



True Cost of Solar Guide™

The cost of your solar energy system is determined by where you live and how much electricity you use. This guide will help you estimate how much you'll pay to install solar panels on your home.

Three main reasons why solar prices vary

Not all solar energy systems are created equal. The cost of solar for your home depends on three key variables: the equipment you install, how you finance your system, and the installer you select.



Equipment Options

In some ways, choosing equipment for your solar energy system is like shopping for a car. Whether you choose a Kia, Toyota or Mercedes depends on your budget and your priorities. Similarly, the solar equipment you select will affect both on your system's performance and your total solar costs. Learn more about solar equipment options in the [EnergySage Buyer's Guide](#).



Installation Company

There are thousands of companies installing solar across the United States. You can choose a small, locally-based installer or a national-scale installer for your solar energy project. Each option has distinct advantages: national-scale installers can give you an off-the-shelf package and are more likely to offer leases and PPAs, while local installers offer more personalized service and are often priced more competitively. Use EnergySage's [Solar Company Reviews](#) to thoroughly vet every solar installer before you make a decision.



Solar Financing

The financing option that you choose will have a significant impact on your 20-year solar savings. There are three different products available to finance your solar panel installation: you can purchase your system in **cash**, take out a **solar loan**, or sign a **lease or power purchase agreement (PPA)** with a third party. You can see an instant, customized estimate of your 20-year solar savings with different financing options through the [EnergySage Solar Calculator](#).

Regardless of the equipment, financing, and installation company you choose, you should always [compare multiple offers](#) before you make a solar decision.

Get an instant estimate of your solar savings potential

[Get Your Estimate Now](#)

NEW JERSEY SOLAR PRICE DISTRIBUTION



How to Estimate Your Expected Solar Costs

This DIY worksheet will help you estimate how much you'll pay to install solar panels on your home. Every home is different – you can find actual prices for your home from solar installers in your area on the EnergySage Solar Marketplace.

1. How much electricity do you use?

The first step to determining how much your solar panels will cost is to figure out how much electricity you use in a year. Find a copy of your utility bill, or make an estimate of what you pay for electricity each month.

Input monthly electricity bill

\$ _____
\$/month
÷ \$0.16

Divide by \$0.16* to find your monthly electricity use in kilowatt-hours (kWh)[‡]

**Average electricity rate in New Jersey*

kWh/month
x 12

Multiply it by 12 to find your estimated annual electricity use

[‡] If you know how much electricity you use per month (in kWh), input it on the "kWh per month" line

kWh/year

2. What size system do you need?

To find the right sized system for your home, divide your yearly electricity use by the "production ratio," which accounts for much sun your panels will get in New Jersey.

Input annual electricity use from part 1

kWh/year
÷ 1.17

Divide by 1.17 to find your solar panel system size

System Size (Watts)

3. What is the net cost to install a solar energy system on your home?

Now that you know the size of the system your home needs, you can use the average price per watt in New Jersey to find the gross cost. Then, you can calculate the value of the solar tax credit for your system and find the net price you'll pay to go solar.

Input system size (Watts) from part 2

System Size
x \$2.79

Multiply by \$2.79*

**Average price per watt for New Jersey homeowners in 2021*

\$ _____
Gross cost
x .74

Multiply by 74% to subtract the 26% federal solar tax credit and find the net cost of a solar energy system for your home

\$ _____
Net Cost

Get custom solar quotes for your home

Register Now

Want to join a solar farm instead?
Explore community solar options