

# Upsolar Promotes Energy Freedom with New Home Solar Loans

[Andrew Burger](#) | Tuesday December 16th, 2014

U.S. solar power installations are on track to post another year of record growth. Enough solar power capacity – 1.354 gigawatts – was installed in the U.S. in Q3 2014 to power some 3.5 million homes, according to the [latest quarterly report](#) from the [Solar Energy Industries Association](#) (SEIA) and [GTM Research](#).

More affordable and as emissions- and pollution-free as ever, U.S. home and property owners are installing [solar photovoltaic \(PV\) power systems](#) at an unprecedented pace. An industry first, more than 300 megawatts of residential PV went into operation in Q3. More than half of that was installed in states that don't offer any incentives, SEIA and GTM highlighted.

That's encouraging news for players all along the U.S. solar industry value chain, particularly in light of ongoing international trade tensions and a scheduled scaling down of the [federal investment tax credit \(ITC\)](#) at year-end 2016.

Facing stiff competition for residential customers, downstream solar PV finance-and-installation companies are turning to home solar loans as opposed to the third-party leases that have galvanized growth in recent years. [Upsolar America](#) believes it has a winning lifelong solution with its zero-down, 20-year, 5.99 percent fixed rate home solar loan program.

## Upsolar America's Energy Freedom

Dubbed [Energy Freedom](#), Upsolar America's turnkey home solar program removes all the hassle and worries associated with choosing, financing, installing and maintaining home PV energy systems. A better deal financially for homeowners than solar leases, Upsolar's zero-money-down home solar package enables them to own their PV systems, in contrast to solar leases, Upsolar America President Stephane Dufrenne explained in a 3p interview.



For qualified home PV installation businesses, Upsolar America's Energy Freedom offers a complete, turnkey solution that includes attractive homeowner financing and a path to ownership. The primary objective in designing and assembling the program was to create a simple, more affordable and comprehensive solution that spans the entire process of having a home PV system installed, as well as providing operations and maintenance (O&M) over the entire lifecycle, Dufrenne told 3p.

As when entering into a residential solar lease agreement, homeowners participating in Energy Freedom can claim the federal solar investment tax credit (ITC) and any state rebates and incentives. In contrast to home PV leasing, Energy Freedom participants “put equity into their homes, because they own the systems ... In that way, leasing is more like an expense, while our loan program is more like an investment,” Dufrenne said.

On the flip side, Energy Freedom offers qualified residential PV installation businesses an opportunity to expand in local markets where tough competition and market regulations already make sustained commercial success a difficult proposition, he added.

## **A fab-less, asset-light PV enterprise**



“Fab-less” and “asset-light,” Upsolar America’s China-based parent company is proving adept at building a very lean multinational business organization. This business strategy makes Upsolar nimble and confers other competitive advantages, Dufrenne elaborated.

While Upsolar designs, engineers and oversees the production, and assures the quality of its brand- name PV systems from silicon to panel and module, it does not own any manufacturing facilities. “We control the entire supply chain in accordance with strict manufacturing specs,” Dufrenne explained.

Covering its bases in light of international trade tensions and the imposition of punitive import duties, Upsolar has contracts with PV manufacturers in Mexico and Taiwan, as well as with its original contract manufacturer in China.

In addition, Upsolar maintains “a strong R&D lab for testing the quality and reliability for all components, and we procure those components ourselves, so we can take advantage of volume discounts ... It’s a somewhat unique business model in PV; we’re the only one to do that,” Dufrenne said.

## **A complete home solar solution**

For Upsolar, that translates into “easy access to capacity, good and competitive pricing. We have a worldwide footprint, and we don’t have to bear the burden of operational capex. We build to order, and we keep a lean inventory, which makes us very nimble compared to larger competitors,” he continued.

Similarly, Upsolar has vetted and assembled a chain of suppliers for the inverters, racks, mounts and other components that make up home solar PV systems. On [Oct. 29, Upsolar announced](#) a partnership in which [APS America](#) will supply the “advanced microinverter technology” for Upsolar America’s Energy Freedom program.

Given a lifespan of at least 20 years, assuring home PV systems performance over their entire lives is a key to taking the guesswork out of PV system purchasing and safeguarding homeowners’ investments. Addressing this, the Energy Freedom package includes operations and maintenance (O&M), as well as Upsolar’s own PV panel and component partners’ warranties.

Participating Energy Freedom installers perform O&M for the first two years. [NextPhase](#) steps in from year three to year 15.

Tightly focused on local markets, Upsolar America is initially rolling out its Energy Freedom program in U.S. Sunbelt states and those where state government incentives make installing a home PV energy system that much more attractive. In the process of building a network of qualified installers, the list includes Arizona, California, Colorado and Nevada. It's also doing business south of the border in Mexico.

Installing around 250 MW per year of solar power capacity, Upsolar is operating at a much smaller scale than market-leading competitors such as [SolarCity](#), which has rapidly grown into the U.S. residential PV market's 800-pound gorilla. That suits Upsolar just fine, Dufrenne told us.

"We're not operating at the scale of a SolarCity or [Vivint](#), but we're recruiting a decent corps of installers. And we're helping them get up to speed – developing a credit, sales and order management platform that's completely paperless and verified by [DocuSign](#). It's all very seamless."

"Early response has been extremely positive, and we have enrolled a host of installers eager to expand their business with our solution," Dufrenne said. "Our offering will continue to improve with new features, including design services, so installers are free to concentrate on their primary tasks – selling and installing systems – rather than worrying about procurement or getting credit lines with local distributors."

*Images courtesy of Upsolar America*

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