

IS SOLAR WORTH IT IN 2020?



Solar is a no-brainer for some homeowners, but the true savings from solar depend on a few factors

1. Review your electricity bill

How much do you pay each month for electricity? Savings from solar are largely dependent on how much you currently spend to purchase energy from your utility. Utilities charge homeowners based on the kilowatt-hours (kWh) of electricity consumed by the household each month. Electricity prices can range from 8-20 cents depending on the area, with the national average around 13 cents per kWh according to the U.S. Energy Information Administration.

Users with high utility rates save the most with solar because the energy generated by the solar panels eliminates the need for high priced bills from the utility.

The higher your electric bills, the higher your potential for savings with solar.



2. Evaluate your sun exposure

Solar production depends on the amount of sunlight that hits your panels throughout the year. More sunlight = more energy production from each solar panel. More production from each panel means you can power your home with less panels, leading to decreased solar costs and increased savings.

Your home's orientation toward the sun and the amount of shade on your roof also affect the amount of panels required to power your home.

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3. Estimate cost of the solar panels

Costs for your solar system vary based on the installer and the equipment used. It is important to look at more than price, as higher-priced panels also generate more energy and require less panels for your home altogether. Investing in high-quality panels can often save money in the long-run as minimal replacement expenses can make up for the up-front cost.

As with any investment, you should do research and get quotes from multiple companies in your area to avoid paying inflated prices offered by the large, nationwide solar installers. You can use an installer network like FreeWorld to compare quotes from top-rated solar installers in your area, which may save you thousands of dollars on your solar panel installation.



4. Look for government incentives

The government offers homeowners incentives to install solar as an alternative energy source. In Illinois, these incentives can **cover up to 56% of the cost of your solar system**, as shown below:

1. Federal Investment Tax Credit (ITC): The Federal ITC covers 26% of the total cost of the solar system in 2020. In 2021, the credit will drop to 22%, after which it will expire. These credits are calculated and claimed using IRS form 5695, which is submitted on the annual income tax schedule. Homeowners must have an income tax liability of an amount equal to 26% of the system cost to claim the full credit in year 1. The ITC is good for 20 years, meaning if you don't have the ability to claim the full amount in year 1, you will have subsequent years to claim the remainder of the incentive amount.
2. Illinois Solar Renewable Energy Credits (SRECs): The IL state-level solar incentive pays for an additional 25%-30% of the system cost, which is added onto the 26% provided by the Federal government. SRECs are calculated based on the value of estimated solar production of the system for the first 15 years after installation, and paid via check to the homeowner 3-4 months after installation.

If you live outside of Illinois, check out the Database for State Incentives for Renewables and Efficiency (DSIRE) to monitor solar incentives for the state in which you live.

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5. Choose how to finance your solar panel system

Choosing whether you buy or lease your solar panels will have an effect on the long-term savings generated by the system. \$0-down solar loans give you ability to install solar for no money out-of-pocket, and enjoy savings from month 1. A Solar Lease gives you the ability to lower your energy bill and enjoy maintenance-free solar, but does not add value to your home as the panels are owned by the lease provider. A 'cash purchase' leads to the highest long-term savings, but requires a large upfront investment to buy the panels outright.

Solar loans have gained in popularity since their introduction and now finance the majority of new home solar installations in 2020.

6. Make the call

If you live in an area with high energy rates and your home receives good sun exposure, it is worth installing solar panels while the Federal and State tax incentives are in effect.

Investing in your energy while these incentives are in place allows you to protect your financial future, gain energy independence from the utility, and harness clean energy, all while receiving government funds to do so.

READY TO GET STARTED?

TO FIND OUT IF SOLAR IS RIGHT FOR YOUR HOME, VISIT
[FREEWORLDSOLAR.COM/GET-SOLAR](https://freeworldsolar.com/get-solar)

OR

LEARN MORE AT [FREEWORLDSOLAR.COM](https://freeworldsolar.com)

IF YOU HAVE ANY QUESTIONS ALONG THE WAY, PLEASE CONTACT US AT
(312) 585 7761



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