. See the Department of Energy report.
- Enjoy free electricity after your solar equipment is paid in full.
- Make money from the utility company for the excess power you generate.
- Be free from ongoing occasional utility rate increases.
- Realize a return on your investment in solar.
- Gain energy independence from the public grid and the utility company.
- Help preserve the environment.
- Stop using fossil fuels for your home energy needs.

Advantages of Waiting to Go Solar:

Potentially buy solar panels at \$150 cheaper for each year you wait.

## Solarise Solar, Colorado Springs Colorado

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Solarise helps Colorado homeowners and businesses get the best solar panels, installation, and pricing. Our commercial and residential solar energy systems experts will customize a solar panel array and your complete solar energy production system to fit

your needs and budget. We will help you go solar with no down payment and with low-interest financing.

**Call Solarise Solar, Colorado Springs CO at (719) 792-7725, or fill out our online contact form, to schedule your FREE Energy Cost Analysis and estimate for your home or business.**

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