



SOLAR AND STORAGE

MARKETPLACE REPORT

AND ELECTRIFICATION CONTRACTOR SURVEY

21ST EDITION | FALL 2025



Foreword

We are excited to share the 21st edition of the *EnergySage Intel: Solar & Storage Marketplace Report*, covering the six-month period from January through June 2025, combined with our annual 2025 Electrification Contractor Survey, fielded in January to March 2025. We are witnessing the solar industry's most significant transformation since EnergySage began tracking residential market data in 2014. The passage of the "One Big Beautiful Bill Act" (OBBBA) in July, which cuts the 30% federal tax credit for residential solar and storage systems installed after December 31, 2025, combined with new tariffs and the persistence of interest rates above 20-year norms, has created a perfect storm that's reshaping how contractors operate and how consumers approach clean energy investments.

This report reveals an industry in transition where historic price reductions collide with unprecedented policy headwinds. While our data was collected before the OBBBA's passage in July and the implementation of additional tariffs in August, it provides critical insight into installer confidence and market dynamics as the industry adapts to these sweeping changes.

HERE ARE SOME OF THE TOP FINDINGS FROM OUR 21ST MARKETPLACE REPORT:

- **Residential solar prices remained at historic lows; storage costs rose modestly**

Solar installations maintained their record-low median price of \$2.48 per watt in H1 2025, unchanged from H2 2024, as installers absorbed financing cost pressures rather than raise prices ahead of anticipated policy changes. Meanwhile, storage prices increased by 4% as tariffs on Chinese battery components took effect, marking the first increase after two years of declining prices.

- **Financing landscape shifts as third-party ownership gains strategic advantage**

Median loan rates climbed to 7.5% in H1 2025, with 38% of contractors reporting decreased loan demand as customers sought alternatives to high-rate financing, while 94% of installers reported that cash buyers increased or remained stable. Because the OBBBA protects tax credits for third-party ownership (TPO) longer than for purchased systems, TPO is positioned for significant growth in 2026.

- **Contractors expressed widespread concern about industry headwinds**

92% of contractors expected the loss of the federal solar tax credit to harm their business, while 70% anticipated negative impacts from potential equipment tariffs. With 36% already reporting reduced profitability from higher interest rates, 84% citing higher labor rates in the past year, and 79% heavily dependent on solar-related revenue, many installers must adapt their business models to prepare for the post-tax credit environment.

The industry's response to these challenges will determine its trajectory for the remainder of the decade. Our data suggests that while the transition will be difficult, the fundamentals remain strong. The contractors who successfully embrace operational efficiency, provide excellent service to consumers, and diversify their revenue streams will emerge stronger in this new landscape.

Sincerely,
Emily Walker,



EnergySage | *Director of Insights*



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National summary: Solar pricing trends

Solar prices held steady at record lows.

EnergySage is the leading online comparison-shopping marketplace for solar, providing personalized quotes to homeowners from local, vetted solar companies in all 50 states and Washington, D.C. During the first half of 2025, quoted solar prices remained stable at their lowest recorded price set in H2 2024, a median of **\$2.48 per watt (\$/W)**, the most affordable solar has been since EnergySage began tracking data in 2014. For the median residential system size of 11.7 kW, that amounts to **\$29,016 before incentives**.

Installers absorbed financing cost pressures rather than raise prices

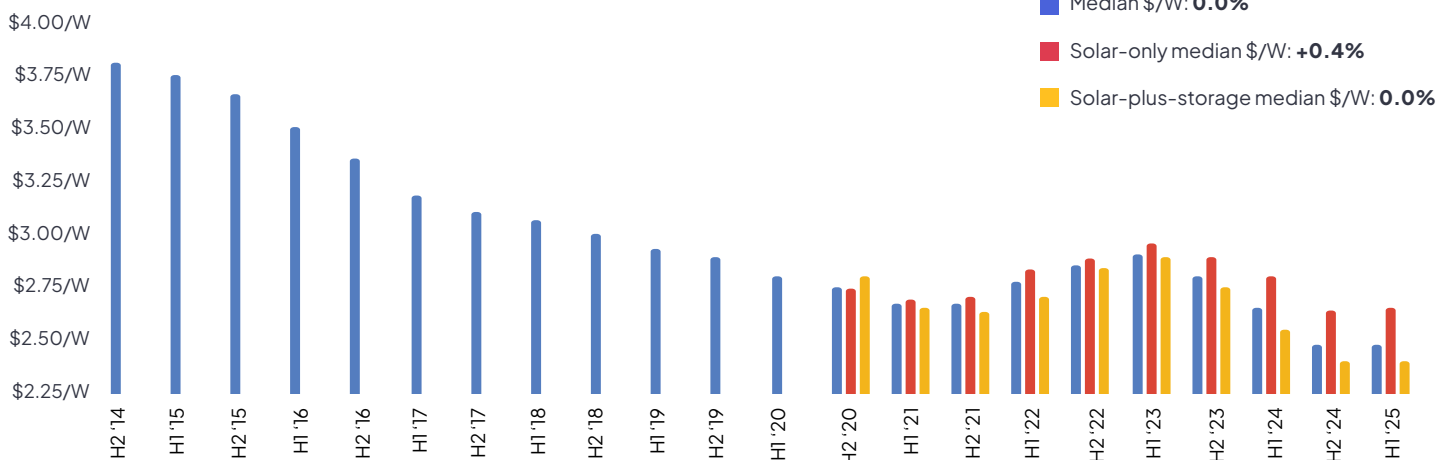
Prices were stable across system types: Solar-only installations saw modest price increases of 0.4% compared to the previous half-year, while solar-plus-storage systems held flat at 0.0% change. On a per-watt basis, solar-plus-storage system prices remained lower than solar-only installations (-9%), due to the continued popularity of the Tesla Powerwall 3, which includes an integrated inverter. In solar-plus-storage quotes that included the Powerwall 3, the inverter price is included in the storage component (price per kilowatt-hour, \$/kWh) rather than the solar component (\$/W).

The Federal Reserve's decision to maintain elevated interest rates throughout H1 2025 added financing cost pressures, but the low prices suggest that installers absorbed these impacts rather than increase system prices ahead of anticipated equipment tariffs and policy changes. With tariffs and policy changes confirmed, prices are expected to rise in H2 2025 due to increased equipment costs and heightened demand.

PRICE PER WATT (\$/W) PAYBACK PERIOD (YEARS) SYSTEM SIZE (kW)

H2 '24	\$2.48/W	6.9	11.4
H1 '25	\$2.48/W	7.3	11.7

GROSS PRICE PER WATT, BY HALF YEAR



Note: EnergySage added storage to its Marketplace in H2 '20.

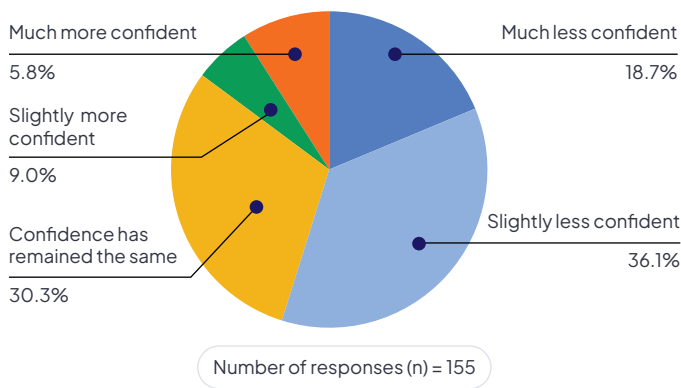


Contractor Survey: Industry confidence

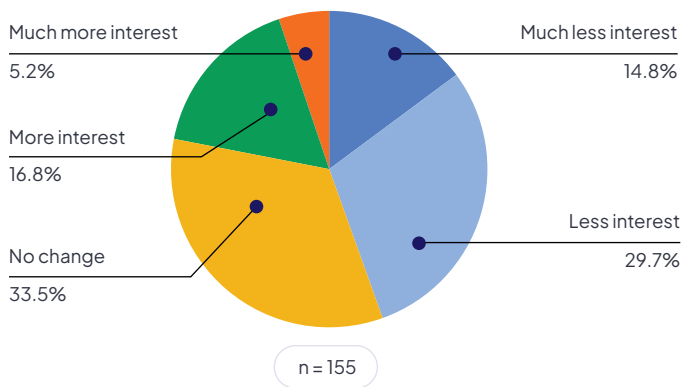
More than half of contractors are less confident in the industry than one year ago.

In EnergySage’s 2025 Contractor Survey, 55% of the installers surveyed reported being less confident about the solar industry compared to one year earlier, with 19% saying they were “much less confident” and 36% “slightly less confident.” Only 15% of contractors expressed increased confidence, while 30% said their confidence remained the same.

COMPARED TO ONE YEAR AGO, HOW HAS YOUR CONFIDENCE IN THE SOLAR INDUSTRY CHANGED?



