

California Solar Rebates and Incentives

Solar Rebates and Incentives for the Carmel, Monterey, Santa Cruz and Salinas Area

California is the number one state in the country for solar energy thanks to the copious amount of sunshine we receive throughout the year. But that's not the only reason to go solar in California—the Golden State also offers some of the best solar incentives.

California solar rebates and incentives can help you manage the upfront costs of solar installation and provide you with long-term financial benefits. National Solar Solutions is here to help you take advantage of the excellent solar incentives CA has to offer for [Carmel](#), [Monterey](#), [Salinas](#), and [Santa Cruz](#) businesses and homeowners. We'll determine which incentives your project qualifies for and walk you through the application process. We are committed to making solar affordable in California, and we also offer financing.

Short on time? Here's a brief overview of the major incentives available:

Solar Incentive	Overview	Who's Eligible?
<p data-bbox="218 396 531 423"><u>Investment Tax Credit</u></p> <p data-bbox="331 469 415 496"><u>(ITC)</u></p>	<p data-bbox="611 396 1367 496">All solar systems installed in CA are eligible for the ITC, a federal tax credit worth 30% of the solar system's cost.</p>	<p data-bbox="1507 396 1871 496">Available for residential and commercial solar projects.</p>
<p data-bbox="224 656 525 756"><u>Modified Accelerated Cost Recovery System</u></p> <p data-bbox="304 802 445 829"><u>(MACRS)</u></p>	<p data-bbox="611 656 1367 829">A method of depreciation that allows businesses to recover a portion of solar installation costs over a one-year or five-year period.</p>	<p data-bbox="1486 656 1885 756">Available for commercial solar projects.</p>
<p data-bbox="205 980 543 1008">Net Energy Metering 3.0</p> <p data-bbox="245 1057 504 1084">/ Net Billing Tariff</p> <p data-bbox="329 1130 417 1157">(NBT)</p>	<p data-bbox="627 980 1346 1081">An incentive that allows solar customers to trade energy with their utility.</p>	<p data-bbox="1493 980 1885 1157">Available for residential and commercial solar customers of participating utilities.</p>

<p><u>Solar Energy System Property Tax Exclusion</u></p>	<p>This incentive ensures property taxes will not increase due to a solar installation.</p>	<p>Available for residential and commercial solar projects.</p>
<p><u>Self-Generation Incentive Program</u></p>	<p>This incentive program allocates rebates to customers who install solar and battery storage technologies in high wildfire threat areas or for medically vulnerable customers.</p>	<p>Available for select residential solar customers and commercial solar customers of participating utilities.</p>

The Solar Investment Tax Credit

The Investment Tax Credit (ITC), also known as the federal solar tax credit, is the best solar incentive available in the US. The solar tax credit allows you to claim a federal tax credit worth 30% of your solar system’s total installation costs. The incentive is available for both [residential](#) and [commercial](#) solar projects.

The solar tax credit is currently on a step-down schedule and will be reduced in 2033 and eliminated for homeowners in 2035. At this time, a 10% tax credit will be available indefinitely for commercial solar projects.

Modified Accelerated Cost Recovery System (MACRS)

MACRS depreciation allows businesses to recover some of the costs associated with commercial solar installation. Qualifying solar energy equipment is eligible for a five-year cost recovery period.

Businesses can qualify for both the ITC and MACRS. However, if you claim the ITC, you must reduce the project's depreciable basis by half of the value of the ITC. [Residential solar](#) does not qualify for MACRS.

Bonus Depreciation

If you install [commercial solar](#) before 2023, you can qualify for Bonus Depreciation, allowing you to allocate 100% of the depreciable value of the asset in the first year.

Net Energy Metering 3.0

As of April 15, 2023, California's Net Energy Metering (NEM) program has undergone a transformation. California is now operating under the Net Billing Tariff (NBT)—commonly referred to as NEM 3.0.

With NEM 3.0, customers who install solar will:

- Be billed monthly rather than annually.
- Use an electrification rate rather than a time-of-use (TOU) rate.
- Have a different rate of compensation for power exported back to the grid than under NEM 2.0.

The Net Billing Tariff (NBT) continues to allow solar energy users to sell the excess electricity generated by their systems back to utility companies in exchange for a credit, albeit at a lower rate than under NEM 2.0.

To reap the greatest benefits under NEM 3.0, install [solar battery backup](#). Solar batteries allow you to store the excess energy generated by your system for later use, like after the sun goes down and peak electricity rates kick in.

Active Solar Energy System Property Tax Exclusion

Solar panels can significantly increase the value of your home, but don't worry—they won't increase your property taxes. Active solar energy systems, which include residential solar panels and battery storage, are not included in California property tax assessments. This statute is in effect until January 1, 2025.

Self-Generation Incentive Program (SGIP)

SGIP offers rebates for installing solar energy generation and storage technologies at residential and non-residential facilities in California. Customers of PG&E, SCE, SoCalGas, and SDG&E are eligible to receive rebates through the SGIP.

In preparation for the next wildfire season, additional funding has been allocated to SGIP. This funding will prioritize customers who live in high fire-threat areas or have experienced two or more Public Safety Power Shutoff (PSPS) events. Low-income customers, medically vulnerable customers, and critical facilities will also be prioritized.