BILL'S HOME TECH
Home & Small Business Tech Solutions

An Extended Guide · No. 1503

Paying for Solar: Cash, Loan, Lease, PPA

Who owns it changes everything

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! Read this first — two honest truths about home solar

Two honest truths before we start, because they surprise a lot of good folks. First, home solar is a professional job — it takes a licensed installer, building permits, and your utility's approval to connect (called interconnection). This guide is here to help you understand, plan for, and live with solar; it is not a do-it-yourself project, and I never want you climbing on a roof or opening an electrical panel. Second, a plain grid-tied solar system — one without a battery — shuts itself off during a power outage, even in bright sunshine. That is a required safety feature, so the system cannot put electricity onto the lines while the crews are repairing them. If keeping the lights on during an outage matters to you, you will need a battery, and we will talk about that plainly. How you pay decides something big: whether you own the system on your roof or a company does — which changes incentives, control, and selling your home.

Four ways to pay, and one big fork

There are a few ways to pay for solar — cash, a loan, a lease, or a power-purchase agreement. Underneath them is one question that changes everything: do you own the system, or does a company? This guide makes that clear.

I'm Bill, of Bill's Home Tech in Portage County. I won't quote you prices or interest rates — those depend on you and the market. What I'll do is lay out the honest trade-offs so you can choose the path that fits your life, not a salesperson's commission.

The payment choice affects more than your monthly budget. It shapes who gets any incentives, who maintains the system, how much control you have, and what happens when you sell. Worth getting right.

★ Let's match the payment to your situation

Cash, loan, lease, or PPA — the best one depends on your finances, your plans, and your goals. Tell me about yours and I'll help you think it through, with nothing to sell you. Call or text (330) 200-8042.

The four ways, on one page

The whole landscape in a handful of points.

- ❑ Cash: you own the system outright — simplest, no payments, no interest.
- ❑ Loan: you own it, financed over time — watch for dealer fees baked in.
- ❑ Lease: a company owns the panels; you pay a set fee to use them.
- ❑ PPA: a company owns the panels; you buy the power they make, per unit.
- ❑ Own it (cash or loan) and any incentives and value are yours.
- ❑ Lease or PPA means little or nothing upfront, but you don't own it.

> **✔ The first question is always 'who owns it?'**
> Cash and loans mean you own the system. Leases and PPAs mean a company does. That single fact drives incentives, control, and how a home sale goes — so start there.

The big divide: owning versus not

Before the four options, grasp the fork they split on. It matters more than the monthly number.

If you pay cash or take a loan, you own the solar system. Any incentives that apply are yours to claim, you control the system, and it generally adds to your home's value. You're also responsible for it, though warranties cover most of that.

If you lease or sign a power-purchase agreement, a company owns the panels on your roof. You pay less (or nothing) upfront and they handle maintenance, but the incentives flow to them, you don't own the system, and a home sale gets more complicated. Neither path is wrong — but they're genuinely different.

> **✔ Ownership is the lens for everything else**
> As we go through the four options, keep asking: who owns it? That single question explains most of the differences in incentives, control, maintenance, and resale you'll read about here.

Paying cash

The simplest path, if you have the means: buy the system outright and be done with it.

With cash, you own the system free and clear from day one. There are no payments, no interest, and no financing fine print. Any incentives that apply are yours, the savings on your bill are all yours, and there's nothing to untangle if you sell the home.

The trade-off is the upfront cost — solar is a real investment, and paying cash means committing that sum now. For folks who have it and plan to stay in the home, though, it's often the most economical route over the long run because there's no interest.

> **✔ Simplest to own, simplest to sell**
> A paid-off system you own outright is the tidiest situation of all — nothing to transfer, nothing to explain, just an asset that came with the house. If cash is comfortable for you, it's hard to beat for simplicity.

Solar loans

A loan lets you own the system while spreading the cost over time. It's popular — but the fine print deserves care.

With a solar loan, you still own the system and keep any incentives and added home value; you just pay it off in installments rather than all at once. That makes ownership possible without a big lump sum.

The catch to watch is cost. Some solar loans carry 'dealer fees' baked quietly into the price to buy down a low advertised interest rate — so a loan-financed system can carry a higher sticker than a cash one. Read the total cost over the life of the loan, not just the monthly payment or the headline rate.

