
OpenSolar®
The Sustainable, High Growth $2 per W Resi Solar Industry

US Resi Solar Situation Today - September 2025

- Cash and Loan loses ITC Jan 1; ITC remains for safe-harbored TPO (av est 2-3 years) but with complexity, risk and potentially higher capital cost
- Net metering in 34 states but gradually being lost (Eg CA, TX, UT, AZ)
- Average cost $3.65/W, $5.18/W with battery (needed without net metering)
- Solar-storage is more expensive than grid retail energy to end customer without ITC ⇒ low and falling demand
- 200k jobs at risk; $300bn sales opportunity at risk; climate at risk

US Need

1. **We need to Unite as an Industry**
2. **We need to write and execute a $2 per W Plan** to half the cost to under $2/W (with batteries) to offer customers significant savings without ITC or net metering
    - removes control of federal government (eg risk of ITC loss)
    - removes control of utilities & unions (risk of net metering)
    - allows business to invest with consistency and low-risk
    - offers customers energy savings, without need for subsidies
    - allows businesses to scale and profit at lower risk
    - This has been achieved already in most other markets - IT CAN BE DONE
3. **We need to Control our Destiny**

The Resi Cost Stack Problem

- AU at $2 per W today (inc 7kWh battery)
- US suffers chronic high soft costs and overheads
- New tariffs add to (code-driven) high COGS
- Total $5.18 per W average today (inc 7kWh battery)
- Customer value prop 50% more expensive energy without ITC or net metering

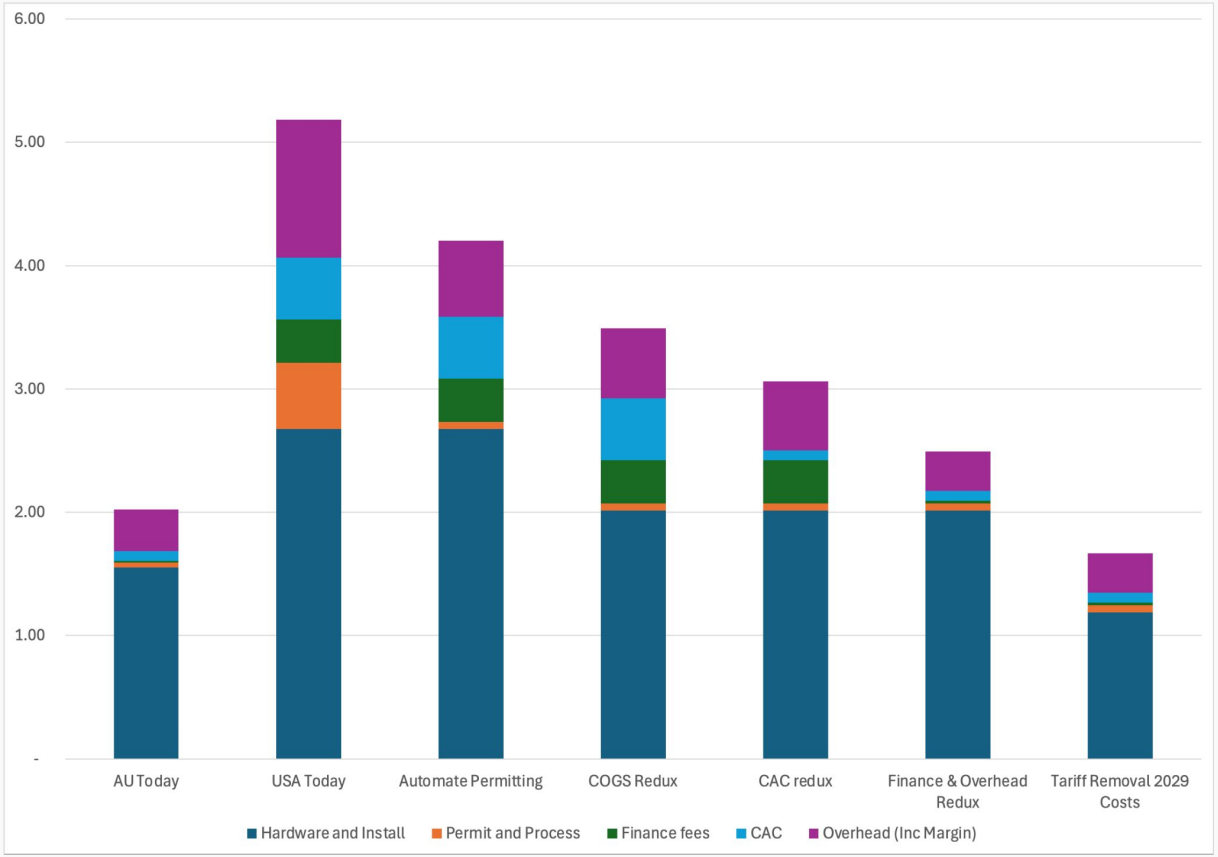
Cost of a 7kWp Residential System (US$/Wp)	UK Today	Australia Today	US (NEM & ITC) 2024	US (no NEM with ITC) 2024	USA 2026 (tariffs, no NEM, no ITC) 2026
Panels	0.18	0.18	0.28	0.28	0.35
Inverter	0.26	0.14	0.23	0.25	0.30
Battery	0.57	0.68		0.76	1.09
Mounting	0.09	0.08	0.15	0.15	0.18
BoS, inc Monitoring	0.05	0.05	0.07	0.07	0.11
Total Hardware	1.15	1.13	0.73	1.51	2.03
Install Labor battery	0.10	0.14		0.19	0.19
Installation Labor Solar	0.35	0.28	0.45	0.45	0.45
COGS	1.60	1.55	1.18	2.15	2.67
Marketing	0.08	0.04	0.28	0.28	0.28
Sales, inc Commissions	0.10	0.04	0.22	0.22	0.22
Project Management, Permitting and IC	0.04	0.04	0.54	0.54	0.54
'Soft' costs	0.22	0.12	1.04	1.04	1.04
Finance Fee	0.02	0.01	0.35	0.35	0.35
Overhead	0.22	0.15	0.74	0.74	0.74
Margin	0.34	0.19	0.34	0.34	0.38
Cost of Solar System (before finance costs)	**2.40**	**2.02**	**3.65**	**4.62**	**5.18**
Cash Cost before incentives		**14,168**			**36,291**
Rebate/Credits		0.49	1.20	1.52	
Net Cost to Customer	**2.40**	**1.54**	**2.45**	**3.10**	**5.18**
Pro Margin	14.1%	9.4%	9.3%	7.4%	7.3%
Cost proposition to Average Customer	**-62%**	**-69%**	**-21%**	**-7%**	**47%**
Total Value Prop to Average Customer inc VPP	**-62%**	**-78%**	**-21%**	**-7%**	**47%**

