

PSEG takes over loan program for home rooftop solar systems

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A PSEG Long Island truck on July 10, 2014. (Credit: Newsday / John Paraskevas)

PSEG Long Island will take over and enhance a popular financing program for home rooftop solar systems that lets customers pay off the loans through their electric bill.

The programs are popular among those who purchase their solar systems rather than lease them, and PSEG plans to make them more attractive by combining short-term bridge loans to cover portions of the loans that are paid

back within a year when state and federal tax credits are paid, along with longer-term loans at market interest rates.

The on-bill loans generally allow customers to get solar with no money down. Under the new program, PSEG would be able to earn a small loan origination and processing fee, over and above its contractual fee with LIPA, as part of Gov. Andrew M. Cuomo's Reforming the Energy Vision plan.

Home solar systems can cost upwards of \$35,000, with around a third of that price covered by a federal tax credit. The PSEG loans will be for up to \$25,000.

Mike Voltz, director of renewable and energy efficiency programs at PSEG, said the utility is working to finalize details of the new program, which could offer new features that relieve customers of having to put down money or take out separate loans while waiting for state and federal tax credits for their systems.

"We are going to package it together," he said of the short- and long-term loans used to finance the systems.



Some 1,250 PSEG customers used the state's advertisement | [advertise on newsday](#) loan program last year, Voltz said, and the company plans to get the same number of customers when it rolls out the new program in or before September. A total of 11,200 new systems were installed last year.

The loan program could grow in importance as a separate initiative that offers rebates for residential solar systems winds down within the next two months, Voltz said.

The loans allow customers to pay off the cost of their solar systems with 5- to 15-year loans with payments made on energy bills. Customer bills can be no larger than they would have been before the solar system was installed. At the end of the loan, customers own the systems and have greatly reduced or zero energy bills.

"It's what brought solar to the masses, no doubt about it," said Joe Milillo, chairman of the Long Island Solar Energy Industry Association, a local installer and products group, adding he was optimistic that PSEG would be running the program.

Milillo, who owns Long Island Power Solutions in Islandia, said the state-run program has been fraught with red tape that sometimes delayed payments to installers until well after jobs were complete. "It took forever to get paid," he said.

The New York State Energy Research and Development Authority currently runs that program from Albany. Initially a loan program with a 3.49 percent and 3.99 percent interest rate, the program on Long Island was scheduled to transition to higher interest rates for all but low-income Long Islanders in February. But elements of the program will continue until the new PSEG program is established, Voltz said.

Voltz said the loan program initially will apply to residential rooftop solar systems, but over time it could be expanded to other green energy initiatives.

"For those who want to own the system, it's a convenient way to drive solar on roofs," Voltz said. "Once we put the infrastructure in place, there's no reason why we couldn't finance geothermal and other efficiency programs."

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