HOW HAS CONSUMER DEMAND FOR SOLAR CHANGED SINCE THE 2024 PRESIDENTIAL ELECTION?

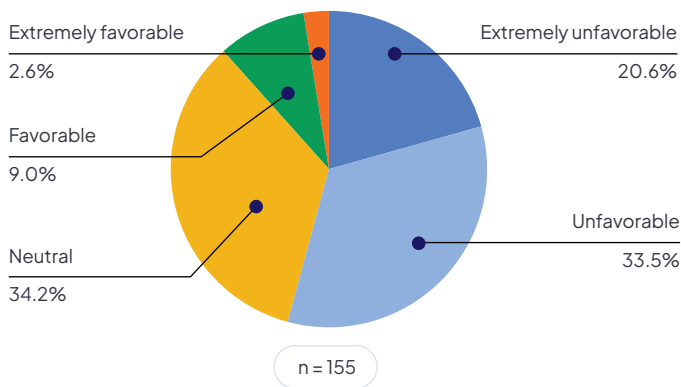


45% of contractors reported a decline in consumer demand since the election

While the survey was fielded before the OBBBA was introduced, it revealed mixed impact on homeowner interest in solar following the 2024 presidential election. Nearly half of contractors (45%) reported decreased consumer demand, with 15% seeing “a lot less” demand and 30% seeing “a little less.” However, 34% of contractors reported no change in demand, while 22% saw increased homeowner interest. Concern over the federal tax credit potentially ending contributed to both the observed increase and decrease in demand: Consumer calls with EnergySage Energy Advisors indicate that many feared that systems would have the tax credit stripped away retroactively, while others rushed to install systems even before an end date was set. Since the bill was passed, EnergySage has observed increased demand to beat the end-of-year deadline.

Regarding prospects under the Trump administration, 54% of contractors viewed them as unfavorable or extremely unfavorable, 34% remained neutral, and only 12% saw favorable prospects. With the federal tax credit now confirmed as cut, installer sentiment has likely shifted further to the negative.

HOW DO YOU FEEL ABOUT THE PROSPECTS FOR THE SOLAR INDUSTRY UNDER THE TRUMP ADMINISTRATION?



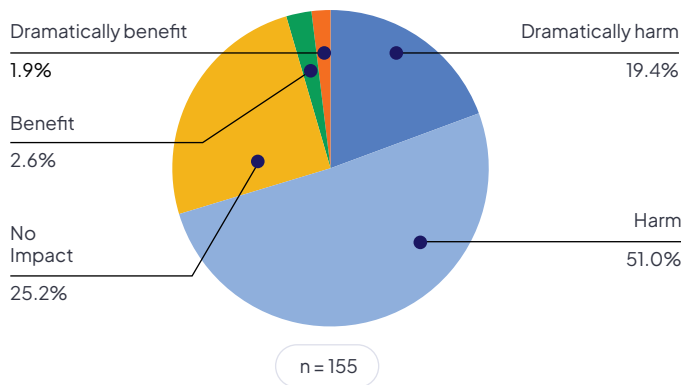


Contractor Survey: Negative business impacts

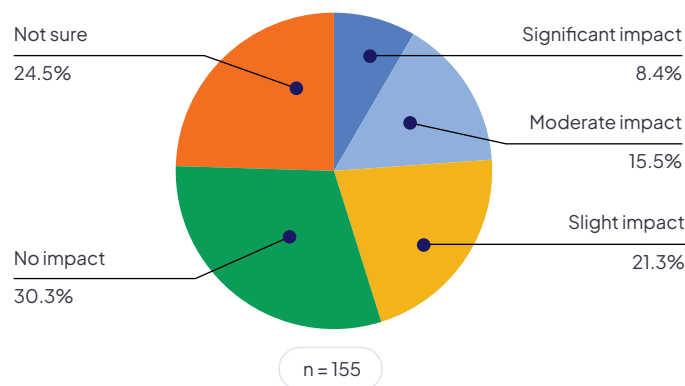
Most contractors expect tariffs and higher interest rates to harm their businesses.

When asked about potential solar equipment tariffs in early 2025, 70% of contractors expected negative business impacts, with 19% predicting tariffs would “dramatically harm” their ability to operate profitably. Only 25% of contractors anticipated no impact, while just 5% thought tariffs might benefit their businesses. These concerns proved well-founded when new tariffs were officially implemented in August 2025.

IF STRICTER SOLAR EQUIPMENT TARIFFS ARE INTRODUCED IN 2025, HOW WILL THAT IMPACT YOUR BUSINESS?



DO YOU EXPECT IMMIGRATION POLICIES INTRODUCED BY THE TRUMP ADMINISTRATION TO IMPACT THE SOLAR INDUSTRY WORKFORCE?

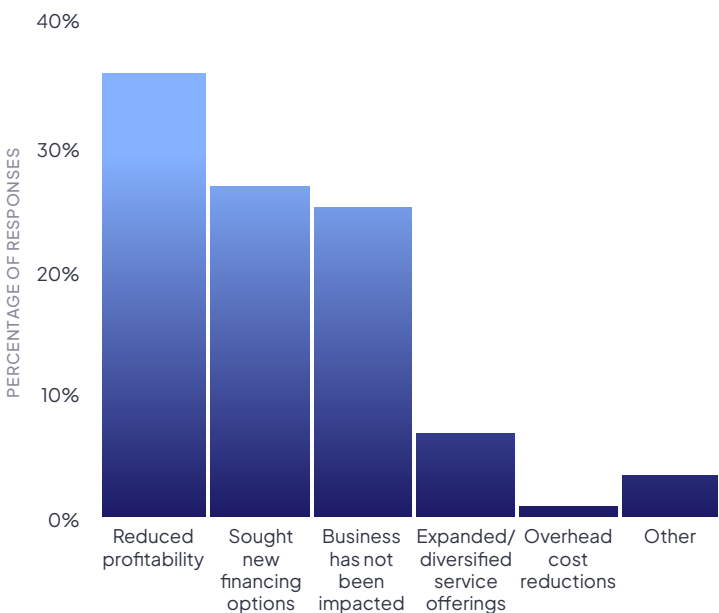


Higher interest rates reportedly reduced profitability for contractors

Interest rate impacts varied significantly. Over one-third (36%) reported reduced profitability due to higher rates, while 27% sought new financing options to help customers. However, 25% said changing interest rates had not impacted their business, indicating that most of their customers do not use loans to finance their systems. Only 7% expanded or diversified service offerings in response to rate pressures, while just 1% achieved overhead cost reductions. If the Federal Reserve holds interest rates steady, contractors will likely face ongoing challenges from elevated financing costs.

Immigration policy concerns also emerged as a potential challenge, with 45% of contractors expecting Trump administration policies to impact the solar workforce. However, 30% anticipated no impact, and 25% remained unsure about potential effects.

HOW HAVE HIGHER INTEREST RATES IMPACTED YOUR BUSINESS (SELECT ONE)?





Contractor Survey: Solar tax credit elimination

Over 90% of contractors expect the loss of the individual tax credit to harm their business.

When asked about eliminating the 30% federal solar tax credit, 92% of contractors said it would harm their operations, with 64% expecting it to “dramatically harm” their business and 28% anticipating “harm.” 5% thought it would have no impact, while just 3% expected benefits.

Customers care more about overall savings than the source of those savings

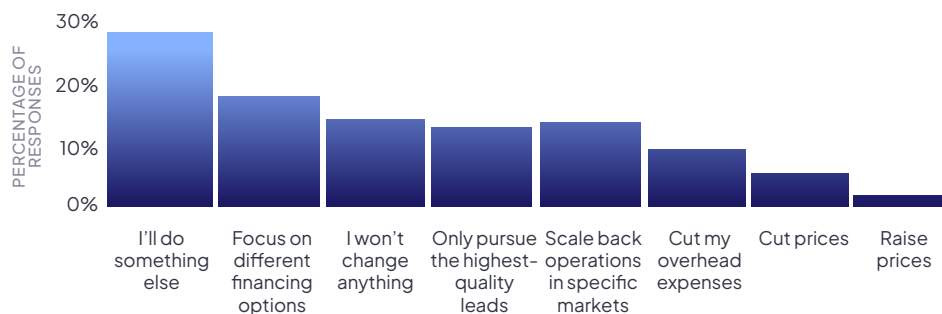
If tax credits were eliminated, 28% of contractors said they would “do something else” as their first adaptation strategy—when asked what “do something else” meant, 6% of all surveyed installers said they would exit the industry altogether. Another 17% planned to focus on different financing options, which could be in anticipation of retaining access to third-party ownership (TPO) models. Under the OBBBA, TPO projects—including leases and power purchase

agreements—can still qualify for federal incentives if they begin construction before July 2026 or are placed in service before 2028.