Future US Pathway

- There is a pathway to $2.36 per W inc tariffs
- And to sub $2 per W when tariffs removed or domestic products hit global costs
- Critical to offering viable customer value prop

Cost of a 7kWp Residential System (US$/Wp)	UK Today	Australia Today	US (NEM & ITC) 2024	US (no NEM with ITC) 2024	USA 2026 (tariffs, no NEM, no ITC) 2026	Post Redux Measures 2026/27	USA Future (no tariffs, no NEM, with SAPP) 2029+
Panels	0.18	0.18	0.28	0.28	0.35	0.30	0.09
Inverter	0.26	0.14	0.23	0.25	0.30	0.15	0.11
Battery	0.57	0.68		0.76	1.09	0.62	0.36
Mounting	0.09	0.08	0.15	0.15	0.18	0.16	0.08
BoS, inc Monitoring	0.05	0.05	0.07	0.07	0.11	0.10	0.07
Total Hardware	1.15	1.13	0.73	1.51	2.03	1.33	0.71
Install Labor battery	0.10	0.14		0.19	0.19	0.15	0.08
Installation Labor Solar	0.35	0.28	0.45	0.45	0.45	0.40	0.40
COGS	1.60	1.55	1.18	2.15	2.67	1.88	1.19
Marketing	0.08	0.04	0.28	0.28	0.28	0.04	0.04
Sales, inc Commissions	0.10	0.04	0.22	0.22	0.22	0.04	0.04
Project Management, Permitting and IC	0.04	0.04	0.54	0.54	0.54	0.06	0.06
'Soft' costs	0.22	0.12	1.04	1.04	1.04	0.14	0.14
Finance Fee	0.02	0.01	0.35	0.35	0.35	0.02	0.02
Overhead	0.22	0.15	0.74	0.74	0.74	0.16	0.16
Margin	0.34	0.19	0.34	0.34	0.38	0.16	0.16
Cost of Solar System (before finance costs)	**2.40**	**2.02**	**3.65**	**4.62**	**5.18**	**2.36**	**1.67**
Cash Cost before incentives		**14,168**			**36,291**	**16,515**	**11,680**
Rebate/Credits		0.49	1.20	1.52			-
Net Cost to Customer	**2.40**	**1.54**	**2.45**	**3.10**	**5.18**	**2.36**	**1.67**
Pro Margin	14.1%	9.4%	9.3%	7.4%	7.3%	6.8%	9.6%
Cost proposition to Average Customer	**-62%**	**-69%**	**-21%**	**-7%**	**47%**	**-39%**	**-64%**
Total Value Prop to Average Customer inc VPP	**-62%**	**-78%**	**-21%**	**-7%**	**47%**	**-50%**	**-74%**

