FINANCE DOMESTIC PV

Wider Domestic Market

A similar scheme aimed more broadly at the entire domestic market is now being highlighted by Solar Selections. The solar brokering service offers a UK wide, zero-outlay option for people considering solar power for their homes and small businesses. Countering the ownership issues again, this method involves customers purchasing the system for a deposit of £250 and then paying off the system's value with their feed-in tariff income over approximate terms of 8-10 years.

Basically what both of these finance options use as security is the 25-year guarantee on the feed-in tariff. Utilising dedicated MCS and REAL accredited installation teams, high-quality installations are assured and industry standard workmanship and performance warranties maintained. By choosing a repayment plan in line with their tariff income the approach works just as well as the 'free solar' method as it involves no negative financial position being reached.

Cash-flow positive domestic PV finance

Key Benefits:

- Ownership of the system is retained by property owner the entire time
- Small deposit of £250
- Installation of a solar panel system (<4kWp) by our dedicated MCS & REAL accredited installation team at *zero cost*
- Above industry standard five year workmanship and post-installation service provided by experienced Installation Company
- Insurance underwriting available
- Spreading the cost of the system means the tariff income alone covers all repayments
- First payment is deferred for 12 months
- The property benefits from energy savings throughout the repayment process
- Choose to borrow from one year to 25 years – pay the remaining amount off at any time
- Choose from a range of accredited Panel and Inverter options
- Credit available to most, >95 percent success rate

Cash flow positive example with no outlay

Let's take a look specifically at how the repayments for a 4kWp system would maintain this cash-flow positive position. As can be seen from the table below, the first 12 months require no payments and allow the customer to build up a small net profit. By using these savings as a buffer as the payments commence a cash flow positive position can be maintained and no out of pocket expenses experienced besides the initial £250 deposit.

Example* for a 4kWp system Financed over 10 Years

Yr.	Avg. 4kWp Income/month	Repayments/ month	Cumulative Net Profit
1	£64.47	£0.00	£773.69
2	£66.41	£81.00	£598.59
3	£68.40	£81.00	£447.40
4	£70.45	£81.00	£320.83
5	£72.57	£81.00	£219.63
6	£74.74	£81.00	£144.55
7	£76.99	£81.00	£96.37
8	£79.30	£81.00	£75.92
9	£81.67	£81.00	£84.00
10	£84.12	£81.00	£121.49
11	£86.65	£0.00	£1,161.27
12	£89.25	£0.00	£2,232.24
13	£91.92	£0.00	£3,335.34
14	£94.68	£0.00	£4,471.53
15	£97.52	£0.00	£5,641.80

Note: These figures do not include the bill savings made through installing a 4kWp system on your home. A 4kWp system will save approx. **£220** (assuming 50% consumption) in year 1.
* This is for example purposes only, repayment amounts will change depending upon system selection, credit rating, etc. Repayments may be slightly lower or higher. Terms and conditions apply and eligibility is limited.

Commercial Power Purchase Agreements (PPA)

Finally the commercial and solar farming sectors are seeing a boost in procurement options with the exploration of power purchase agreements, or PPAs. Specialised installation firms are offering free installations of solar power systems on large rooftops or farms and vetting a set price for the energy with the land owner. This allows the land/property owner to insulate their business against rising energy costs by ensuring a cheap source of energy is accessible for the decades of the systems output.

For example, if the property was currently experiencing flat energy rates of 10-12p per kWh, a large-scale system could be installed for no cost and a PPA established at 7-8p/kWh. This would allow a proportion of the energy used on site to be purchased for cheaper than market rates and lower running costs.

This is an attractive prospect considering the zero-outlay aspect of the system and the large energy production capacity of a PV system located on a commercially sized ground space or roof area. However, the mortgage and re-sale complications associated with the ‘rent-a-roof’ scheme have not been ironed out for this particular approach. It is likely that a similar or even more complicated situation could arise in such an event, so careful consideration of this approach is encouraged.