

Solar Leasing

For Residential Customers

Richard G nec 

Vice President, Customer Energy Solutions



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  Austin Energy



What is Solar Leasing?



Residential Customers

- Receive on-site solar for no/low upfront cost
- Pay a monthly fee to lease solar/battery equipment



Leasing Companies

- Own the system
- Responsible for maintaining and operating the system
- Leverage tax credits and incentives to reduce costs



Installation Companies

- May provide the lease
- May partner with leasing companies

Why hasn't Austin Energy rebated residential leased systems before?

- By law, third parties can not sell power to customers in noncompetitive territories.
- Typical residential solar leases are structured as Power Purchase Agreements.
- Solar leasing can introduce complications.
 - What happens if the system goes down?
 - What if the home goes up for sale?
 - What happens if someone does not pay?
- A leasing program requires additional consumer protection and education.





Why change to allowing it now?

Expiring Tax Credits

Residential tax credits are going away, however commercial tax credits remain through 2027

Viable Alternative

- Creates a viable alternative to residential ownership
- Residential solar leasing is third-party owned by a commercial entity

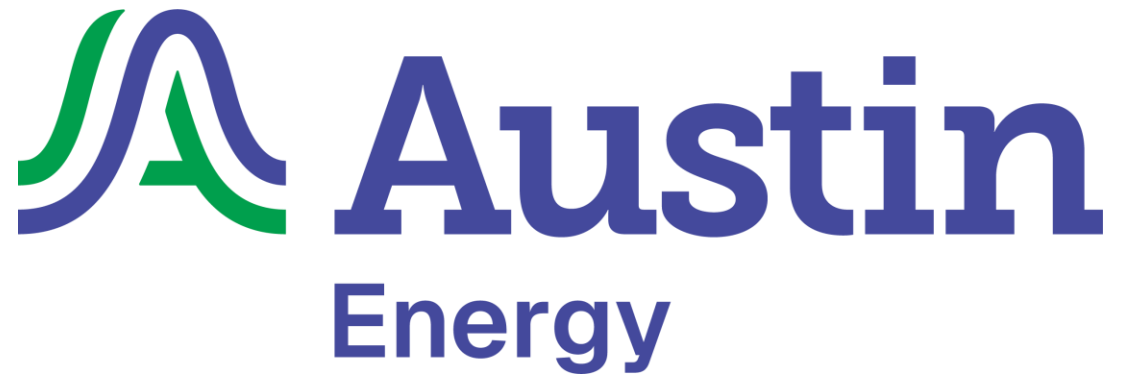
Support Local Solar Industry

Furtheres construction opportunities for local residential solar installers

Next Steps

1. Legal review of concept and structure
November 2026
2. Community stakeholder meetings
January 2026
3. Pilot program development and launch
February 2026





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