Cost Redux Summary



Cost Redux Measures: COGS redux

Cost of a 7kWp Residential System (US$/Wp)	USA 2026 (tariffs, no NEM, no ITC) 2026	Post Redux Measures 2026/27	Reduction	REDUX MEASURES
Panels	0.35	0.30	(0.04)	Trend 13% reduction
Inverter	0.30	0.28	(0.02)	Trend 5% reduction. Upside: Micro->String. Integrated battery inverters
Battery	1.09	0.62	(0.48)	Trend 12% reduction. Downsize to 4.5kWh battery
Mounting	0.18	0.16	(0.02)	Reversion 13% reduction
BoS, inc Monitoring	0.11	0.10	(0.01)	Reversion, innovation, plus materials inflation
Total Hardware	2.03	1.46	(0.57)	
Install Labor battery	0.19	0.15	(0.04)	Standardize battery install, focus sales on simple installs & experience curve. Code simplification and standardization
Installation Labor Solar	0.45	0.40	(0.05)	Focus sales on simple installs 2/day. Appropriate labor cost. Drain Waste Vent Code. Training and learning curve
COGS	2.67	2.01	(0.67)	

Cost Redux Measures: Permitting, CAC & Overhead

Cost of a 7kWp Residential System (US$/Wp)	USA 2026 (tariffs, no NEM, no ITC) 2026	Post Redux Measures 2026/27	Reduction	REDUX MEASURES
Marketing	0.28	0.04	(0.24)	SolarAPP+ Automated Permitting reduces cancellations from 30% to 1% directly reudcing CAC. Local organic lead gen and referral driven marketing. AI lead processing
Sales, inc Commissions	0.22	0.04	(0.18)	Lower overall cost (from all) increases sales conversion, lowering commission costs. No expensive door-knocking high commission sales teams. AI lead processing and customer education. Innovation.
Project Management, Permitting and IC	0.54	0.06	(0.48)	SolarAPP+ Usage, Direct from Sale to Install, no site visit no opex. See detailed breakdown.
'Soft' costs	1.04	0.14	(0.90)	
Finance Fee	0.35	0.02	(0.33)	No ITC complexity (tax equity constraints and legal fees) reduces finance expenses and lowers cost of capital. Broader consumer finance options.
Overhead	0.74	0.16	(0.58)	Serve local market with 3-4 crews max.
Margin	0.38	0.16	(0.22)	Leaner 6% margin business
Cost of Solar System (before finance costs)	**5.18**	**2.49**	**(2.70)**	
			-52%	
Cost proposition to Average Customer	**47%**	**-36%**		
Total Value Prop to Average Customer inc VPP	**47%**	**-47%**		Tap homeowner into value of Elecricity and Grid Service Value

Private Enterprise Priorities to Half Resi Cost and Half US Home Energy Costs:

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1. Support non-profit and industry organizations who are driving the cost redux policies and $2 Plan
2. Use software and AI technology to digitize & automate all your processes (eg OpenSolar 3.0)
3. Integrate your software & processes with Automated Digital Permitting (SolarAPP+) and remote IX solutions
4. Leverage local low-cost leads and maximise referrals first, avoid high commission third-party sales teams. Use AI to process leads (eg OpenSolar 3.0)
5. Lower hardware and Install Costs: Max use of lower-cost string inverters and hybrid batteries; sell smaller batteries up-front and upsell more kWh later; use marketplace to purchase and automate BOM gen (eg OpenSolar 3.0); use smart breakers & load-control devices to avoid (7%) panel upgrades; search for supplier innovation in racking/BOS
6. Invest in safety to lower workers comp (20% salary cost), reduce overhead and finance costs
7. New innovation and ingenuity!...

