



## Understanding your solar bid

Developed in partnership with Spark Northwest



Getting bids for a commercial solar installation can feel overwhelming—especially if it is your first time. This guide will help you navigate the process. It explains important topics to look for and outlines key items to compare across bids, so you can better understand your options. We recommend getting 2–3 bids to compare pricing, warranties, and products.

### Finding a contractor

- Reference PSE’s list of Recommended Energy Professionals for installers in your area. These installers have high customer satisfaction rates and experience navigating the PSE processes.
- If using a contractor that is not on the list:
  - o Confirm they are a licensed, bonded, and insured contractor in Washington State and have the correct licenses for residential and/or commercial solar installations.
  - o Check online reviews for the company and if you want extra assurance, ask if they have any past customers who will speak to you about their experience.



## Reviewing bids

### What's in a bid?

Each bid will look a little different so don't be surprised if it takes time to compare bids. In order to compare "apples to apples" it is important to understand what kind of apples you are looking for.

A bid for a solar installation should include the following:

- **Total price**
  - o A solar installation bid should include the total cost to have your system fully up and running. This includes labor and equipment to purchase, install, permit, and interconnect your system. If you have equipment preferences (such as where solar panels are manufactured, inverters that take up the least amount of space, mounting hardware for specific roof type, or equipment with the longest warranties) it's helpful to communicate those when you solicit bids.
  - o If there are things needed before or after solar installation that are not included in the bid (such as roof work, electrical upgrades or maintenance), this should be made clear to you.
  - o The total project cost should be clearly shown before applying tax credits or other incentives, and separately from any financing options that are being offered or considered.
- **System size** (typically described in kilowatts kW DC)
- **Brand and specifications of solar panels, inverters, and balance of system hardware** (such as racking).
- **System layout:** Where and how modules will be mounted to the roof, where inverters and other equipment (e.g. wiring runs) will be located in or on the building.
- **Solar production estimate** (described in kilowatt hours (kWh) per year)
- **Other elements included in the bid** such as warranties, performance guarantees, monitoring equipment, management of permitting and interconnection process.
- **If batteries are included, their brand, capacity, and modes of operation.** Whether the system includes batteries or not will have a significant impact on the cost of the system, but also the value that you are getting. Understand that without batteries, a solar array will not provide power during a utility power outage.



### Break down the pricing into cost per watt.

Take the total project cost, divide by system capacity (kW DC) and divide again by 1,000 (1 kW= 1000 Watts). The lowest cost per watt is not always the best bid as it doesn't reflect all of the "others" in a bid such as your preferences for equipment, warranties, different design considerations, etc. But, it is still a great starting point for comparison, especially if your bids are for similarly specified systems that meet your goals.



### Understand what the system will produce

Every bid should include the amount of energy the system is expected to produce in kilowatt hours (kWh) per year. This should be based on the system size, equipment types, and a site assessment including the layout of the system with tilt, orientation and potential shading of the solar panels. Different contractors use different tools for site assessment and production estimates so make sure that you understand the assumptions so that you can compare the results fairly.

You can compare the expected annual kWh production to the building's annual energy use to understand how much of your energy use can be generated by the proposed system.

Many bids will include projected annual savings on your electric bill, derived from the projected kWh production of the system. This is another area where different contractors using different assumptions about future PSE electric rates could create the appearance of very different expected savings.

Through [PSE's Net Metering program](#), all kWh produced will save you from purchasing a kWh from PSE on your utility bills. For systems >100 kW AC in size that are not eligible for Net Metering, the amount of savings you'll achieve is much more complicated. It depends on when power is generated and how that coincides with when power is consumed at the site.



### Consumer protection

Washington State recently passed House Bill 2156 which outlines solar consumer protections to prevent deceptive solar sales and predatory practices. While this Bill only applies to residential installations, we still recommend reviewing this information found [here](#).

If you are applying for [PSE's Solar Grants](#) and need help with bid procurement, please reach out to Spark Northwest at [grant.support@sparknorthwest.org](mailto:grant.support@sparknorthwest.org) or [via this intake form](#).