Saving money has consistently been cited as the primary driver of solar adoption, which 73% of installers confirmed matched their customers' motivations. However, only 5% of installers specifically cited tax incentives as the primary consumer driver, suggesting that while tax credits matter for economics, customers care more about overall savings than the source of those savings. The remaining installers report their customers being primarily motivated by non-savings factors that they can emphasize more heavily post-OBBBA.

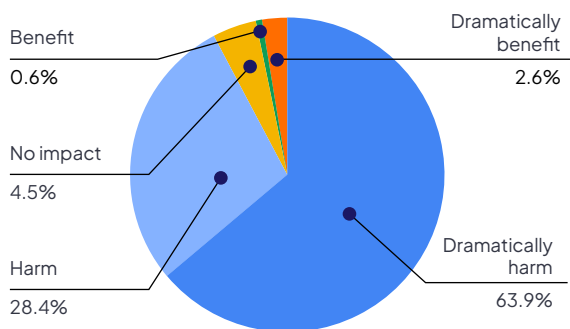
IF CONGRESS WERE TO PHASE OUT THE TAX CREDIT, WHAT WOULD YOUR FIRST CHANGE BE?

n = 155



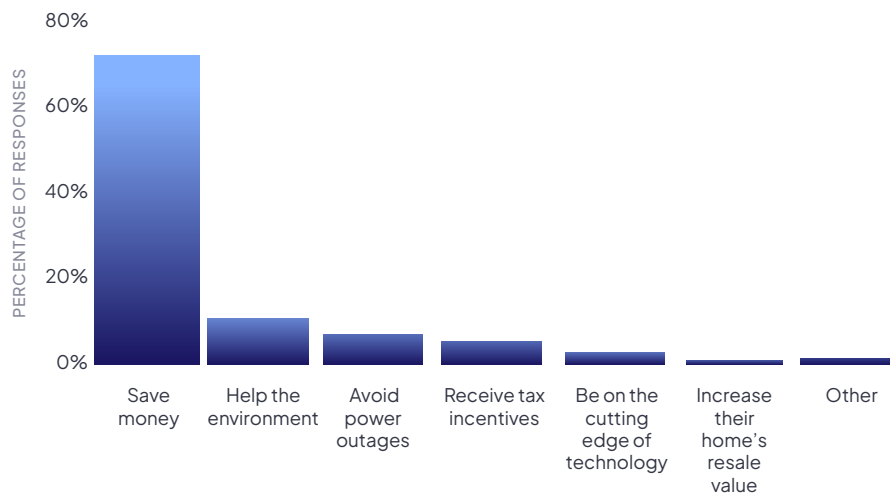
IF THE 30% SOLAR TAX CREDIT WERE ELIMINATED IN 2025, HOW WOULD THAT IMPACT YOUR BUSINESS?

n = 155



WHAT IS THE PRIMARY REASON YOUR SOLAR CUSTOMERS PURCHASE SOLAR?

n = 143



Price dispersion for EnergySage customers

Wide price spreads reveal the industry is not ready for the post-tax credit era.

In EnergySage's online marketplace, solar shoppers compare personalized quotes from up to seven solar installers head-to-head. Price is often not the leading decision-making factor: **In the first half of 2025, 72% of EnergySage shoppers did not select the lowest-priced quote they received.** Solar shoppers continued to see significant price differences in the quotes they received through EnergySage, ranging from \$2.34/W on the low end to \$2.92/W on the high end. That \$0.58/W spread equates to a \$6,700 difference in total cost for a typical 11.5 kW system.

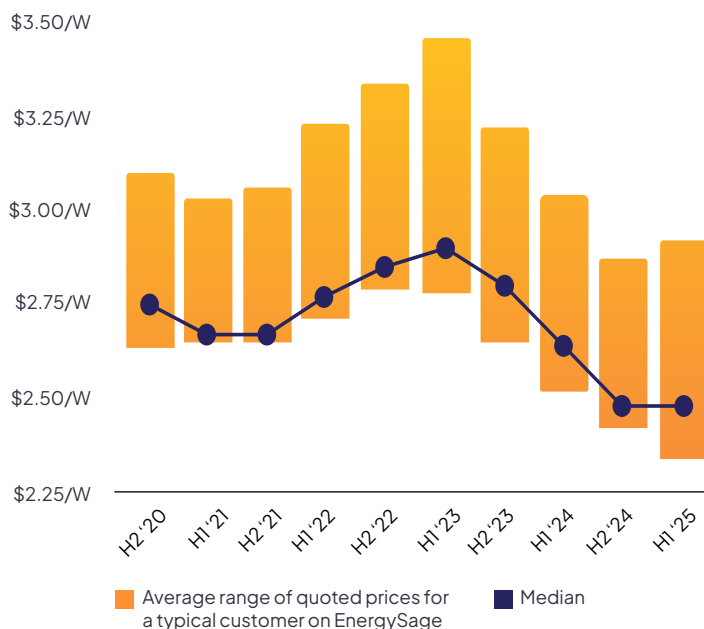
Some installers are already competitive, while others may need to cut prices

The solar industry has widely cited \$2.00/W as an attainable target price that would maintain solar's financial attractiveness for most American homeowners after the tax credit ends. That benchmark is still significantly higher than Australia, where the nationwide price is \$0.89/W AU (roughly \$0.58 USD), according to

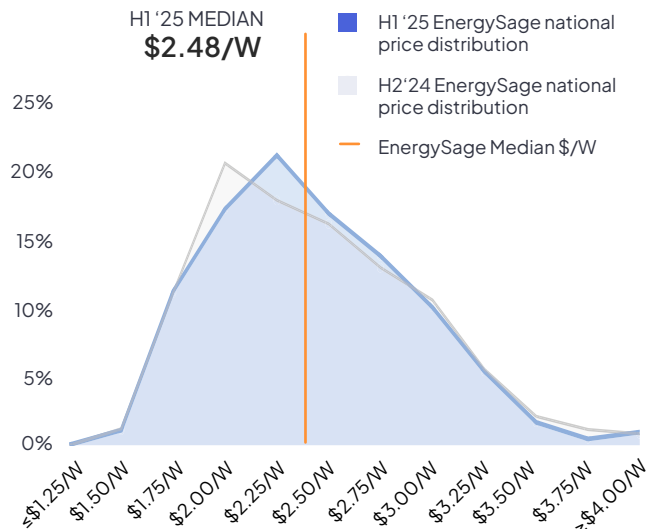
reporting by *pvmagazine Australia* in February 2025, due to low equipment costs, streamlined permitting, and economies of scale.

On EnergySage, some installers already price near \$2.00/W, while others are not yet close. The price distribution data shows that about 90% of quotes fell between \$1.75/W and \$3.00/W in H1 2025, with most quotes (55%) concentrated between \$2.00/W and \$2.50/W. The large spread likely reflects state and regional differences in market maturity, permitting processes, labor costs, and competition. Without federal tax credits, many installers will need to find ways to reduce system costs—whether through operational efficiencies, supply chain improvements, or lower margins—to maintain solar's appeal to cost-conscious homeowners.

RESIDENTIAL SOLAR PRICE DISPERSION OVER TIME



ENERGYSAGE MARKETPLACE NATIONAL PRICE DISTRIBUTION



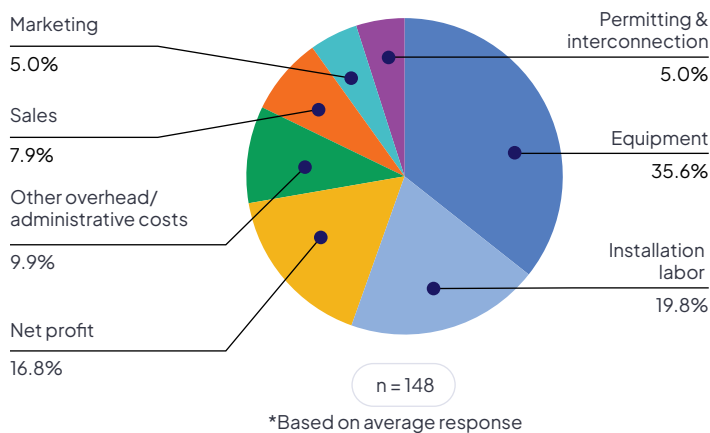


Contractor survey: Business expenses

34% reported margins of 10% or less, and 34% reported margins between 11-20%.

Hard costs—equipment and labor—represent the largest contractor expense at 55% of total system costs, while soft costs—sales, marketing, permitting and interconnection, and other overhead expenses encompass 28%. Net profit margins vary significantly among contractors, but, on average, make up 17% of the total cost of an installed system. Many installers operate with modest margins: 34% reported margins of 10% or less, and 34% reported margins between 11-20%. However, 22% reported margins of 21-30%, and 4% operate above 30% margins.

