

# Solar Leasing

## For Residential Customers

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# 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



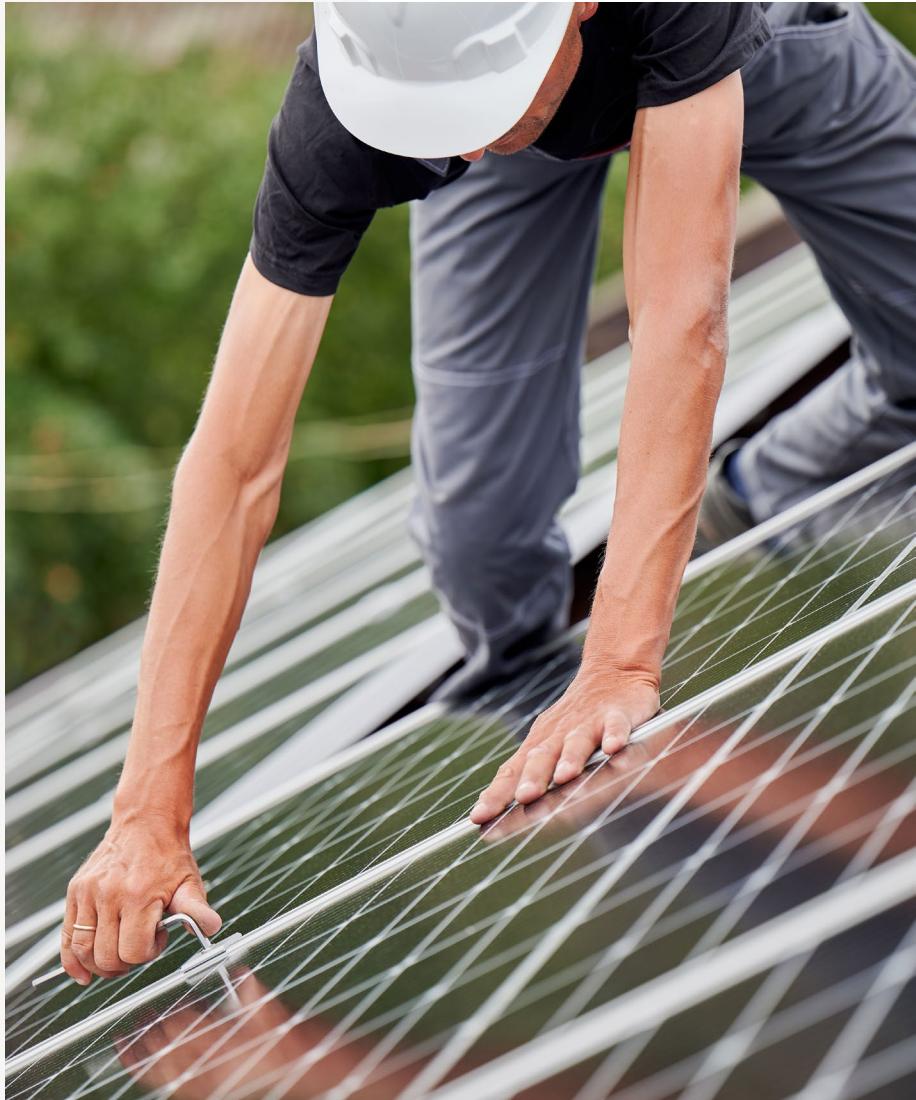
## Installation Companies

- May provide the lease
- May partner with leasing companies

# What are complications of exploring residential solar leasing?

- A leasing program requires additional consumer protection and education.
- Solar leasing can introduce complications.
  - What happens if the system goes down?
  - What if the home goes up for sale?
  - What happens if the lease is not paid?
- Under state law, Austin Energy is the sole provider of retail electricity in its service territory.





# What are advantages to explore solar leasing?

## Commercial Tax Credits

Residential tax credits are expiring, however commercial tax credits used in solar leasing remain through 2027

## An Alternative to Residential Ownership

- Residential solar leasing is third-party owned equipment by a commercial entity
- Solar equipment leases can create a viable alternative to residential ownership
  - With consumer protections and education
  - If structured to ensure the lessor is not selling power directly to Austin Energy customers

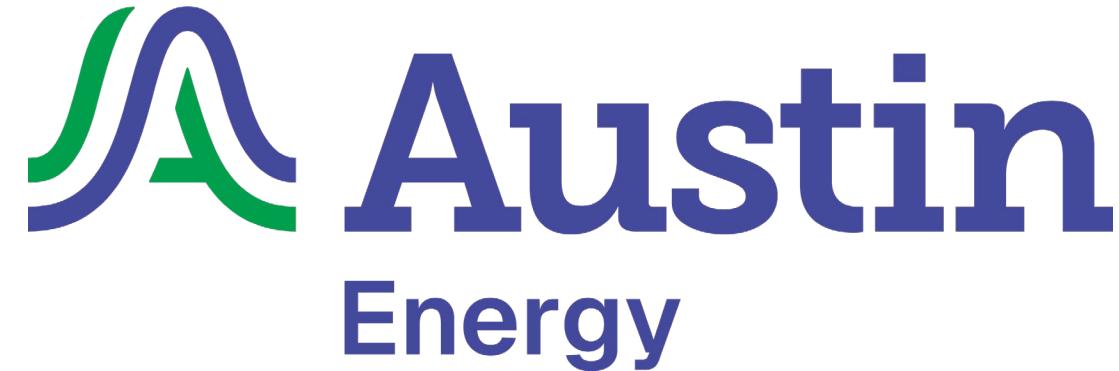
## Support Local Solar Industry

Further construction opportunities for local residential solar installers

# Next Steps

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





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