## Practical Guide to the Inflation Reduction Act





## **Solar Panels**

Rooftop solar uses solar photovoltaic (PV) panels to turn sunlight into electricity. PV panels can be installed on your roof, or in your yard for personal use or on public property for Community Solar. They produce no carbon emissions and can save you thousands of dollars a year.

Why Do it? To save money by generating carbon-free energy for your home. When? Any time, as long as you don't plan on replacing your roof in the near future. Who is this for? Rooftop solar for homeowners, community solar for renters.

The most common way to go solar for homeowners is the installation of panels on their roofs. These systems can be purchased directly through an installer (or assembled for the DIYers) as a large cash purchase or through relatively affordable financing (such as a 1.99% APR 15-year loan). There are also options for rooftop solar for those who may not have the capital to get a project started. These are solar leases, where a homeowner pays a fixed monthly cost to a company who retains ownership of a solar system; or a power purchase agreement, in which a homeowner pays for the electricity generated by solar panels rather than the system itself.

Of the home electrification options, solar photovoltaic (PV) electric generation is one of the easiest, most satisfying and most effective at lowering emissions. A typical home can reduce carbon emissions by 4.1 metric tons per year.

<u>In Ohio</u>, the average investment to own a 5 kW solar system ranges from \$13,100 to \$14,050, or \$2.62 to \$2.81 per watt. And that's before considering the benefits of any available tax credits or incentives. Payback periods are as low as 6 to 7 years.

Tax Credits: The Federal Tax Credit is 30% for rooftop solar and this applies to electrical panel upgrades as well. Community/leased solar may get 10-20% bonuses for low-income areas.

Rewiring America provides details of how to electrify your home with solar energy and backup batteries. Visit the <u>site</u>, get project guidance and details on all aspects of installing your solar panels including: Costs & Benefits, Rebates & Credits, Learn More, Project Guide and Contractors.

## **Series Topics**

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Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law (BIL) Summary

Rewire America IRA Calculator

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Solar Panels

Heating, Ventilation and Air Conditioning Heat Pumps

**Heat Pump Water Heaters** 

**Electric Cook Stove** 

Heat Pump Clothes Dryers

Rewire America Link



<u>Solar United Neighbors</u> is an outstanding national nonprofit organization with a presence in multiple states including Ohio. They facilitate a coop for homeowners who are interested in coming together to jointly vet and decide on an installer at discounted group rates. They will also happily provide one-on-one guidance for your solar project. In addition to this direct support, they also actively promote legislation that improves local residential, community, business and school solar policies.



Solar United Neighbors and Rewire America have resources to assist you in finding a reputable installation contractor. Here are a few other sources that may be helpful when looking for a contractor: <u>Clean Energy Authority</u> and <u>Green Energy Ohio</u>. Talk to neighbors who have installed panels. It is recommended that you evaluate installers and get quotes from at least three.

If rooftop solar doesn't work for you, you may be able to participate in a Community Solar program. To make more Community Solar programs available, support the Community Solar Bill (Ohio HB 197). Details of the bill are available <a href="here">here</a>. The Ohio Community Solar Pilot Program is a win-win solution for Ohioans, offering cost savings, local investment, flexibility in siting, clean energy generation, and grid improvements. It is designed to alleviate the burden on electric customers who often bear the cost of system upgrades. Developers of community solar projects will cover 100% of the grid improvements required for their projects, including increased capacity and electrical infrastructure enhancements. Additionally, the program commits to delivering guaranteed bill savings to subscribers, reducing the overall expenditure on electricity and mitigating the need for further costly investments by electric utilities. This initiative offers a sustainable approach by generating clean energy locally, avoiding the need for extensive transmission lines, and benefiting the environment while reducing costs for Ohio residents.

A community solar companion bill (SB 247) was introduced in the Ohio Senate Energy and Public Utilities Committee. Go to this <u>link</u> to learn more and advocate for it. The advocacy alert is updated to send messages to key decision makers in the Senate AND House. Even if you have completed this action alert before – doing so again will send advocacy emails to Senators who have yet to hear from us. You can customize the e-mail message in the form (recommended). Or... Send as is!

For questions, comments, or to provide testimonials, good resources etc. contact: ohio@thirdact.org