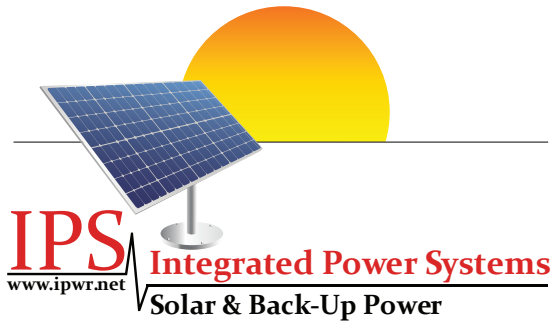


Money Matters



Does Solar Grid-Tie Make Cents?

Let's take a look:

- 1) Cost of a 10kW Solar Grid-Tie System
(Including materials, labor & permit) **\$22,600**
- 2) First year electrical production **13900kWh**
(data from a 10kw system in the Okanagan)
- 3) Net Metering Savings after one
year (A blended rate at 11cents/kwh) **\$1,529**
- 4) First Year cost of financing a
solar system on a 25 year
mortgage (3.29%) **-\$1,320**

Cash Positive: \$209

- Each year your return will increase by 5% due to electrical rate increases.
- Solar Panels are warranted for 25 years
- Return on investment over the 25 year term of 3 to 4 times the original cost.

“Borrowing money for an investment in Solar Grid-Tie can be cash positive in year one.”

The combination of rising electrical rates and falling solar product costs has created the perfect storm for a wise investment in clean energy.

It is projected that electrical rates in British Columbia will increase annually at a rate of 5%. So besides reducing or eliminating your electrical bill, where else can you get a 5% return annually on a working investment?

Studies have shown that home values increase by at least the original capital cost of the solar system (see reverse for details).



Is Solar a good investment for your home?

GreentechMedia.com

“According to a recent study led by Lawrence Berkeley National Laboratory, home buyers are willing to pay more for homes with host-owned rooftop solar systems.

The expanded study found that the “PV premium” adds about \$4 per watt, or roughly \$15,000 to the value of a home, based on an average-sized 3.6-kilowatt system. The premium holds across various states, housing and PV markets, and home types. The survey is based on data from the sale of 22,822 homes in total, 3,951 of which had PV in eight states from 2002-2013.”

Cost of Solar.com

The exact numbers vary from property to property and installation to installation, but recent research shows an average increase in resale value being \$5,911 for each 1 kilowatt (kW) of solar installed. In a state like California, for example, a small 3.1-kilowatt (kW) system can add an average of \$18,324 to the value of a medium-sized home.

The property value advantages of solar energy only increase as you scale up. Installing 5kW of solar panels adds an average of \$29,555 to the retail value of a medium-sized home. In addition, installing solar panels not only helps you fetch a higher asking price, but it can also help your home sell 20% faster as properties without solar installations. For homeowners who want to reduce exposure, paperwork, and wait times, this can be a huge advantage.

The National Renewable Energy Laboratory offers a useful guide when determining how much your property's value will go up. According to its research, each additional \$1 in energy bill savings (from your solar installation) adds \$20 to your home's total value. Installing solar panels is one of the safest and wisest investments you can make.

- You enjoy electricity bill savings over the 25 – 30 years of your solar PV system's lifetime. As utility rates increase, those electricity bill savings grow increasingly large with time. Even if you never sell your home, your installation fully pays for itself many times over.
- If you do decide to sell, you fetch a higher premium, which again, more than covers the upfront cost of installing solar panels.

In other words, with the right-sized installation, solar energy is an investment that potentially pays a 200%+ return – far in excess of most any other financial vehicle you can imagine

WaldenLabs.com

Let's say you have A SYSTEM THAT PRODUCES \$2,000 A YEAR IN SAVINGS/INCOME. If the prevailing fixed mortgage rate is 5% (0.05), then the increased value of the home is:

That would be \$2000 divided by 0.05 = \$40,000

That's not bad, not bad at all. It's one of the few improvements to a home that actually increases its value.

Cnet.com

An economic study has found that installing solar photovoltaic panels increased home values by about 3.5%, which on average covered the installation cost. The National Bureau of Economic Research (NBER) recently released an analysis that found solar panels add between 3% and 4% to the value of a home. That result is consistent with a study released in April by Lawrence Berkeley National Laboratory which found that solar photovoltaic (PV) panels have a “sizeable effect” on home prices.

NYTimes.com

New research sponsored by the Department of Energy shows that buyers are willing to pay more for homes with rooftop solar panels – a finding that may strengthen the case for factoring the value of sustainable features into home appraisals.

Researchers found that buyers were willing to pay a premium of \$15,000 for a home with the average-size solar photovoltaic system (3.6 kilowatts, or 3,600 watts), compared with a similar home without one. Put another way, that translates to about four additional dollars per watt of solar power.