

APS Deadline Approaching, Homeowners Must Act Now

Homeowners must sign up for solar and have an APS Solar Reservation approved by APS by end of day September 30th in order to receive and be grandfathered in to the current cash price for solar system production exported to the grid. Homeowners who go solar after the September 30th deadline will receive a substantially lower cash credit.

A typical rooftop solar system produces a large surplus of power in the Arizona spring months when we have abundant sunshine but little or no need for air conditioning. This power is sold to APS at the price set by the ACC and the cash credit is added to the customer's account. For systems that are designed to produce the same power per year as the homeowner consumes per year (1:1 ratio), the homeowner will sell 50% to 60% of their solar production back to APS which creates a cash credit that will be used to pay APS for the additional kWh's needed in the summer months when the system is producing a deficit amount of the power needed. This ends up being thousands of kWhs sold every year and so the price per unit is very important. The less homeowners get paid from APS, the less cash credit their spring production will generate and the more the homeowner will have to come out of pocket to cover the summer bills.

With the exception of 2020 when the ACC voted to postpone the price drop to October 2021 due to Covid, the price APS pays the customer for their credits has been dropping yearly since 2017 when the ACC approved ending Net Metering and replacing it with a form of Net Billing, known as RCP. Prior to 2017, customers who installed solar were grandfathered into Net Metering which provided homeowners a 1:1 kWh credit which meant they are getting full price for their production as compared to what they were being charged. A system

designed to produce 100% of the customers usage would leave them with a \$20 remaining bill for APS fees and other taxes.

Since September 2017, homeowners have been getting grandfathered into the RCP program and their credit is based on the price that APS is required to pay in the year that they sign up. In 2017/18 that price was 12.9 cents. In 2018/19 it was lowered to 11.6 cents and then dropped again in 2019/20 to 10.45 cents where it is today and will be until September 30th.

At the current buyback rate a homeowner that has a 1:1 or 100% usage to production design will experience a \$40 to \$80 average remaining APS bill depending on system size. This has increased from the \$20 per month under Net Metering and will increase again for customers that go solar after September 30th, 2021.

The good news about RCP is that unlike Net Metering, homeowners can reduce their annual APS net bill to \$0 per year by increasing the number of panels to produce enough additional cash to cover the APS differential in prices, fees and other taxes. Once the buyback rate drops in October it will take more panels to get the net to zero.

There is very little, but enough time left, to get a solar system custom designed for your home and have the APS Reservation submitted and approved before the deadline. Contract SunSolar Solutions today at 623-562-9009 to have the design prepared for your home free of charge.

Michael O'Donnell is a partner and Vice President of Sales for SunSolar Solutions, a local Arizona solar sales and installation licensed contractor.

GO SOLAR



Call Today
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