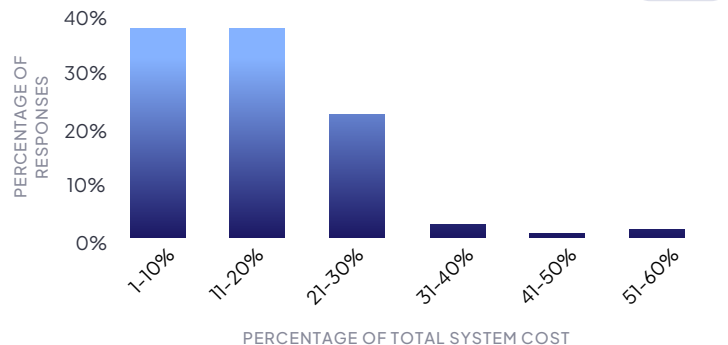
WHAT PERCENTAGE OF THE COST OF AN INSTALLED SYSTEM GOES TOWARD THE FOLLOWING COMPONENTS?



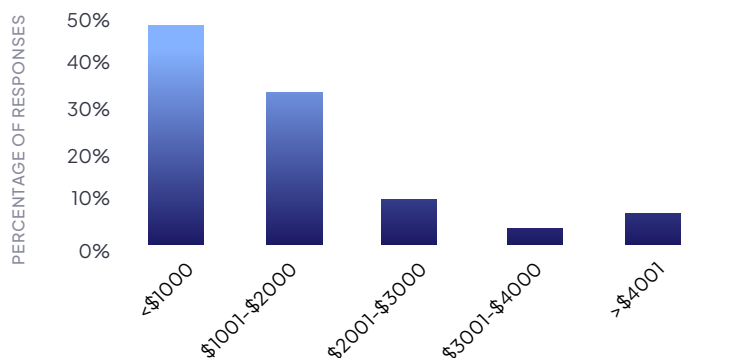
84% of installers reported having to raise labor rates in the last year in the last year

Customer acquisition costs show enormous variation across installers. While 47% spend less than \$1,000 per closed sale and 33% spend \$1,001-\$2,000, a significant 20% report customer acquisition costs above \$2,000, with 7% spending more than \$4,000 per sale. Meanwhile, labor cost pressures continue mounting: 84% of installers had to raise labor rates in the last year, while only 8% held rates, and 8% achieved labor cost reductions. With modest margins for most installers, significant cost reductions will likely need to come from operational efficiencies in sales, marketing, and other soft costs, rather than just margin compression, to keep solar economics attractive.

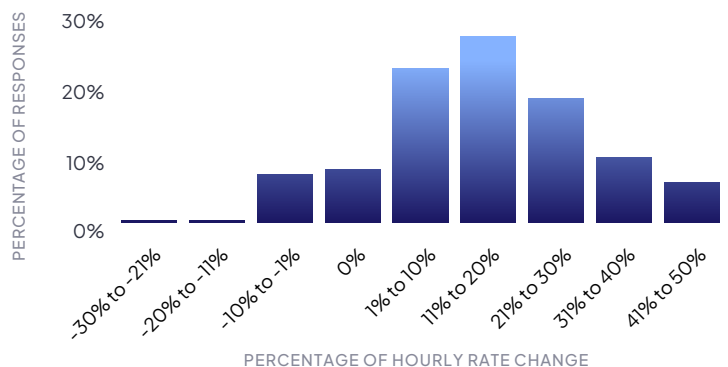
WHAT PERCENTAGE OF THE COST OF AN INSTALLED SYSTEM GOES TOWARD NET PROFIT?



WHAT IS YOUR TYPICAL CUSTOMER ACQUISITION COST PER CLOSED SALE ACROSS ALL CHANNELS?



HOW MUCH HAVE YOUR HOURLY LABOR RATES CHANGED IN THE LAST YEAR? (-50% TO +50%)





Solar system characteristics in select states

An average system costs \$12,300 more in Massachusetts compared to Arizona.

State-level system characteristics in H1 2025 reveal regional differences that will become more important as installers compete without federal tax credits. Among the 10 states with the most residential solar capacity installed in Q2 2025 (based on data from Ohm Analytics), Arizona maintained the lowest median price at \$1.95/W—already below the industry’s \$2.00/W target—while Massachusetts had the highest at \$3.00/W. This \$1.05/W difference represents about \$12,300 in system cost variation for an average 11.7 kW installation—more than the \$8,700 median value of the federal tax credit.

Lower electricity costs correlated with lower solar pricing

The three states with electricity rates below the national average of 17.5¢/kWh—Texas, Arizona, and Florida—all saw solar prices at or below \$2.10/W, proving that competitive pricing is achievable. Meanwhile, states with high electricity rates, such as California and Massachusetts, correlated with higher solar prices. While high solar prices remain attractive when utility rates are high, the higher prices in these states are primarily driven by higher labor rates.

Without federal incentives, states with high solar prices need to identify and address the specific factors driving their costs. Whether through policy reforms, increased competition, or operational improvements, delivering greater savings to the homeowner than utility electricity will be essential for growing solar adoption in these regions. Installers in low solar-cost states with low electricity prices may have less room to adapt once the tax credit is gone.

TOP RESIDENTIAL SOLAR STATES

TOP 10 STATES*	System size (kW)			Usage offset (%)	Median \$/W			Avg. monthly residential consumption (kWh)	Avg. residential elec. rate May. 2025 (¢/kWh)
	H2 '24	H1 '25	TREND	H1 '25	H2 '24	H1 '25	TREND		
CALIFORNIA	8.9	9.0	⬆️	106%	\$2.25	\$2.25	-	391	35.03
FLORIDA	14.4	14.2	⬇️	100%	\$2.07	\$2.10	⬆️	1,151	14.98
TEXAS	14.0	13.7	⬇️	99%	\$2.00	\$2.08	⬆️	1,023	15.49
NEW YORK	11.4	12.0	⬆️	92%	\$2.90	\$2.85	⬇️	451	26.67
ILLINOIS	11.9	12.0	⬆️	93%	\$2.99	\$2.90	⬇️	542	18.62
MASSACHUSETTS	10.3	10.5	⬆️	98%	\$3.12	\$3.00	⬇️	489	29.94
ARIZONA	13.6	13.5	⬇️	100%	\$1.99	\$1.95	⬇️	997	15.76
CONNECTICUT	10.6	10.8	⬆️	96%	\$2.81	\$2.74	⬇️	536	31.64
NEW JERSEY	12.4	12.7	⬆️	92%	\$2.53	\$2.57	⬆️	507	20.49
PENNSYLVANIA	12.4	12.9	⬆️	93%	\$2.57	\$2.55	⬇️	612	19.31

*Based on Q2 '25 installed residential solar capacity from Ohm Analytics.



Solar panel and system capacity

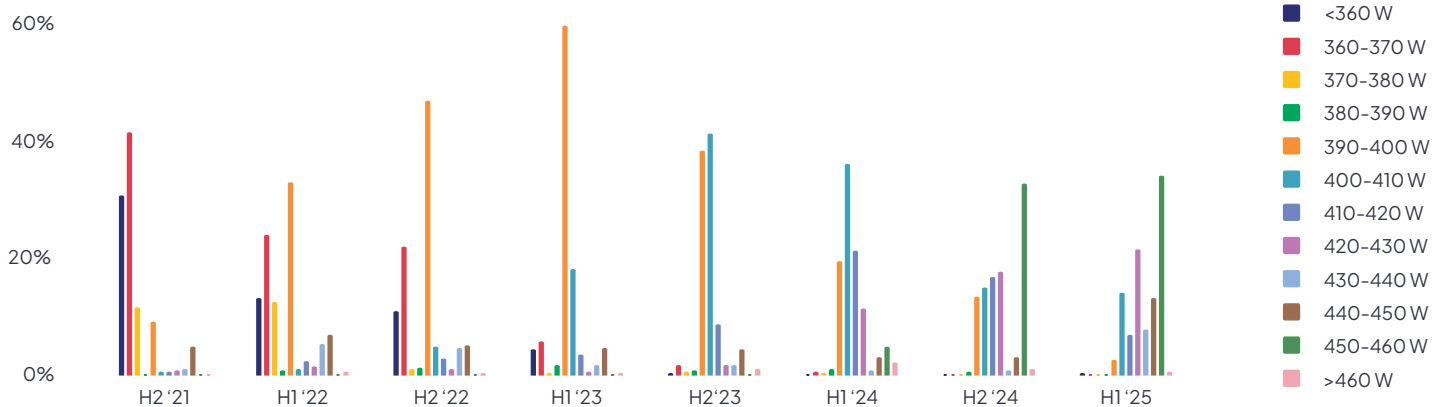
High-wattage panels dominate as low-output panels quickly phase out.

Solar panel wattages continued their dramatic shift toward higher outputs in H1 2025. Only 3% of quotes included panels below 400 watts, down from 13% in H2 2024 and a massive drop from 71% just two years ago in H1 2023. Meanwhile, panels 440 watts and above appeared in 47% of quotes in H1 2025, up from 36% in H2 2024 and just 5% in H1 2023. This rapid transition reflects both larger panel sizes and improved efficiency, helping installers reduce costs, which will become more critical as installers seek every cost advantage in the post-tax credit market. Whether this technology progression continues partially depends on how tariffs and shortages impact the solar supply chain.

