



Who owns the roof? Free solar PV offers

Virginia Graham / Mark Cutler

Microgen Conference 5 / 6 October 2011

What is free solar PV?

- some companies are offering to provide solar PV free of charge
- can be to domestic consumers and to housing association local authority tenants
- companies borrow money and fund the system in return for the Feed-in Tariff and export premium it will earn over 25 years
- consumer benefits from some free electricity.

Conditions for free solar PV

- for maximum returns finance providers require 'perfect' roofs only
- south-facing, no shading, optimal angle, set size, e.g. 2.4 / 3.6 kWp
- installers must be MCS certified / REAL members
- governed by landlord / tenant contract where consumer is the landlord

Possible good candidates

- charitable or community buildings that use a lot of electricity during the day
- older people who are not likely to pay back on a paid for solar PV system
- housing associations or local authorities where fuel poor tenants will benefit directly from lower electricity charges
- those looking to raise finance against the equity in their panels later on (?)

REAL requirements for free solar PV providers

Free solar PV installers must:

- comply fully with the Code
- provide full information about the value and terms of the arrangement as well as the additional information listed on next slide before a contract is signed
- ensure the contract is fair and reasonable
- allow a cooling-off period
- provide a workmanship warranty.

Additional information required (1)

- what is the full value of the expected Feed-in Tariff income over 25 years?
- what would the up-front cost of the system be if purchased outright or with a loan or mortgage extension?
- are any charges payable by the consumer?
- what is the exact estimate of electricity costs the consumer will save based on current electricity bills?

Additional information required (2)

- will the consumer receive the FiT income once the capital cost of the system has been repaid?
- does the consumer own part of the system from the start (a hybrid system)?
- what are the arrangements for maintaining and insuring the system
- what is the status of the relevant manufacturers' and installers' guarantees?

Additional information required (3)

- who will be responsible for removing the system at the end of its useful life?
- what are the arrangements for assigning the arrangement if the property changes hands?
- what are the arrangements for terminating the agreement?
- can the consumer opt to purchase the system at a later date?

Issues to consider carefully

- what are the implications for the consumer's existing or future mortgage?
- will the arrangement need to be notified and approved by the Land Registry?
- if the property is leasehold will the freeholder's permission be required?
- what are the implications for the resale value of the property likely to be?

Points to watch for in the lease

- where does legal ownership of the system lie
- what happens if the roof needs work in future
- what happens if the consumer wants to renovate or extend the property in future
- if the system doesn't produce will the consumer be responsible and have to pay
- will the tenant have any additional rights over the property or air space and what will this mean in practice?

Unscrupulous traders

Scams we have heard about:

- asking consumers to pay £500 upfront for 'free' solar PV
- signing consumers up and then ignoring them for over six months with no information
- visiting consumers interested in free solar PV and then selling them expensive paid-for systems.



For more information please visit:

<http://www.realassurance.org.uk>

or contact us on:

info@realassurance.org.uk