

Solar panels and installation cost savings





Overview

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Solar panels generate “free” electricity, but installing a system still costs money. A typical American household needs a 10-kilowatt (kW) system to adequately power their home, which costs \$28,241 in 2025. That price effectively drops to \$19,873 after considering the full federal solar tax credit.

This article breaks down how much solar panels might cost you in 2025 and how much money you could save in the long run. Solar panel cost breakdown: What are you paying for?

Understanding what makes up the cost of a solar system before purchase helps you make smart choices about your home solar.

Solar panel systems cost between \$18,000 and \$43,000 before incentives. Federal, state, and local incentives can cut solar costs by 30-60%. The average payback period for solar panels is 8.5 years, with up to \$90,000 in savings over 25 years. How Quickly Will You Break Even?

Is Solar Worth It?

The.

Solar panels cost about \$21,816 on average when purchased with cash or \$26,004 when purchased with a loan for a 7.2 kW system. While that price tag seems steep, the electricity bill savings you get from solar panels make them a worthwhile investment for most Americans. Our team of solar experts.



It costs around \$30,000 to install solar panels. That's a big number, but incentives usually lower it significantly. The average U.S. solar shopper needs about 11 kilowatts (kW) of home solar to cover their electricity usage. Based on thousands of quotes in the EnergySage Marketplace, you'll pay.

Solar panel costs in 2025 depend on system size, installation, and region. The average cost per watt ranges from \$2.50 to \$3.50, translating to \$12,500 to \$17,500 for a 5-kilowatt system. Larger systems have higher upfront costs, but they reduce price per watt due to economies of scale. Are solar panels a worthwhile investment?

Yes, solar panels can be a worthwhile investment for many homeowners. Here are a few reasons why: **Cost Savings:** Most homeowners recover the cost of their solar panels in electric bill savings in about 8.5 years, with an estimated savings of \$25,260 over the system's lifetime.

How much does solar cost?

Fortunately, EnergySage can help you determine how much solar will cost you, and how you can lower that price to start saving sooner. The average cost of a 12 kW solar panel installation on EnergySage is \$20,754 after the federal tax credit. You'll probably save anywhere from \$34,000-\$120,000 over 25 years by going solar.

How much do commercial solar panels cost?

Generally, installing solar panels on businesses costs a bit less per watt because the systems are larger, but the total costs will be higher. In 2025, the average cost for commercial solar panels is just about \$2.00 per watt. There is a lot to consider when figuring out how much you'll spend on a solar installation.

How much does it cost to install solar panels?

It costs around \$30,000 to install solar panels. That's a big number, but incentives usually lower it significantly. The average U.S. solar shopper needs about 11 kilowatts (kW) of home solar to cover their electricity usage.

Do solar panels save money?

If your solar panel system is large enough to cover your entire energy usage, and you have a backup solar battery on hand, you can save 100% on your electricity bill. Most homes have smaller systems that cover a portion of their



energy bills, however. In our solar survey, 67% of respondents said they save more than \$50 per month.

How much does a solar system save on energy costs?

On average, homeowners with a complete solar system save \$41,000 to \$62,000 on total avoided energy costs over 25 years. It all depends on what your local utility charges for electricity, according to Robert Flores, a solar expert at The University of California, Irvine's Clean Energy Institute.



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A pretty well-known solar energy fact is that installing solar panels can be a great investment for your home. The average house could save almost \$1,500 per year on electricity bills with solar panels! With electricity prices more expensive than ...

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This goes without saying; solar panels can cost \$5,000, \$10,000, \$20,000, or even \$50,000, depending primarily on the size of the solar system you're about to install, and secondarily on the brand, location, contractors, and so on.



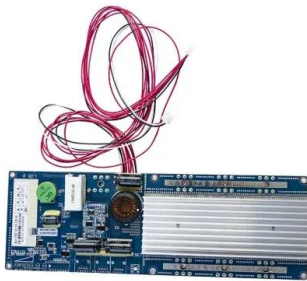
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As of August 2025, the average solar panel system costs \$2.79/W including installation in Connecticut. For a 5 kW installation, this comes out to about \$13,931 before incentives, though prices range from \$11,841 to ...



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Solar panel installation costs an average of \$27,173. Most homeowners spend between \$3,500 at the low end and a maximum of \$55,000 on a complete system. Where you live, the number of panels you need, ...

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