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Coming to a Home Near You - Solar Panels

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Solar panels enhance home values, save on energy bills, and help the environment. courtesy of Solar City

“What’s the catch?” I asked.

Turns out it’s the question most asked of SolarCity representative Scott Stefan and other companies offering solar panel leasing on homes for nothing down. Leasing of solar panels in New York has exploded, driven by a law passed by the Legislature in June of last year that provides a generous tax credit to homeowners who lease their systems. Coupled with a 50% cut in the installation cost of such systems in the past five years, a solar roof may be in your future. SolarCity, a California-based company with 63,000 customers, has established an office in Hawthorne.

Here’s the deal being offered by companies like SolarCity, Sunrun and SunPower. They will install, maintain, insure and even guarantee production of electricity on a roof at a fixed price for

a period of 20 years that is less than what homeowners are paying Con Edison now per kilowatt hour. On top of that, homeowners will earn a New York State tax credit (which is as good as cash when taxes are paid), equal to 25% of the cost of a 20-year lease up to \$5,000. So for example, if a lease payment is \$50 per month, the initial savings of 10% off the current cost of electricity from Con Ed (never to increase for 20 years even if Con Ed rates rise) will be augmented by a \$3,000 New York State tax credit. That tax credit of \$3,000 means that the entire cost of electricity from the solar panels will be offset by the credit and free, in effect, for five years. In some cases, the solar panels will supply over half of the electricity that a home uses.



But Christopher Hale of SunBlue Energy, a local installer of solar panel systems, pointed out that consumers are paying a high price for giving up ownership.

“By purchasing the system yourself, you retain 100% of the savings, with your initial investment being paid back in less than six years,” he explained.

Hale said that the upfront cost, which in the case of my home would have amounted to about \$7,000 out of pocket with an advance of the federal and state tax credits from SunBlue--\$18,000 without it--is justified because the panels are quite reliable and unlikely to fail.

But the real payoff comes when you sell your house—as houses with solar panels sell for an average of \$17,000 more, according to research by the U.S. Department of Energy's Lawrence Berkeley National Laboratory. Even though solar leases are transferrable to the new owner, it remains to be seen if they will command the same premium.

Tarrytown Environmental Advisory Council Chair, Carole Griffiths, said she is already working with the *Southern Westchester Energy Action Consortium (SWEAC)* on a standardized approval process for solar panels on homes. Differing regulations by towns pose a serious challenge to installers.

According to the Tarrytown Department of Buildings, interest in solar in Tarrytown has been modest, with 13 permits since 2009. However, eight were issued in the last two years and more are expected as the public learns of the opportunity.

Whether it's leased or owned, residential solar power will have a tremendous impact on the power grid, with New York State committed to getting 30% of its power from renewables by 2015. The New York State Energy Research and Development Authority (NYSERDA) has reserved \$144 million for solar photovoltaic power between 2010 and 2015. Solar panels will save millions of pounds of carbon dioxide and pollution, reduce the need for brownouts, and cut the use of fossil fuels for generating electricity.

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