PLANNING GUIDE & CHECKLIST

Surviving the Shakeup

A Solar Installer's Guide to the Reconciliation Bill

The recently signed into law "One Big Beautiful Bill" (H.R. 1) marks a major turning point for residential solar. With the end of the ITC for direct-owned systems on the horizon and new limits on lease and PPA eligibility, installers must move quickly to adjust their strategies. This guide outlines what's changing, which markets are most affected, and the actionable steps solar companies can take now to protect revenue, retain customers, and stay competitive in a shifting policy landscape.

What's Changing?

TAX CREDIT	KEY CHANGES
25D (Residential ITC)	**The 25D Residential ITC will end on December 31, 2025, with no gradual phase-down.** To qualify, a system must be both purchased and placed in service (i.e., installed and operational) before that date. Systems installed after December 31, 2025, will not be eligible for the 25D tax credit, regardless of when they were sold or contracted.
48E (Tech-Neutral ITC for Leases & PPAs)	**Leases and PPAs remain eligible if construction begins within 12 months of enactment** (July 4, 2026) and the project is operational by Dec 31, 2027

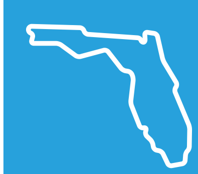
In summary, The 30% tax credit for homeowner-owned solar ends after 2025. Good news: residential lease and PPA models survive—but only for projects started soon and delivered by end of 2027.

Which States are Most Impacted?

Arizona (AZ)

Cuts in ITC could dampen price-sensitive leasing models—**expect slowdowns in low-income and rental market deployments**.

Florida (FL)



With ~70% of installs via TPO, the limited window may lead to **a rush in Q4 2025** and a steep drop in early 2026.

Texas (TX)

High dependency on deregulation and TPO means unless new projects begin by mid-2026 and finish by 2027, **volumes may collapse.**

Opportunities in a Changing Landscape

Despite shifting policies, new and existing opportunities are emerging for installers who adapt quickly and think strategically.

Battery and Storage Incentives remain untouched, allowing installers to pivot toward storage bundles.	**Rising utility rates and grid stress** mean solar (even without subsidies) remains financially attractive.	**Many borrowers don't fully utilize the ITC**, making loan conversions or efficiency modeling still valuable.

What You Should Be Doing--Right Now

1. **Accelerate Deal Flow** - Prioritize submitting proposals for residential leases/PPAs to begin construction by June 2026 and ensure service by 2027.
2. **Expand Loan & Cash Offerings** - Introduce non-ITC-friendly loans like OneEthos (Climate First) and SunSaver (Sunlight Financial).
3. **Shift Into Battery-First Solutions** - Promote storage as incentives remain, and package with solar to lift order sizes and profitability.
4. **Use Transparent Savings Modeling** - Train reps to model savings accurately under both pre- and post-ITC scenarios, stressing real-dollar value.
5. **Diversify Acquisition Strategy** - Build robust inside sales and referral programs to reduce acquisition cost (CAC) as margins compress.

Time is of the Essence

1. **Residential ITC ends**: Dec 31, 2025 — act fast!
2. **TPO model window:** Construction start by June 2026 and service by Dec 2027.
3. **State-specific urgency:** FL, AZ, and TX must move fast or risk market downturn.

Don't Panic. Plan Ahead.

Solar isn't ending—it's evolving. Adapt now with diversified financing, battery bundles, and smarter sales to thrive in the post-2025 solar landscape.

✅ Post-Bill Preparedness Checklist for Solar Installers

Take action now to ensure your solar business is ready for the ITC/TPO policy shift coming in 2025–2027.

🕒 Act Fast on TPO Deals

☐ **Finalize lease/PPA proposals ASAP**
☐ Ensure TPO projects **start construction by June 2026**
☐ Schedule installs to be **fully operational by Dec 31, 2027**

💳 Diversify Financing Options

☐ **Add non-ITC loan products** to your financing lineup
☐ Partner with lenders like **OneEthos Powered By Climate First Bank** and **Sunlight Financial's SunSaver**
☐ **Reduce reliance on a single financing channel** (e.g. TPO-only model, single lender, etc.)

🔋 Shift Toward Battery & Bundled Offers

☐ **Promote battery-only systems** and solar+storage bundles
☐ **Train sales teams** to explain storage ROI and incentive eligibility
☐ **Leverage utility rate hikes** and grid instability in your pitch

💡 Build Transparent Savings Models

☐ Review sales tools to **accurately model post-ITC savings**
☐ Focus on **net monthly savings**, not just incentives
☐ Re-train reps to sell on **value, reliability, and long-term ROI**

💰 Lower Customer Acquisition Costs (CAC)

☐ Scale up **inside sales teams** for cost-effective outreach
☐ Launch or refine a **referral program**
☐ Analyze current CAC to find areas for margin improvement

📍 Bonus: State-Level Strategy

☐ **Florida, Arizona, and Texas teams**—prioritize TPO deals for early 2026
☐ **Set clear internal deadlines** for design, permitting, and install timelines
☐ **Educate your market** on the changing incentive landscape