Policy Priorities to Half Resi Cost and Half US Home Energy Costs:

1 Automated Digital Permitting (SolarAPP+)

- universal national standard rules
- digital process, no plan-sets
- no site visit installs made possible (next day solar)
- standard low fees

2 Automated Virtual IX

- universal national standard IX rules
- digital process, no site visit, post IX rules & device management
- standard low-fees

3 Code Simplification and Standardisation

- universal application of code for solar & battery installation
- single plumbing code drain-waste pipes to max solar on roof
- equal treatment micro-inverter vs string
- international best practice BOS (eg metal conduit, rapid shutdown, multiple meters, impact protection, redundant disconnects)

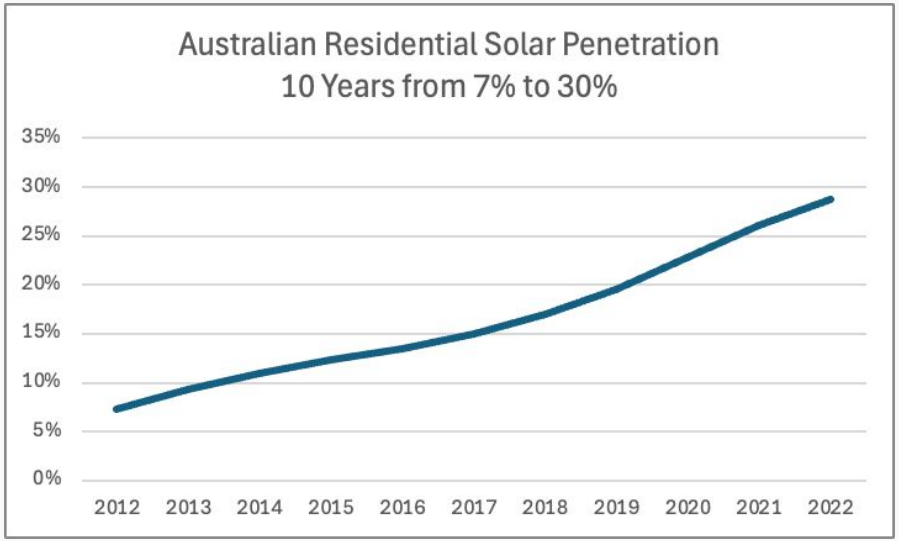
4 Electric Protocol to Monetize Batteries/DER/VPP

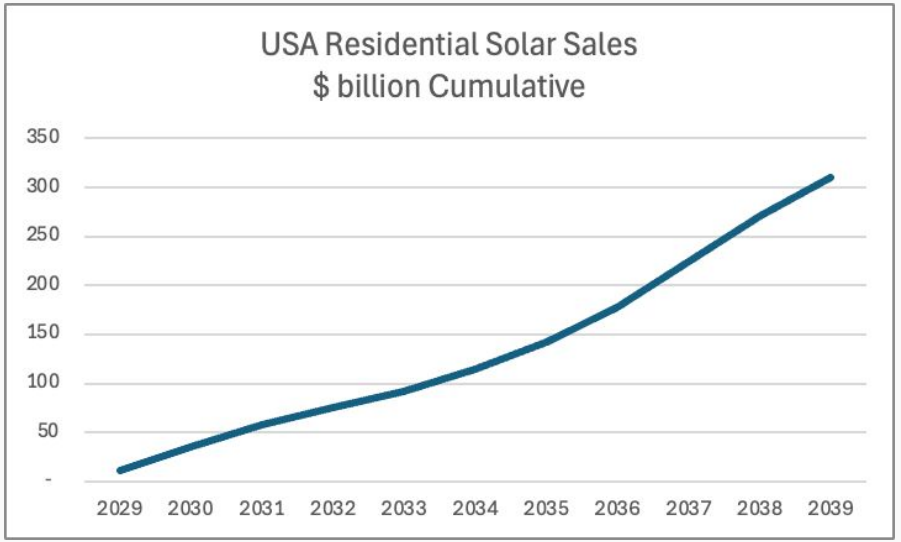
- Retail access to time of day i) energy and ii) grid service value

5 No Tariffs / Domestic Manufacturing ($2.50→$2)

With Cost Redux US should replicate Australia

$2 solar = >50% energy savings.
When energy savings hit 50% to consumers, AU solar share rocketed.
Equivalent share growth would lead to **$300bn of US residential solar sales!**





Recommendation: Consolidate Our Power and 200,000 Strong Workforce around a “$2 Plan”

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1 **Unite**: Align SEIA, RSA, Permit Power, SolarAPP, Vote Solar, Solar United Neighbours - around the 5 Resi Policy Priorities and create a Vision for US Resi Solar: e.g. $2 per W (batteries included) by 2030.

2 **Write the $2 Plan**. A lead Org writes our $2 Plan:

- How we will deliver the 5 policy priorities
- Who does what
- How we’re funding the plan, inc industry $ commitments

3 Execute the Plan. **Own our destiny**