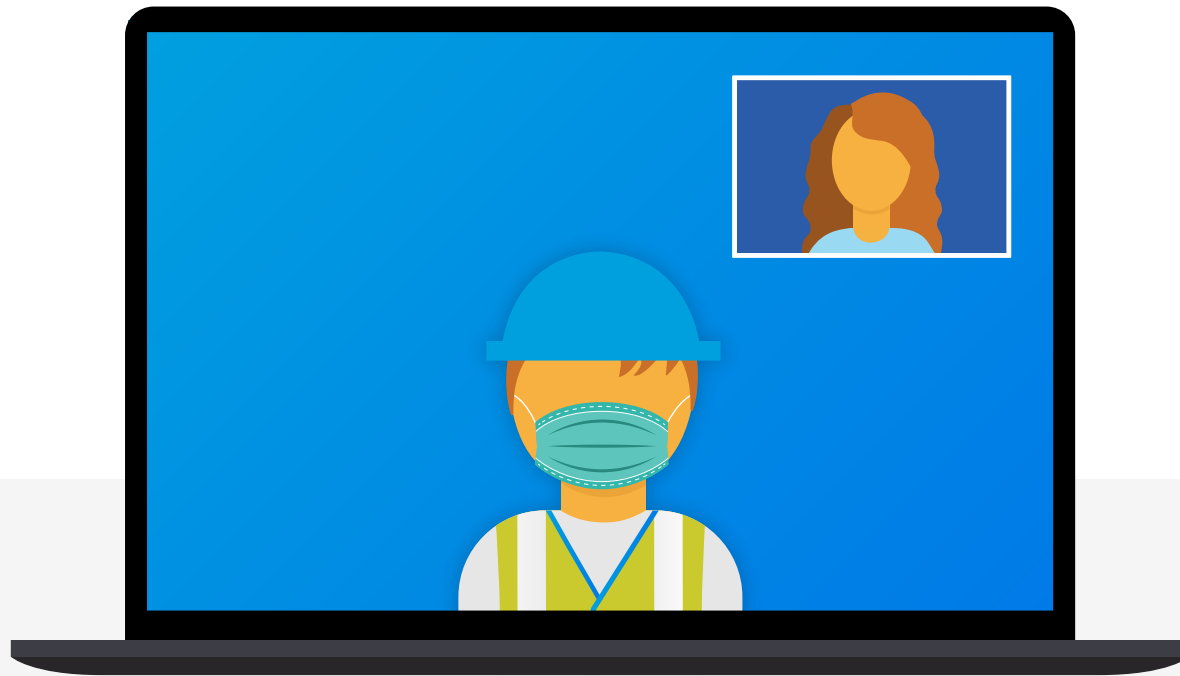


Consumer and installer mindset in the age of COVID-19

How the residential solar industry is reacting to the ongoing response to the global pandemic





Vikram Aggarwal

CEO & Founder
EnergySage

Thoughts from the CEO & Founder

Hello, and thank you for reading EnergySage's Special Report on the impact of the coronavirus pandemic on the residential solar industry in the US. We have been closely monitoring the impact of the global pandemic caused by the COVID-19 virus on both consumer interest in solar and on our nationwide installer network, and want to share our insights and analysis of how this ongoing situation has impacted the residential solar industry.

Here is what our surveys of solar shoppers and solar installers tell us about the state of the residential solar industry:

Interest in solar is increasing as a result of COVID-19:

Between spending more time at home, looking for ways to reduce monthly spending, and a desire for increased resilience and independence, consumers are more interested in solar now than they were prior to the start of the COVID pandemic.

Few customers are delaying their timeline for solar or cancelling existing contracts:

Although most solar companies report experiencing delays or cancellations of existing solar contracts, the percentage of customers doing so is very small—only 7 percent of consumers say they are delaying their solar timeline by more than a year, and one third want to accelerate their timeline.

Moving the solar sales process online provides cascading benefits:

Two thirds of consumers say they are more likely to shop for solar online now than they were prior to COVID-19, while installers point out that the move to online permitting and inspections, as well as their own increasing comfort and ability selling online, provide silver linings to the current situation.