> **! Ask about dealer fees and the real total**
> A tempting low interest rate can hide a fee folded into the price. Ask directly what the cash price is versus the financed price, and what fees apply. Compare the total you'll pay, not just the monthly figure.

Leases

With a lease, a company puts its panels on your roof and you pay a set fee to use them. You don't own the system.

The appeal is little or no upfront cost, and the company handles maintenance since it's their equipment. In exchange, you pay a monthly lease fee, the incentives go to them (not you), and you don't build ownership or the same home-value benefit.

Watch especially for an escalator — a clause that raises your lease payment a bit every year. Over a long lease, that can erode the savings you were shown. And because the company owns roof equipment, selling your home takes an extra step, which we'll come to.

> **! Mind the escalator and the length**
> A lease that looks cheap today can climb year after year with an escalator, and these agreements often run a long time. Do the math over the full term, and know what happens if you want out early.

Power-purchase agreements (PPAs)

A PPA is a cousin of the lease. Again a company owns the panels, but instead of a fixed fee, you buy the power they produce.

Under a PPA, you pay for each unit of solar electricity the system makes, usually at a rate meant to sit below your utility's. Like a lease, it means little upfront and the company maintains the system and keeps the incentives. You're essentially buying solar power without owning the panels.

The same cautions apply: watch for a rate escalator that climbs yearly, understand the long term length, and know the rules for selling your home or ending the agreement. A PPA can make sense, but read it as carefully as any long contract.

> **✔ Lease and PPA are close relatives**
> Both mean a company owns the panels and you pay to benefit — a fixed fee for a lease, a per-unit rate for a PPA. The ownership consequences are the same, so weigh them the same way.

Two kinds of homes, two sets of needs

The best way to pay can look different in town than in the country, partly because of net metering and partly because of what you need solar to do.

If you live in town or the suburbs

In town or the suburbs, you're likely on a big utility with solid net metering, which supports the savings math behind loans and leases. Shorter, rarer outages may mean you're buying mainly for lower bills.

- Predictable net metering makes financed and leased savings easier to judge.
- If you'll stay put, owning (cash or loan) often wins over the long run.
- Compare a lease's escalating payments against steady ownership savings.
- Plenty of installers means you can shop financing offers too.

If you are out in the country on a well

Out in the country, a co-op's weaker net metering can change the math, and a well pump may push you toward a battery — which is easier to justify when you own the system and its backup.

- Weaker co-op crediting can make owning and self-using power more attractive.
- Backup for a well pump is simpler to plan when you own the system.
- Leases and PPAs may be less available or less suited to rural setups.
- If you're staying for the long haul, ownership's lack of escalators appeals.

> **★ Not sure which path fits your place?**
> Whether owning or a third-party deal suits you depends on your finances, your utility, and your plans. Tell me about them and I'll help you weigh it honestly. Call (330) 200-8042.

How paying affects incentives

Who owns the system decides who gets any incentives — and this is an area where the rules have recently changed, so tread carefully.

When you own the system (cash or loan), any incentives that apply are yours to pursue. When a company owns it (lease or PPA), the incentives flow to them — though they may reflect some of that value in the rate they offer you.

Here's the important, current caveat: the long-running federal tax credit for homeowner-owned residential systems has changed — it applied to systems placed in service through the end of 2025 and is not available for homeowner-owned systems afterward. These rules are set by Congress and can change again. Our incentives guide covers this, and you should confirm the current rules with a licensed tax professional before counting on any.

> **! Verify incentives before they sway your choice**
> Because the federal and other incentive rules have shifted and can shift again, don't let a salesperson's incentive math drive your payment decision. Confirm what actually applies today with a tax professional — our incentives guide explains why this matters so much now.

How paying affects selling your home

Someday you may sell. How you paid for solar makes that easy or complicated, so it's worth thinking about now.

A system you own outright generally transfers with the house and can be a selling point — the buyer inherits lower bills. A loan is usually paid off from the sale or, sometimes, transferred. Simple enough.

A lease or PPA is trickier: the buyer must qualify and agree to take over the agreement, or you must buy it out before closing. This can slow or complicate a sale, and there may be a lien-like filing tied to the equipment. Our selling-your-home guide walks through each case.

✔ Owning keeps a future sale simplest

If there's any chance you'll sell before too long, ownership — cash or a loan you can pay off — keeps things cleanest. A third-party agreement adds a step the buyer has to accept, so go in knowing that.

The escalator, explained

This one word appears in many leases and PPAs and quietly shapes the whole deal, so let's be clear about it.