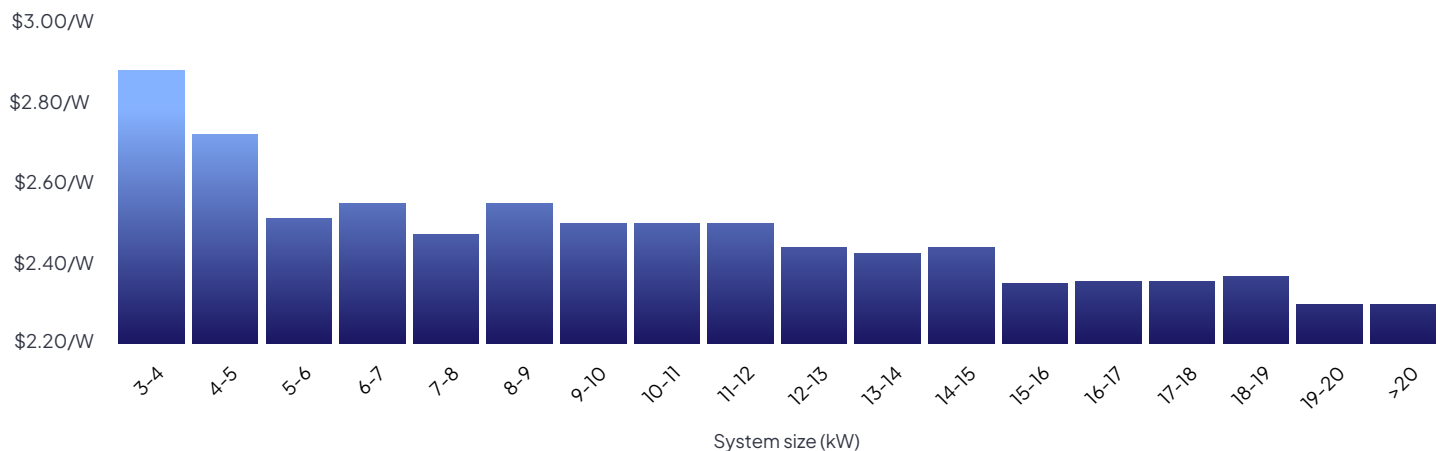
System size to pricing relationships flatten in the middle ranges

The relationship between system size and pricing showed mixed patterns in H1 2025. Systems below 5 kW remained significantly more expensive, while systems above 12 kW achieved the best pricing. However, pricing fluctuated for systems between 5-11 kW, hovering around \$2.50/W, with no clear cost advantages in this range likely due to regional variations in labor costs, installer competition, and permitting expenses. This is a predictable curve, demonstrating that soft costs are less pronounced in the unit pricing of larger systems due to economies of scale.

PERCENT OF QUOTES BY PANEL SIZE



MEDIAN SOLAR PRICE PER WATT BY SYSTEM SIZE





Solar equipment share

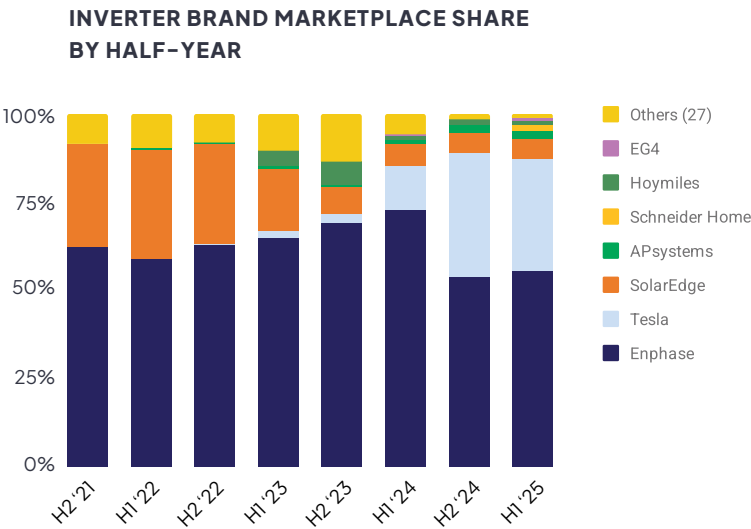
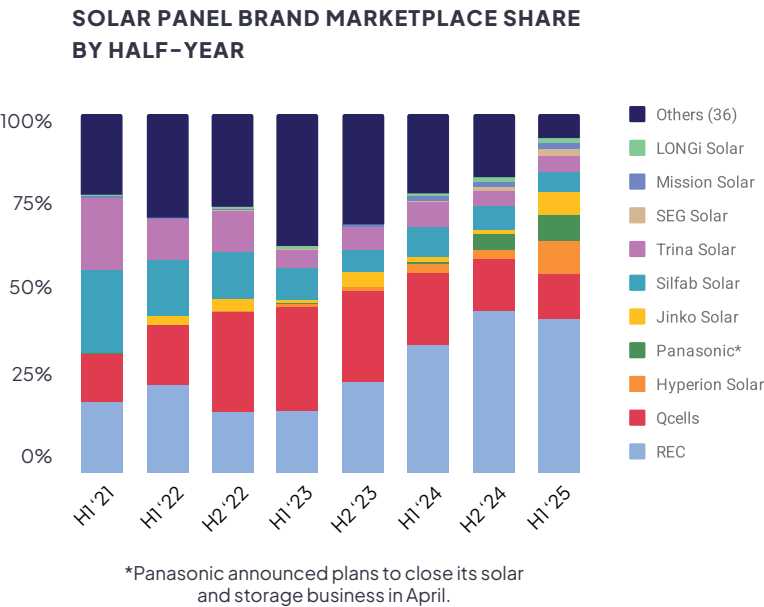
Top brands lost share amid supply shortages.

REC remained the top quoted panel brand, though its Marketplace share dropped from 46% in H2 2024 to 43% in H1 2025. Qcells held a 12% share in second place while Hyperion Solar jumped to third place at 9%, likely benefiting from product availability.

Enphase maintained its position as the top inverter brand, while Tesla's inverter share declined to 32% from 35% in H2 2024. Installers have reported Tesla Powerwall 3 (and integrated hybrid inverter) and REC solar panel shortages, which likely contributed to these declines.

In the short term, supply disruptions for big brands could create a more open market

Despite supply disruptions affecting leading brands, the top three panel brands still increased their combined share to 65%, up from 62% in H2 2024. The inverter market showed even higher concentration with just three brands controlling 93% of Marketplace share, though that was down from 95% in H2 2024. Marketplace consolidation could reverse in H2 2025: With the rush to install before the tax credit expires and tariffs creating additional supply disruptions, installers may need to quote more diverse equipment options.



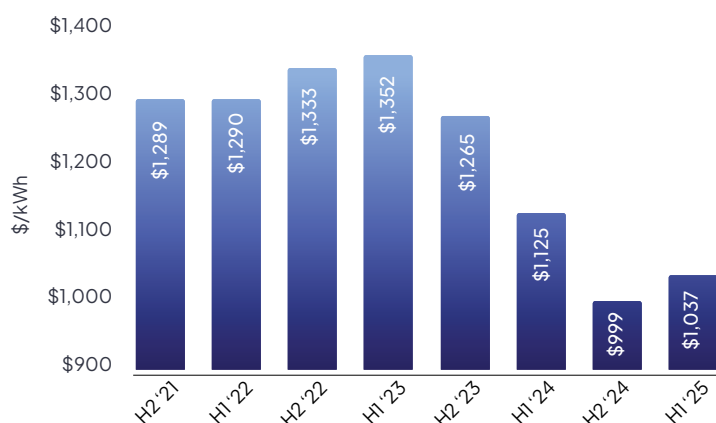
National summary: Storage pricing trends

Storage prices rose in most markets as attachment rates remained high.

For the first time in two years, battery pricing showed upward movement in H1 2025, reversing the consistent downward trend that brought storage costs to historic lows in H2 2024. Of the 10 states with the most residential storage capacity installed in Q1 2025 (based on data from Ohm Analytics), six saw price increases.

These increased prices are likely due to reciprocal tariffs levied on Chinese imports in April, which dominate the battery supply chain, according to the Energy Information Administration. In H2 2025, steep preliminary anti-dumping and countervailing duties on Chinese anode material could further increase costs and tighten supply.

MEDIAN STORAGE PRICING BY HALF YEAR, \$/KWH STORED



Hawaii led battery attachment rates at 100% while Tesla dominated most markets

Storage attachment rates remained high across most top markets, with California at 79% and Hawaii hitting 100% due to high electricity rates and unfavorable solar export rates. Only two states—New Jersey and New York—saw attachment rates below 20%, likely due to strong net metering programs in both states. Tesla remained the dominant battery brand in nine of 10 top storage states, with Oregon being the only market where Enphase held the lead.

