

Leasing a solar system

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Solar systems can generate big savings on electricity bills and can pay for themselves very quickly, often in under four years. But what if you can't afford the upfront cost of installing a solar system? There are still ways you can benefit from capturing the sun's energy without the capital outlay.

Some WA growers are leasing solar systems to cut electricity bills without the upfront cost of purchasing panels and inverters. Anthony Lieu of Landsdale Strawberries is one such grower, taking on a solar lease arrangement in 2022.

Anthony and his family lease a property in the Carabooda region, north of Perth, where they grow strawberries from winter to spring, and capsicum, tomatoes, and eggplant during summer.

They lease a 40kW solar system that helps to power their cool rooms, air conditioners, lighting, irrigation pumping and other operational activities during the day. With peak electricity consumption happening during daylight hours, they are making the most of the energy generated without the need for battery storage. They also don't need to worry about postponing activities to take advantage of cheaper off-peak tariffs.

In the case of pumping water for irrigation, this means the plants are getting the water (and nutrients) exactly when they need it throughout the day, instead of applying one or two irrigations at night when rates are cheaper, which isn't ideal on Perth's sandy soils.

“**We use all our power during the day when the sun's out, so solar was a no-brainer for us. We run our cool rooms during the day to maintain the shelf life of our fruit and turn them off when the fruit is picked up, so we don't use power overnight.**”

So how does the lease work?

Anthony's system is on a 5-year lease. Once the 5 years is up, he owns the system.

If he moves from the property before the 5-year term, he will need to pay the outstanding balance and take ownership of the system.

Shorter (2-year) and longer (up to 7-year) lease arrangements are also available to cater for individual circumstances.

- The system was installed and is maintained as part of the lease
- Anthony pays \$600 per month to lease the system
- Prior to leasing the solar system, Anthony's electricity bills were \$4000 per month
- With the solar system in place, the electricity bills have dropped to \$1600 per month
- That's a saving of \$1,800 per month **after the lease** payment without any upfront costs

Note: this is a real-life example based on a 40kW system. Please consult a solar provider about how solar would work in your situation.

Before considering a solar leasing arrangement you should compare the different financing options available to you. If you are eligible for a loan, compare the interest rates and repayments of the loan to the lease arrangements on offer to ensure you are getting the best return on your investment (monthly payments).

Monthly costs	Before solar	With leased solar
Upfront installation cost	NA	\$0
Lease fee	\$0	\$600
Electricity bill	\$4,000	\$1,600
TOTAL monthly cost	\$4,000	\$2,200



- 1. Anthony Lieu from Lansdale Strawberries leased a solar system in 2022 and is already reaping the financial rewards.** Photo credit: Helen Newman
- 2. The 40kW inverter is tucked away in the packing shed.** Photo credit: Helen Newman
- 3. The panels have been mounted on the side of the packing shed roof which captures the maximum sun exposure.** Photo credit: Neil Van Der Walt, Next Power