



Abbreviated: Michigan Residential Smart Solar Shopping Guide

Introduction

This *Michigan Residential Smart Solar Shopping Guide* is designed to help homeowners and small businesses learn about solar energy. It answers many of the most important questions people ask when preparing to purchase and install a solar energy system. For more in depth information, please see the [Full Guidebook](#).

Why Should I Install a Solar Energy System?

To begin, installing a solar energy system can improve the quality of your life and that of the broader community. People usually cite one or more of the following reasons for installing solar energy:

- Solar energy saves money on utility bills; Michigan utilities have among the highest electric rates in the Midwestern states, and the rates have been increasing steadily.
- Solar installations usually increase your property value;
- Solar supports a clean environment and helps fight Climate Change. Because utility power plants are among the largest contributors of the emissions that cause climate change, reducing purchases from your utility company will help reduce those emissions.

Sizing Your System: How Big of a Solar Energy System Can I Install?

1. Under Michigan law, for solar energy systems that will interconnect with the utility grid, a homeowner or small business can install a solar energy system that will produce enough electricity to meet 110% of the electricity you bought from your utility, over the 12 months prior to installing your solar system.
2. The size of your system may be governed by the amount of roof or ground area that has good solar access. The solar contractor will be able to determine how large an area this is and compare it with your electrical usage. If you have plenty of area for siting solar on your property, for systems that are connected to the utility grid (which will be almost all), your contractor will look at your utility bill and figure out how much electricity you have been using and then figure out how big a solar system you will need.

Different Types of Solar Companies

In all cases, it is wise to ask for and compare multiple proposals from different companies and to check references from previous customers to help make sure you are working with a reputable and honest company. You should also double-check to make sure that the company you are hiring has the required licenses for building and electrical installations and maintains insurance to protect your solar investment and your home in case anything does go wrong with your installation. Both GLREA and Michigan Saves maintain and make available directories of pre-qualified installers.

The Process for Obtaining a Solar Energy System

What follows is a list of the initial steps typically involved in obtaining a solar energy system:

1. Provide the address of the property where you want to install a solar system. A solar contractor will review your property to determine where solar panels might be installed that will provide the best solar production.
2. Next, provide your solar contractor with a copy of your recent utility electric bill for the home where you want to install a solar system. The solar contractor will determine how much electricity you have used in the previous 12 months, and how much your usage varies during the heating and cooling seasons.
3. Your solar contractor will usually give you a preliminary analysis that will include how much electricity you have consumed over the past year, how big a solar energy system you will need to generate that amount (and for generating the additional 10% capacity) and whether your property (roof or a ground mount system) has enough unshaded areas where the solar panels can be installed. Contractors usually provide a drawing or schematic about where to mount the panels.
4. At this point, if you are still interested, the solar installer will make an appointment for a site visit, to visually inspect the building, property, and electrical service panel. This is done to confirm estimates and understand any site-specific details that are relevant for the installation.
5. Next, the solar contractor will offer a firm price for installing the system and you will decide whether to sign the contract as is, ask for amendments, or decline to complete the transaction. Once the contract is signed, the installer will handle the applications for building and electrical permits from your local government, and for interconnecting with the utility company. Then, the installer will install your system.

Understanding the Solar Energy Agreement

After you find a reliable contractor, it is very important that you understand the terms, guarantees and warranties, and all the content included in the contract. Since this is a legally binding agreement, it is important for the resident or their trusted agent to understand all of the details. It's recommended that the resident ask the contractor as many questions as needed to fully understand their contract and their future experience with their system. For a recommended list of questions to ask solar contractors, please visit: <https://ases.org/40-questions-to-ask-an-installer/>.

Different Ways To Pay For Your System

Usually the best return on your investment is to pay for the solar energy system with cash. If you can't do that, a home equity loan will probably have the least additional cost. If you can't get a home equity loan, a loan from Michigan Saves will usually have lower interest than a rate for an unsecured loan. There are also companies that offer financing as part of the deal, but one needs to be cautious about the rate and its variability.

Become a Member: Join GLREA and support this work <https://www.2glrea.org/membership>