FL Contractor/Homeowner FAQs

- **Q: Can you explain the solar tax credit?**
- **A:** The solar investment tax credit or ITC is a 26% federal tax credit on all solar systems – residential, commercial and or utility scale – installed in the US.
- **Q: Is the tax credit "refundable"? What exactly does that mean?**
- **A:** A refundable tax credit or incentive is one that requires no tax liability (tax bill) for eligibility. In other words, if you qualify for a $2000 refundable tax credit, the federal government will cut you a check for $2000 regardless of whether you owe or have paid them that amount in taxes or not. Again, the solar investment tax credit is non-refundable. Meaning, in order to take advantage of it, you need to have paid and or owe the amount of the credit in taxes. Let's look at a couple of scenarios to help make this make sense. In each of these scenarios the homeowner is purchasing a $16,000 solar system and is thus eligible for a 26% tax credit of $4,160.
    - **Scenario 1 –** The homeowner is a W-2 employee at a large corporation. Their employer will withhold $20,000 in taxes for them in 2020. When they file, they have $2,000 in deductions, leaving $18,000 in tax payments. In this scenario, the homeowner can take advantage of the full $4,160 and, combined with their other deductions of $2000, will get $6,160 back from the IRS.
    - **Scenario 2** – The homeowner is a 1099 contractor, meaning his or her employer or employers don't withhold taxes. At the end of the year, their total tax bill due to the IRS is $20,000. In this scenario, without any other deductions, the solar ITC would reduce the amount they need to pay to the government by $4,160 for a new total of $15,840.
    - **Scenario 3** – The homeowner is working part-time. Their employer has withheld roughly $1,500 in taxes and they have no other deductions to take. In this scenario, their $4,160 solar tax credit would cut their tax bill for this particular year to $0. In other words, they'd get a check back from the IRS for $1,500, which would leave them with ($4,160 - $1,500 = $2,660) $2,660 in credits to carry forward to the following year(s). The remaining credit must be used over the next two years. If there is any credit remaining after three fiscal years, the value of that credit drops to zero.
    - **Scenario 4** – The homeowner is a retiree and pays zero taxes against active income – income tax. In this scenario, the homeowner cannot take advantage of the solar investment tax credit.
- **Q: Does purchasing a solar system add value to my home?**
- **A:** The prevailing sentiment is that it does. Solar is still new, particularly to Illinois, so there's no local or regional data to pull from just yet. That said, there's quite a bit of third party on California and New Jersey and at the national level that paints a clear and positive picture. See below for just a couple of examples:
    - https://www.energysage.com/solar/why-go-solar/increased-property-values/
    - https://www.zillow.com/research/solar-panels-house-sell-more-23798/
- **Q: How does purchasing a solar system impact my property taxes?**
- **A:** Residential solar systems are 100% property tax exempt in the state of Florida
- **Q: Is my solar system covered under my homeowner's insurance?**

- **A:** Yes. Be sure to notify your insurance company upon purchasing/installing your new roof and solar system.
- **Q: Does purchasing a solar system increase my homeowners insurance?**
- **A:** In Florida, HO insurance companies are not allowed to increase rates for systems under 8kW – up to up to 22 panels with our Solaria 360s.
- **Q: Does my solar system require scheduled or proactive maintenance?**
- **A:** In a word, no.
- **Q: What if my panels get dirty? Do they still work? Should I wash them?**
- **A:** In the solar industry, we call pollen or dirt deposits from rainwater "soiling". Just like cloudy days, snow and rain, soiling is accounted for in your production and savings estimates utilizing over 50 years of local weather data. So, yes they still work and no, you do not *need* to wash your panels if they appears dirty. That said, if you would like to spray them off using something like a garden hose (not a pressure washer for example) that's certainly fine and you would not risk damage.
- **Q: Does my solar system work on cloudy days?**
- **A:** Yes. Ever gotten a sunburn on a cloudy day? Just like our skin, solar panels continue to absorb (mostly refractory) light and turn that light into energy on cloudy days.
- **Q: Will I still have power at my house when the grid goes down because I have a solar system?**
- **A:** You will not. While your solar system will continue to generate energy when the power goes out during the day, the system is designed to trap that energy at the individual panel level. This is a precautionary safety feature designed to protect power company employees in the field working on the lines to restore power to all customers. It's important that they be able to work without concern over live electricity from a solar system in their vicinity that they may or may not have knowledge of. Our systems are designed to keep them safe.
- **Q: I've heard a lot about the Tesla Powerwall. Should I get batteries with my solar system?**
- **A:** Just like solar, battery technology has come a long way over the past decade. That said, unlike solar, it is still cost prohibitive. A single Tesla Powerwall will cost a homeowner roughly $10,000 installed. Best case scenario, it will last 7-8 years. A single Powerwall will NOT power the average home in the event of a blackout. The average home in Florida would need at least 4 Powerwalls to do this. In addition, you will need to purchase a larger, significantly more expensive solar system to charge the Powerwalls or face purchasing more power from your utility company every month to keep the Powerwalls charged. When you compare the additional expense associated with batteries with the benefit – having power when the grid goes down – it simply doesn't make sense given the reliability of the electrical grid.
- **Q: Battery technology will keep getting better and more affordable. Should I just wait to get solar and batteries at the same time when batteries are more affordable?**
- **A:** In a word, no. Solar incentives – state and federal – will never be richer than they are today. Because of that and the price compression we've seen in solar over the past five years, solar is not going to get cheaper for the homeowner. On the contrary, it will actually get more expensive in 2021 when the solar Federal Tax Credit goes from 26% (2020) to 22% (20201). Home batteries however, will continue to get substantially more affordable over the next 10 to 20 years. GAF Energy Solar is compatible with an array of existing and future battery options should you choose to add that later. For now, the most affordable, lowest maintenance option for having power when the grid is down is a generator.

- **Q: Is the Tesla Powerwall compatible with GAF Energy's solar system?**
- **A:** In a word, yes. The SolarEdge inverters we use are the industry standard for battery backup compatibility. Our system is compatible with the Tesla Powerwall as well as storage products from virtually all other manufacturers.
    - **NOTE:** If a customer is absolutely going to install battery backup at a later date, its best for us to know up front. There may be some small but important tweaks we can make from a design standpoint to make a battery retrofit easier on the customer when they decide to pull the trigger in the future.
- **Q: How does the GAF Energy solar system compare to the Tesla Solar Roof v3?**
- **A:** In a word, favorably. Let's break this down:
    - **Price (for 4.32kW system before tax credit):**
        - GAF Energy - $3.94/w or ~$17,000
        - Tesla - $6.25/w or $27,000
            - Note – Tesla has consistently made claims that pricing would be $1.99/w but has not come close to delivering.
    - **Availability:**
        - GAF Energy – Available Immediately
        - Tesla – to this point, not commercially available.
    - **Proven Technology:**
        - GAF Energy – industry leading inverter and panel technology packaged with a leak proof mounting system with hundreds of deployments across Florida, Louisiana, New York, New Jersey, Pennsylvania, Illinois and California.
        - Tesla – new technology. Extremely small number (officially undisclosed) of deployments in limited geographies.