What is a power purchase agreement?

*****This information was found on Google. For more information you can use this link for an explanation from Sun Run.*****

A Sunrun Power Purchase Agreement (PPA) is a contract where Sunrun owns, installs, and maintains a solar system on your property, and you purchase the electricity it generates at a fixed rate per kilowatt-hour (kWh). Unlike owning, you don't own the system or the tax benefits, but you get to use the solar power at a lower, predictable rate than your utility might offer. The agreement is typically a long-term contract, often 20 years, during which Sunrun is responsible for system maintenance and repairs.

Key Aspects of a Sunrun PPA

- **No Ownership, Just Power:**

  Sunrun owns the solar panels, but you pay for the energy they produce.

- **Predictable Costs:**

  You pay a fixed rate per kWh for the solar energy generated, which helps to shield you from volatile utility electricity prices.

- **No Maintenance Costs:**

  Sunrun is responsible for the installation, maintenance, and repair of the solar system.

- **Fixed Rate, Variable Bill:**

  While you pay a fixed rate per kWh, your monthly bill will vary based on how much energy your system produces and how much you use.

- **Long-Term Commitment:**

  Sunrun PPAs are typically 20-year contracts, and transferring the PPA to a new homeowner can be complicated.

- **Loss of Ownership Benefits:**
  Since you don't own the system, you don't receive the potential tax rebates or the ability to sell renewable energy credits to your utility.

Sunrun PPA vs. Solar Lease

- **PPA:** You pay a fixed price per kWh for the power generated.
- **Lease:** You pay a flat monthly rent for the use of the system, regardless of how much power it produces.

Paste this link into your browser for more info from Sun Run. Sun PPA Definition.