TOP STORAGE MARKETS

TOP 10 STATES*	\$/kWh storage price			System size (kWh)			Top quoted battery brand		Battery attachment rate
	H2 '24	H1 '25	TREND	H2 '24	H1 '25	TREND	H2 '24	H1 '25	H1 '25
CALIFORNIA	\$963	\$963	-	13.5	13.5	-	TESLA	TESLA	79%
TEXAS	\$889	\$985	↑	13.5	13.5	-	TESLA	TESLA	61%
ARIZONA	\$896	\$944	↑	13.5	13.5	-	TESLA	TESLA	47%
FLORIDA	\$963	\$1,033	↑	13.5	13.5	-	TESLA	TESLA	43%
HAWAII	\$926	\$889	↓	13.5	27.0	↑	TESLA	TESLA	100%
ILLINOIS	\$1,111	\$1,052	↓	13.5	13.5	-	TESLA	TESLA	25%
UTAH	\$1,037	\$1,134	↑	13.5	12.9	↓	TESLA	TESLA	44%
NEW JERSEY	\$1,450	\$1,148	↓	10.1	13.5	↑	ENPHASE	TESLA	12%
OREGON	\$1,185	\$1,300	↑	13.5	13.5	-	TESLA	ENPHASE	20%
NEW YORK	\$1,111	\$1,280	↑	13.5	13.5	-	TESLA	TESLA	10%

*Based on Q1 2025 installed residential storage capacity from Ohm Analytics.



Storage pricing by brand and marketplace share

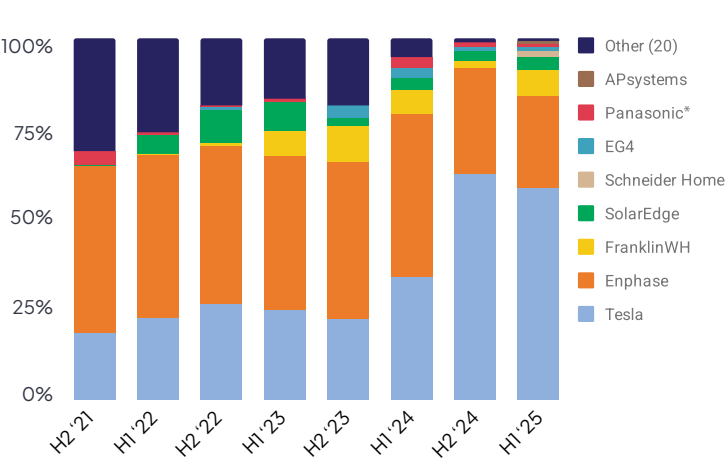
Tesla and Enphase lost share as the storage market became more competitive.

Tesla’s share of storage quotes dropped from 63% in H2 2024 to 59% in H1 2025, potentially driven by Powerwall 3 supply shortages and brand backlash related to its CEO’s political involvement. Enphase’s share also declined, from 29% in H2 2024 to 25% in H1 2025, potentially due to a combination of tariffs and premium pricing. Less dominant battery brands, like FranklinWH and Schneider Home, gained share as installers diversified their offerings, suggesting the storage market is getting more competitive.

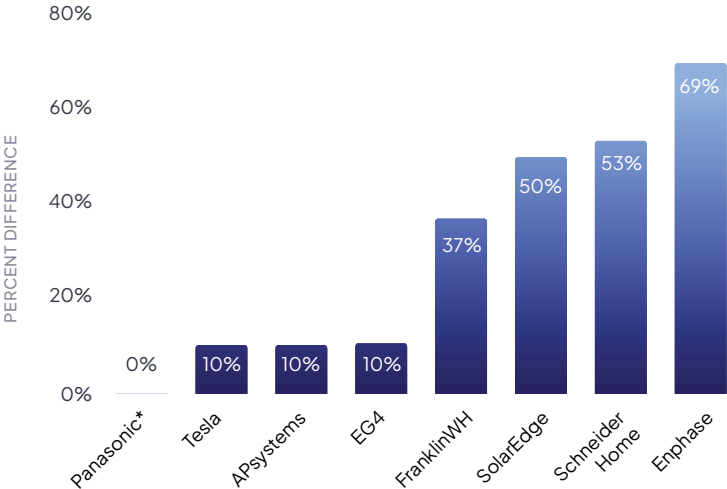
Market dynamics may shift further with policy changes ahead

Panasonic offered the lowest battery pricing at \$893/kWh, while Tesla averaged 10% more at \$983/kWh. Enphase saw the highest pricing at \$1,510/kWh. With tariffs now in effect and the federal tax credit ending for purchased storage systems after 2025, further battery market fragmentation could occur in H2 2025 as installers prioritize supply reliability and cost over brand preferences.

STORAGE MARKETPLACE SHARE BY HALF YEAR



PRICE PER KWH PREMIUM FROM LEAST EXPENSIVE BRAND



*Panasonic announced plans to close its solar and storage business in April.

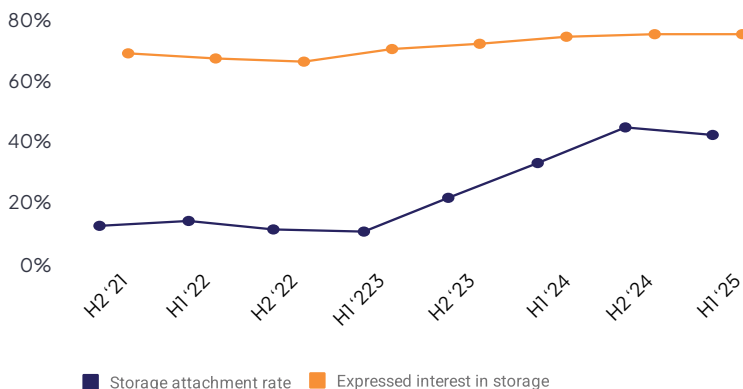


Consumer preference regarding storage

Interest in batteries remained high while attachment rates declined amid rising prices.

Consumer interest in storage remained at its 74% peak in H1 2025, but attachment rates dropped slightly for the first time in recent periods—from 44% in H2 2024 to 42% in H1 2025.

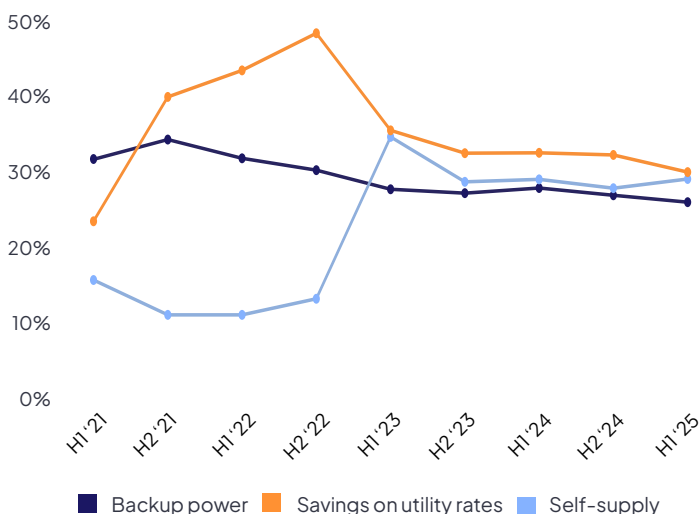
STORAGE ATTACHMENT RATE AND EXPRESSED INTEREST OVER TIME



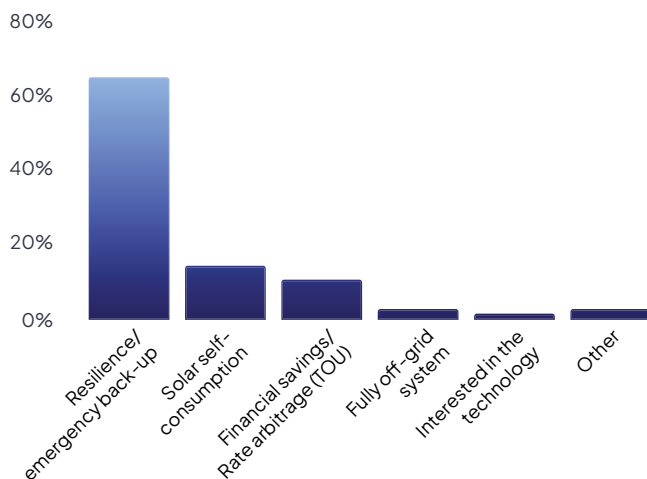
Installers may overestimate backup power as the primary customer motivator

Consumers interested in batteries are motivated fairly evenly by savings on utility rates (30%), self-supply (29%), and backup power (26%), according to consumer-reported Marketplace data. However, based on Survey data, 67% of installers cite resilience/emergency backup as the primary consumer motivator for storage, followed by self-consumption (15%) and financial savings (11%). With federal tax credits ending and cost pressures mounting, understanding true customer priorities becomes critical. Consumption-only batteries are often cheaper to install than backup power systems; installers who match system design to customer motivations could reduce costs and boost attachment rates.