An escalator is a clause that raises your payment (or your per-unit rate) by a set amount each year. It's presented as keeping pace with rising utility rates. But if utility rates rise more slowly — or your escalator is steep — your savings can shrink over the years, or even flip.

Not every lease or PPA has one, and not every escalator is bad. But you must know whether yours has one, how much it climbs, and what the payment looks like near the end of the term, not just at the start.

> **! Do the math over the whole term**
> A deal that saves you money in year one can cost you in year fifteen if the escalator outruns utility rates. Ask to see the payment for every year of the agreement, and judge the whole span, not the sunny start.

Liens and equipment filings

A slightly technical but important point, especially for third-party deals: there may be a legal filing tied to the equipment.

With a lease or PPA, the company that owns the panels may place a filing (sometimes called a UCC filing) noting their ownership of the equipment on your property. Some solar loans involve a lien too. These are normal, but they can affect refinancing or selling if not handled at the right time.

You don't need to fear these — just know they may exist and ask about them. When you sell or refinance, they have to be addressed, which is one more reason to keep all your solar paperwork organized.

> **✔ Ask if there's a filing, and keep the paperwork**
> Ask any lender or leasing company whether a lien or UCC filing will be placed, and file the details with your solar papers. It saves confusion when it's time to refinance or sell.

Who maintains and warranties the system

Maintenance responsibility follows ownership, and it's a real part of the trade-off.

If you own the system, you're responsible for it — though warranties cover most failures and solar needs little upkeep anyway, as our maintenance guide explains. If a company owns it under a lease or PPA, they typically handle maintenance and repairs, since it's their equipment producing the power they're selling or leasing you.

For some folks, having the company handle upkeep is a real comfort and a point in favor of leasing. For others, owning and dealing with the occasional service call themselves (with warranty backing) is well worth the incentives and control that come with ownership.

> **✔ Weigh convenience against ownership**
> A lease trades ownership for the company handling upkeep. Since solar is low-maintenance and warranties cover most issues, many owners find that trade isn't worth giving up the incentives and value of owning.

Control and making changes later

Owning your system gives you freedom that a third-party agreement may limit. Think ahead about changes you might want.

If you own the system, you can add a battery later, expand it, or modify it (with a pro) as your needs change. Under a lease or PPA, the company owns the equipment, so changes may be restricted or require their involvement — adding your own battery, for instance, can be more complicated.

If you value the freedom to adapt your system — especially to add backup down the road — that weighs toward owning. Our adding-batteries guide covers how that upgrade works when the system is yours.

> **✔ Owning keeps your options open**
> Think you might add a battery or expand someday? Ownership makes that straightforward; a third-party agreement can get in the way. Factor your future plans into the payment choice.

The four ways, side by side

The whole comparison on one page, to keep or photograph.

	Cash / Loan	Lease / PPA
Who owns it	You	The company
Upfront cost	High / spread	Little or none
Incentives	Yours to pursue	Go to them
Maintenance	You (warrantied)	They handle
Home sale	Simplest	Extra step

Neither column is wrong. Owning (cash or loan) suits folks who want the incentives, value, and control and plan to stay; a lease or PPA suits those who want little upfront and don't mind not owning. Choose by what matters to you.

What 'free solar' really means

You've seen the ads. Let's translate 'free solar' into plain English so it can't mislead you.

'Free solar' almost always means a lease or PPA — a company puts its panels on your roof at no upfront cost, and you pay them a fee or buy their power for years. Nothing is truly free; you're trading little-or-no upfront cost for a long agreement and giving up ownership and the incentives.

That can be a perfectly reasonable choice for the right household. The danger is only in not understanding it — signing a long contract thinking you got something for nothing. Read every word, and know you don't own the system.

! Free upfront is not the same as free
The word 'free' in a solar pitch refers to the upfront cost, not the deal. Look at the whole agreement — the term, the escalator, the ownership — before you decide whether 'free solar' is a good deal for you.

Matching a payment path to your life

A few honest pairings to help you see where you likely fit.

- **Have the cash and staying put:** paying cash is often simplest and cheapest long-term.
- **Want to own but need to spread the cost:** a solar loan — mind the fees and total.
- **Little upfront, don't mind not owning, want upkeep handled:** a lease or PPA may suit.
- **Might sell before long:** lean toward ownership to keep a sale simple.
- **Want to add a battery later:** ownership keeps that door open.

