

Solar Energy

Solar Purchase and Financing Options

Consumers have three primary options to pay for an on-site Solar Photovoltaic (PV) system. Compare quotes from several solar installers to find the option that works best for your project. The chart below and a short [Rooftop Solar Financing Video](#) help to explain these options.

	Purchase (own system; own electricity)	Lease (lease system; own electricity)	Power Purchase Agreement (PPA) (neither own nor lease system; pay for electricity)
Relative Cost Comparison	Most money upfront; customer is responsible for maintenance of the solar PV system.	Little or no money upfront; customer is not responsible for maintenance of the solar PV system.	Little or no money upfront; customer is not responsible for maintenance of the solar PV system.
Financing	Customer pays for the solar PV system directly or through a loan. Customer owns the system and all electricity generated.	Customer leases the solar PV system but owns the electricity generated. Little or no cost to the customer for the solar PV system. In exchange, the customer agrees to sign a contract and pays for the solar PV system over a period of years or decades, rather than paying for the power produced.	Customer agrees to host the location of the solar PV system, but does not own or pay for the system and does not own the electricity generated. No cost to the customer. The customer signs a contract and pays the PPA company a pre-determined rate for the power produced by the solar PV system, which usually also includes an annual rate escalator.
Rebates and Incentives	Consumer is eligible for financial incentives, like the federal investment tax credit (ITC); interest on loans may be tax deductible. Consumer owns all solar renewable energy credits from the solar PV system.	Leasing company owns the system and will therefore ask the consumer to transfer the rights to tax credits and any government or utility incentives. Depending on the lease agreement, the consumer may or may not own the solar renewable energy credits from the solar PV system.	PPA company owns the system and will therefore ask the consumer to transfer the rights to tax credits and any government or utility incentives. Typically, the PPA company owns the solar renewable energy credits from the solar PV system.
Electric Bill Impact	Can significantly lower electric bills.	Can significantly lower electric bills.	Slightly reduced electric bill based on the premise that the customer is purchasing the electricity from the PPA company at a reduced rate; however, this is usually not guaranteed throughout the contract term given the annual escalation rate.
Installation and Maintenance	Consumer selects and manages the solar installer/developer and is responsible for the maintenance of the solar PV system.	Solar installer/developer builds and maintains the solar PV system on the consumer's property at no cost to the customer. At the end of the lease term, the solar PV system will either be removed by the solar installer/developer or it can be purchased by the property owner.	Solar installer/developer builds and maintains the solar PV system on the consumer's property at no cost to the customer. At the end of the PPA contract term, the property owner can extend the contract or buy the solar PV system from the solar installer/developer.

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