WHY HOMEOWNERS ARE INTERESTED IN STORAGE (SELF-REPORTED)



WHY HOMEOWNERS ARE INTERESTED IN STORAGE (INSTALLER-REPORTED)

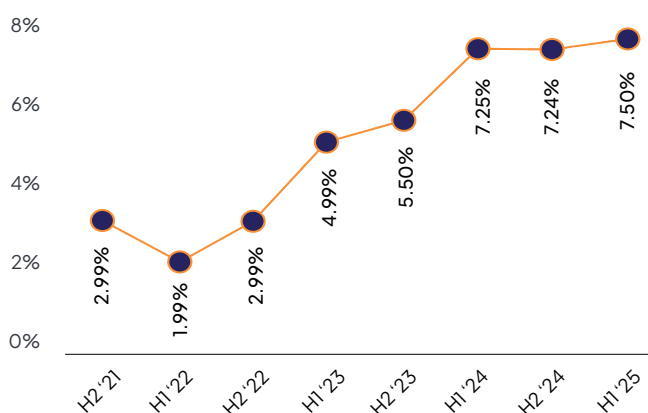


Financing products

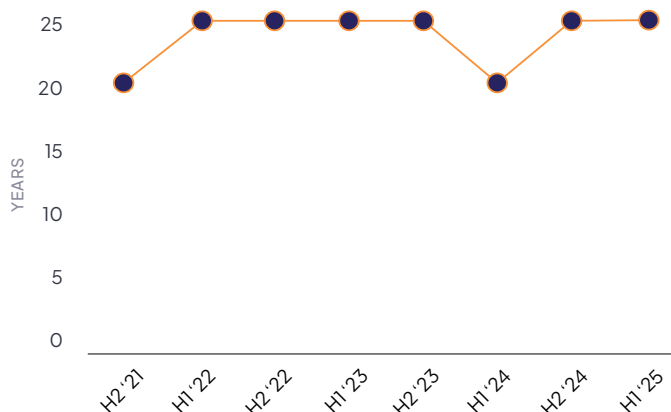
Solar loan rates climbed to 7.5% as the Fed maintained elevated rates.

Median solar loan rates reached 7.5% in H1 2025, up from 7.24% in H2 2024, as the Federal Reserve continued to hold rates steady. Despite higher interest rates, loan terms remained consistent at a median of 25 years, the average solar panel system warranty period. Extended financing arrangements can help consumers manage monthly payments without paying high upfront loan fees.

MEDIAN QUOTED LOAN RATE



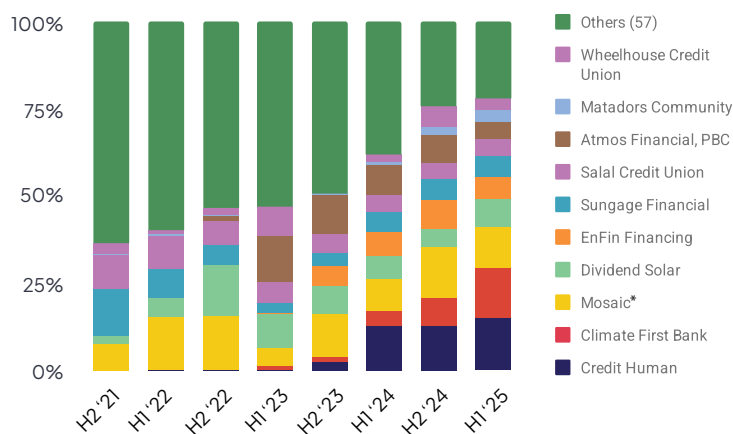
MEDIAN QUOTED LOAN TERM



Low-fee lenders gained share while Mosaic struggled amid operational pause

Credit Human led the financing provider market share at 15%, followed by Climate First Bank at 14%—both known for offering loans with dealer fees at or below 3% of the total loan amount. This low-fee structure allows homeowners to pay off or refinance loans early without losing upfront fees as sunk costs. Mosaic dropped to third place at 12% market share after pausing loan approvals and milestone processing in late May due to “capital markets uncertainty resulting from the solar tax credit 25D and 48E guidance.” The shift toward low-fee, higher-rate products continues as installers and customers better understand their financial benefits over traditional high-fee, lower-rate options.

FINANCING PROVIDER MARKET SHARE



*Mosaic paused loan approvals and milestone processing in late May.

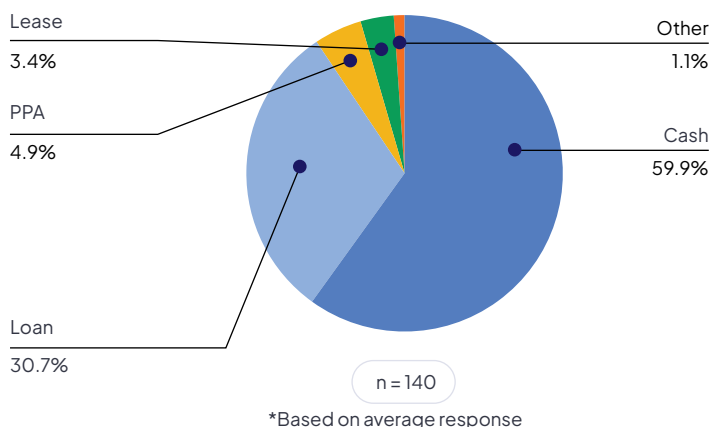


Contractor Survey: Financing options

Third-party ownership is positioned for growth as federal incentives shift.

According to the sample of surveyed contractors—which primarily included small, local companies—cash purchase was the preferred payment method for 60% of an average installer’s residential projects, followed by loans at 31%. Third-party ownership (TPO) represented just 8% of an average installer’s

PERCENTAGE OF SOLAR PAYMENT OPTIONS CHOSEN (INSTALLER-REPORTED)

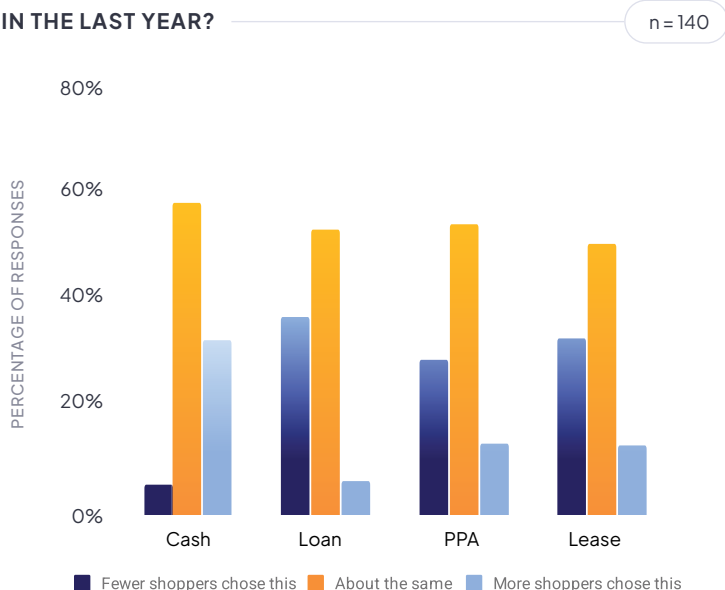


residential installations: 5% for power purchase agreements (PPAs) and 3% for leases. However, this small TPO share will likely shift dramatically in 2026 as third-party owned systems will continue to qualify for federal tax credits for projects beginning construction before July 2026 or placed in service before 2028—giving TPO a significant economic advantage over purchased systems.

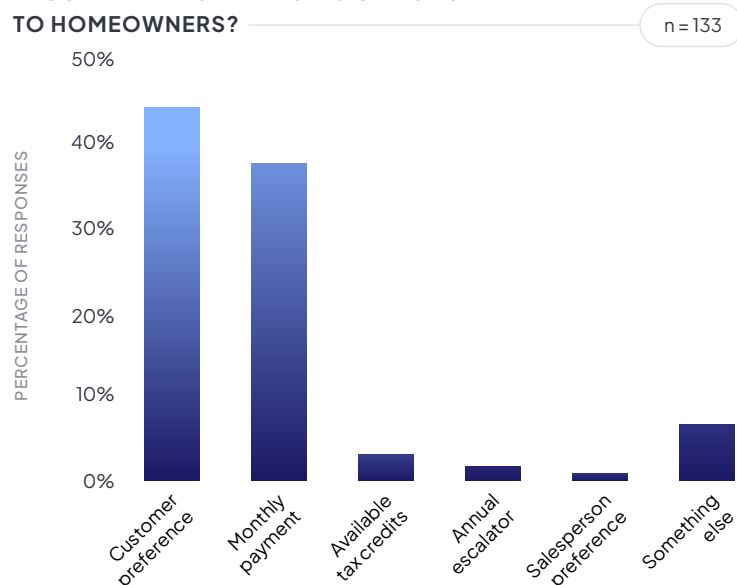
Cash purchases gained ground as loan demand softened amid rate pressures

Survey results show financing trends shifting in response to high interest rates. While 60% of contractors report that cash demand remained stable, 34% saw increased cash purchases as customers avoided high-rate loans. Meanwhile, 38% of contractors reported decreased loan demand. According to surveyed contractors, customer preference drives 44% of financing recommendations, followed by monthly payment considerations at 38%, suggesting installers focus on individual financial situations rather than pushing specific products.

