

TEXAS STATE INCENTIVES

FEDERAL, STATE, AND LOCAL INCENTIVES

There are many Texas solar power incentives at all levels. Let's start with the federal incentive. The Solar Investment Tax Credit (ITC) is a federal tax credit that is a dollar for dollar reduction on income taxes. In 2022, the federal government increased the credit to 30%.

The state of Texas does not offer a statewide solar tax credit, but most local utilities do offer incentives to go solar, add battery backup, improvements related to energy efficiency. The structure and availability of rebates vary across the state, but most utilities offer rebates to business owners on a price-per-watt basis that is capped at a maximum amount per project. The funds may be available in perpetuity or released on a periodic (e.g. annual) basis for residential and/or commercial solar installations. The utilities have an application process for each project, which your solar installer will manage for you.

There are other local incentives as well. Some areas, such as Austin, offer a property tax exemption, for solar power customers.

NET METERING PROGRAMS

Some utilities offer a solar rebate, and others participate in net metering. Net metering is a billing arrangement between the property owner and the utility company that allows overproduced energy to be sold back to the grid. This money usually is applied as a credit in the next billing cycle. Net metering may only be available to specific customers, so we recommend calling your provider to ask if they participate.

In competitive (deregulated) electricity markets across Texas, solar rebates and net metering (or solar buyback programs) may be available through your Retail Electric Provider (REP). For example, solar buyback programs are available from TXU, Reliant, and Green Mountain. There are hundreds of REPs operating in Texas, so check with your preferred company to ask about their solar program.

LIST OF LOCAL SOLAR INCENTIVES

Texas solar rebates and incentives, as well as policies for the utility companies and cooperatives below, are subject to change at any time. We recommend that you contact your utility directly to confirm their current program.