> **★ Let's find your fit**
> The right payment path is personal — it depends on your finances, plans, and goals. Talk it through with me and I'll help you see which fits, with no commission and nothing to sell. Call (330) 200-8042.

Reading the financing fine print

Whatever path you choose, the fine print is where the real deal lives. A few minutes here protects you for years.

- The total cost over the whole term, not just the monthly payment.
- Any dealer or origination fees folded into a loan's price.
- Whether a lease or PPA has an escalator, and how steep.
- The length of the agreement and any early-exit terms.
- What happens to the agreement if you sell the home.
- Any lien or UCC filing tied to the system.

✔ The monthly number hides the story
Salespeople love to talk in low monthly payments. The truth lives in the total cost, the term, and the escalator. Always ask to see the whole picture over the full length of the deal.

Questions to ask about paying

Put these to any installer or financing offer before you commit.

Q: Under this option, do I own the system or does a company?

The answer drives incentives, control, and resale. Make sure you're crystal clear on ownership before anything else — it's the fork everything hangs on.

Q: What's the total I'll pay over the whole term?

For a loan, ask the cash price versus financed price and any fees. For a lease or PPA, ask the payment every year including escalators. The total matters more than the monthly figure.

Q: What happens to this if I sell the home?

Owned systems transfer simply; leases and PPAs must be assumed by the buyer or bought out. Know the process now so a future sale isn't a surprise.

> **✔ Ownership and total cost are the two anchors**
> If you pin down just two things — who owns it, and what you'll pay in total over the whole term — you've understood the heart of any solar payment offer.

Red flags in solar financing

A few warning signs that a payment offer isn't being presented honestly.

- Only the monthly payment is discussed, never the total cost.
- 'Free solar' pitched without a clear explanation of the lease or PPA.
- A steep escalator glossed over or not mentioned at all.
- Pressure to sign financing on the first visit.
- Incentive savings promised without telling you to verify with a tax pro.

! Slow down when the paperwork gets pushy
Financing is where rushing costs the most. If you feel pressure to sign a loan or lease quickly, that's exactly when to step back, read every line, and get a second opinion. The deal will keep.

Common Questions

The questions I hear most about paying for solar.

Q: What's the difference between a lease and a loan?

A loan finances a system you own — you keep the incentives and value. A lease means a company owns the panels and you pay to use them, so the incentives go to them and a home sale gets more complicated. Ownership is the key difference.

Q: Is it better to pay cash or finance?

Cash is simplest and usually cheapest long-term since there's no interest, if you have it and plan to stay. A loan makes ownership possible without a lump sum — just watch for dealer fees and compare the total cost, not the monthly payment.

Q: What's an escalator, and should I worry about it?

It's a clause in some leases and PPAs that raises your payment each year. It can erode your savings over a long term, so always ask if one applies, how steep it is, and what the payment looks like near the end.

Q: Does 'free solar' really cost nothing?

No — 'free' refers to no upfront cost. It's usually a lease or PPA where a company owns the panels and you pay for years, giving up ownership and incentives. It can be reasonable, but read the whole agreement first.

> **★ Puzzling over how to pay?**
> This is a big, personal decision, and a neutral opinion helps. Call or text me at (330) 200-8042 and I'll walk through cash, loan, lease, and PPA for your situation — with nothing to sell you.

You don't have to do this alone

You just have to remember that a friendly, patient person is one call away.

I hope this guide made paying for solar feel a little less daunting and a lot more doable. Keep it in a drawer with your other home papers, come back to a page whenever you need it, and don't worry about memorizing anything.

When you'd rather have a hand, that's exactly what I do. I come to your home, work at your pace, and never make you feel rushed or silly for asking. A first visit is a flat $99, and for the parts that don't need me on-site I can often help right on your screen for $49. Every visit comes with a 30-day, come-back-free guarantee. I don't sell solar and I don't do the licensed electrical work or the rooftop install myself — I help you understand it all, ask the right questions, and line up a trustworthy local solar installer, so you never feel talked into anything.