HOW HAS SHOPPER PAYMENT PREFERENCE CHANGED IN THE LAST YEAR?



WHAT IS THE PRIMARY FACTOR YOU CONSIDER WHEN RECOMMENDING FINANCING OPTIONS TO HOMEOWNERS?





Contractor Survey: Other product offerings

Solar reliance leaves contractors vulnerable to market shifts.

On average, surveyed electrification contractors earn 79% of their revenue from solar installations—51% from solar alone and 28% from solar-plus-storage systems. The remaining 21% comes from diverse services, including roofing (4%), solar operations and maintenance (4%), consulting (3%), and electrical work (3%), with other products each representing just 1-2% of business. This heavy reliance on solar revenue highlights the industry’s vulnerability as federal incentives disappear.

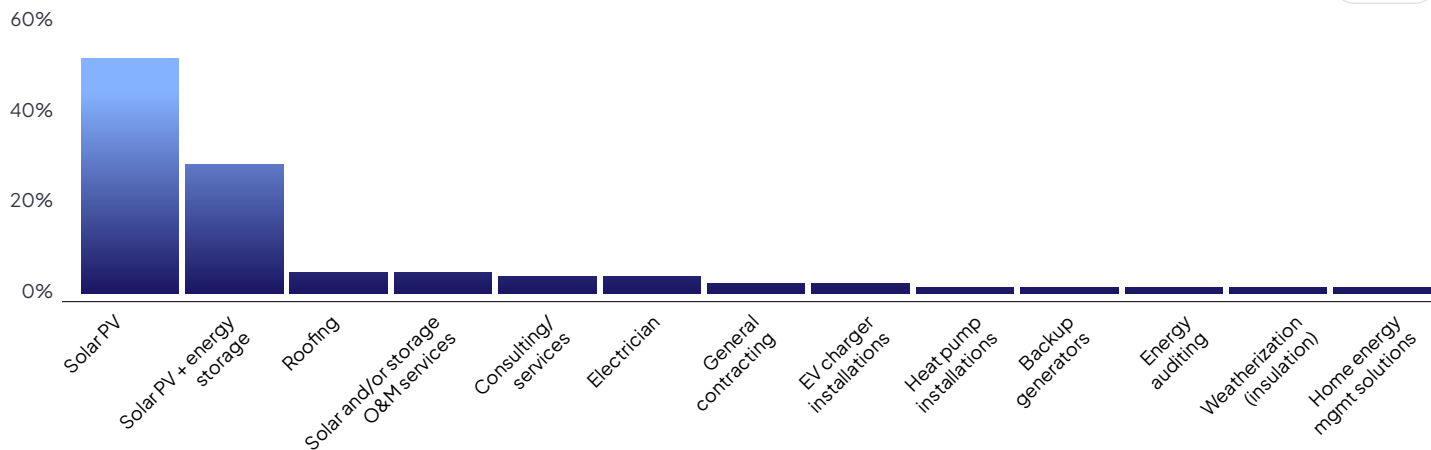
Whole-home electrification offers a path to resilient business models

While contractors currently install energy storage with 33% of solar projects, energy monitoring systems with 25%, and panel upgrades with 11%, adoption of other electrification products remains minimal. For example, heat pumps appear in just 1% of solar installations despite representing a massive market opportunity. To build sustainable businesses in a post-tax credit environment, contractors should consider shifting from single-trade solar installations toward comprehensive home electrification services. This approach positions contractors as partners in customers’ complete clean energy transitions rather than vendors of individual products, creating multiple revenue streams and stronger customer relationships that can better weather industry headwinds.

WHAT PERCENTAGE OF YOUR OVERALL BUSINESS COMES FROM INSTALLING THE FOLLOWING PRODUCTS?

*Based on average response

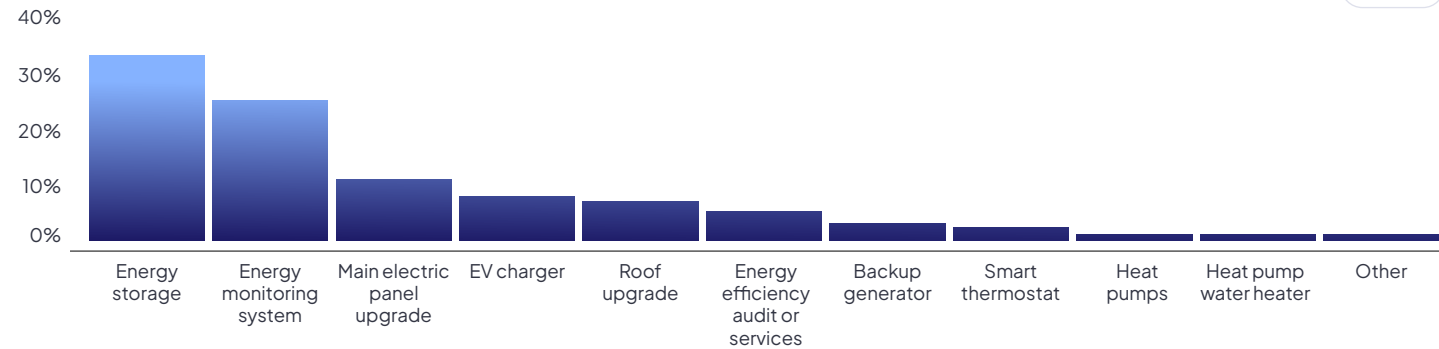
n = 165



WHAT PERCENTAGE OF YOUR SOLAR INSTALLATIONS ALSO INCLUDE THE FOLLOWING PRODUCTS?

*Based on average response

n = 143



About EnergySage Intel

EnergySage is the largest online marketplace for solar shopping in all 50 U.S. states, plus D.C.

- Our dataset is trusted by buy- and sell-side investment professionals, academic researchers, government agencies, equipment manufacturers, media outlets, financiers, and contractors nationwide.
- Our Marketplace provides comprehensive data about real solar and storage quotes submitted by real contractors to real homeowners.

We offer a unique and timely dataset you can't get anywhere else.

- Our quote data indicate the market's direction three to six months before it appears in reported installation or permit data, and even further in advance of corporate earnings reports.
- There's no need to wait for permit records to be pulled: Quote data are ready to share the day after quotes are submitted.

Our dataset provides a leading indicator of trends on:

- Consumer demand for solar and storage
- Installer behavior, including equipment preferences and system sizes
- Solar and storage pricing
- Equipment brand market share
- Solar financing terms, loan rates, and financier marketplace share

To inquire about EnergySage Intel data packages, please contact us at intel@energysage.com.



Our experts

We are clean energy experts, technical writers, and journalists dedicated to helping homeowners explore clean energy solutions with deeply researched, accurate, and unbiased content. We provide unique insights to those in the solar and HVAC industries, as well as media and government agencies.

EnergySage Intel team



Emily Walker
Director of Insights



Dan Bradford
Director of Analytics



Rebecca Lantner
Senior BI Analyst



Josh Levine
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EnergySage is the simplest, most trusted way to comparison shop and save on high-quality clean energy and energy-saving solutions, including rooftop solar, energy storage, heat pumps, EV chargers, and community solar. As the trusted partner for hundreds of vetted and accredited solar, HVAC, and electrical installers, EnergySage enables shoppers to request multiple high-quality quotes in minutes. With in-depth resources and unbiased support, EnergySage makes the entire process simple, low-stress, and more affordable for consumers. It serves as the conduit for clean energy companies and providers in all 50 states and D.C. to grow businesses, reduce costs, and simplify operations.

For these reasons, leading organizations like National Grid, MassCEC, Sierra Club, Intuit, SEIA, and NCSU's DSI recommend EnergySage to their audiences to begin their clean energy transitions.

Visit *EnergySage* for more information, and follow us on *Facebook, Instagram, LinkedIn, and YouTube*.

In case you missed it

ENERGYSAGE INTEL

Access unparalleled insight into the residential solar market in the U.S. through reports built from real quotes submitted by real installers to real homeowners through the EnergySage platform.

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20TH SOLAR & STORAGE MARKETPLACE REPORT

Data from H2 2024.

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2024 ELECTRIFICATION CONTRACTOR SURVEY

Data from H2 2023.

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