> **★ Bill's Home Tech — real help, close to home**
> Call or text me at (330) 200-8042, or visit BillsHomeTech.com. Serving Atwater and all of Portage County. 30+ years of patient, plain-English tech help — and if you're ever not 100% happy with a visit, I'll make it right or refund it. That's a promise. — Bill

Four Ways to Pay for Solar

The heart of it: who ends up owning the panels

	Cash	Loan	Lease/PPA
Who owns	You	You	The company
Upfront	High	Spread out	Little/none
Incentives	Yours	Yours	Theirs
Maintenance	You*	You*	They handle
Home sale	Simplest	Pay off	Extra step

*Warranties cover most upkeep. Owning keeps incentives and value.

Own It, or Just Buy the Power?

The payment choice starts with ownership

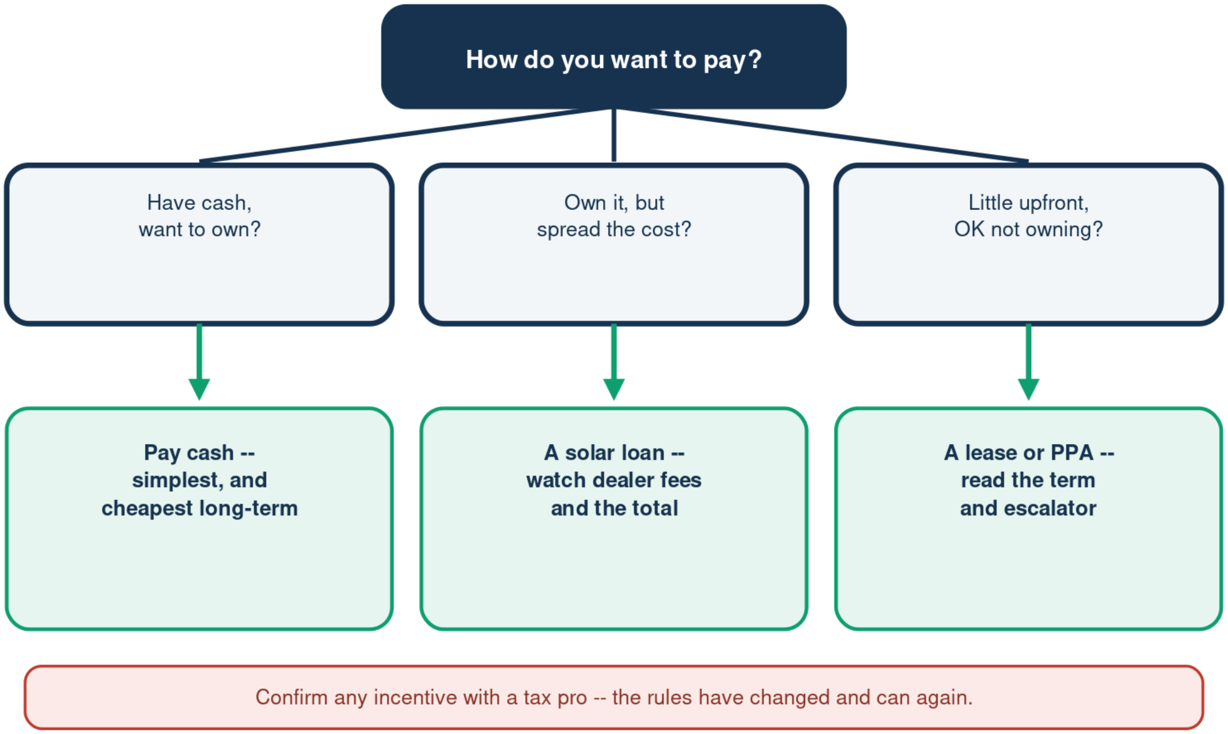

Illustration - a schematic, not to scale. Your setup may differ.

Owning vs a Third-Party Deal

Why 'who owns it' shapes everything

	If you own	If they own
Incentives	Yours to seek	Go to them
Home sale	Transfers easily	Buyer must assume
Control	Add a battery	May be limited
Maintenance	You, warrantied	They handle

Neither is wrong -- choose by what matters most to you.

Before You Sign Financing

Four checks that protect you for years

1. **Know who owns it**
   You, or the company?
2. **Find the total**
   Whole term, not the monthly
3. **Hunt escalators & fees**
   Yearly rises, dealer fees
4. **Read every line**
   Term, exit, resale, liens

The monthly number hides the story -- the total tells the truth.

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— Bill

Prefer help without a visit?

Bill can screen-share and fix many things remotely — a flat $49, free for Support Plan members.

A Note From Bill

A quick note from Bill.

I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that comes from using these guides. Thanks for reading, and stay safe out there.

— Bill

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