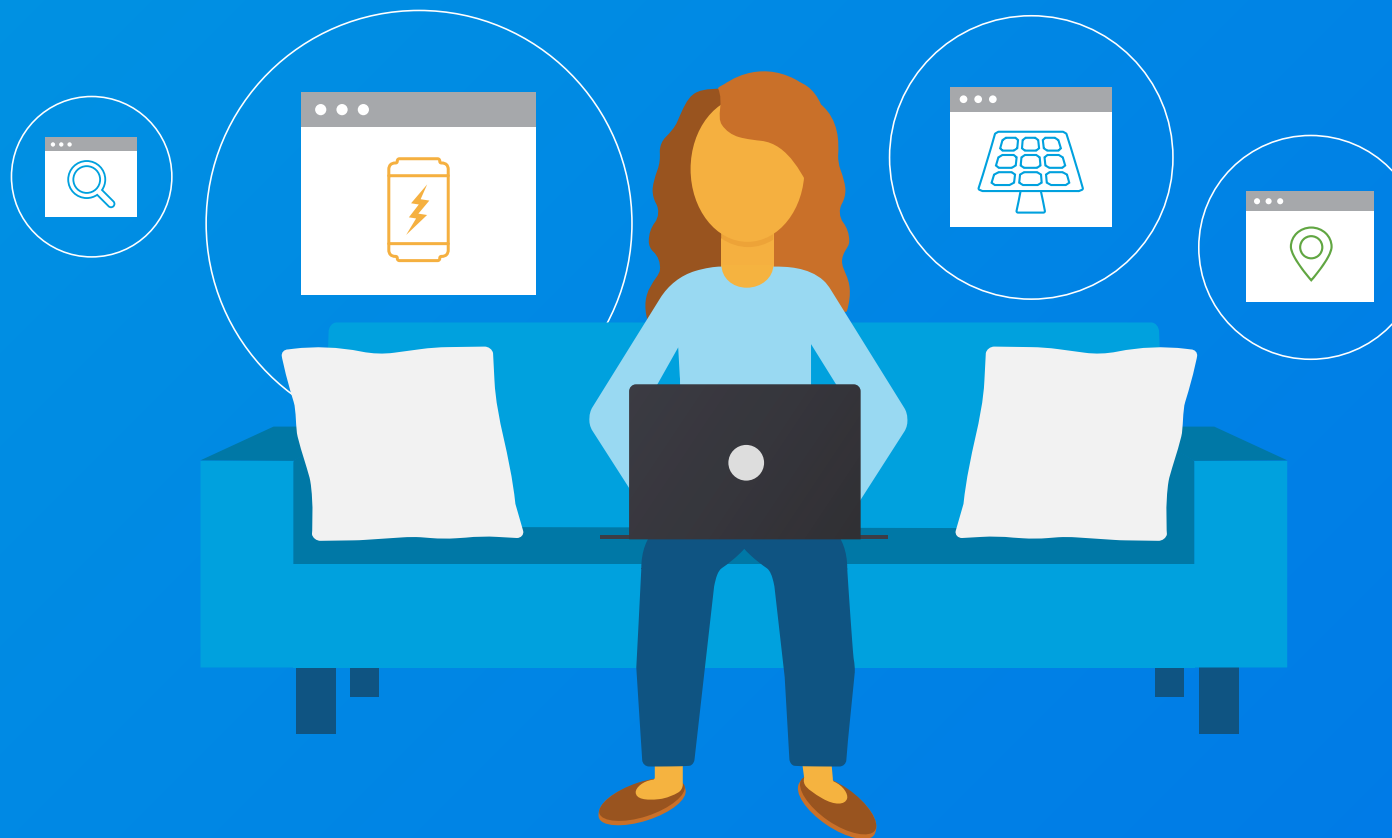
This report serves as another data point indicating that Americans want to double down on renewable energy right now, and that it remains possible to do so despite the current pandemic and shut downs. We hope that the data included in this report provides a ray of sunshine at a cloudy time for both our nation's and our industry's health.

Thank you for reading and stay safe,

Vikram Aggarwal

Vikram Aggarwal | CEO & Founder
EnergySage

Consumers



Background & Methodology

In order to gauge consumer sentiments around solar due to the ongoing COVID-19 situation, EnergySage worked with Qualtrics to field a survey to **509** consumers nationwide. The survey focused on homeowners over 18 who said they were actively looking to install solar prior to the COVID situation, and ran from March 30 through April 14.

Responses to the survey came from 41 states, with the majority of the responses coming from 6 major solar states: California, Florida, Massachusetts, New Jersey, New York and Texas.

Key Takeaways



People are **more interested in going solar** as a result of the COVID situation



Very **few consumers say that COVID has delayed their timeline for solar** by more than a year; some are accelerating decisions



People are **more likely to shop online for solar**—and storage—now than before the COVID situation



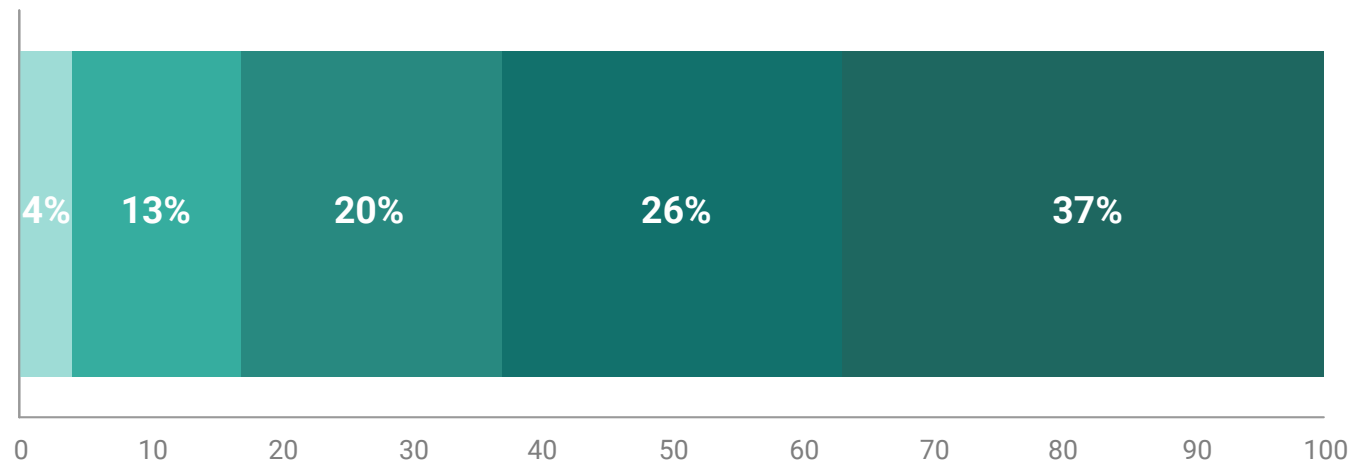
There are major differences in the impact of COVID-19 on solar interest and timelines from **state-to-state**

Interest in solar is increasing



How has the current COVID-19 situation changed your interest in solar changed?

I was actively looking to install solar at my house



Significantly less interested Slightly less interested No change
Slightly more interested Significantly more interested

63%

of people who were researching solar before are more interested in solar now than they were pre-COVID

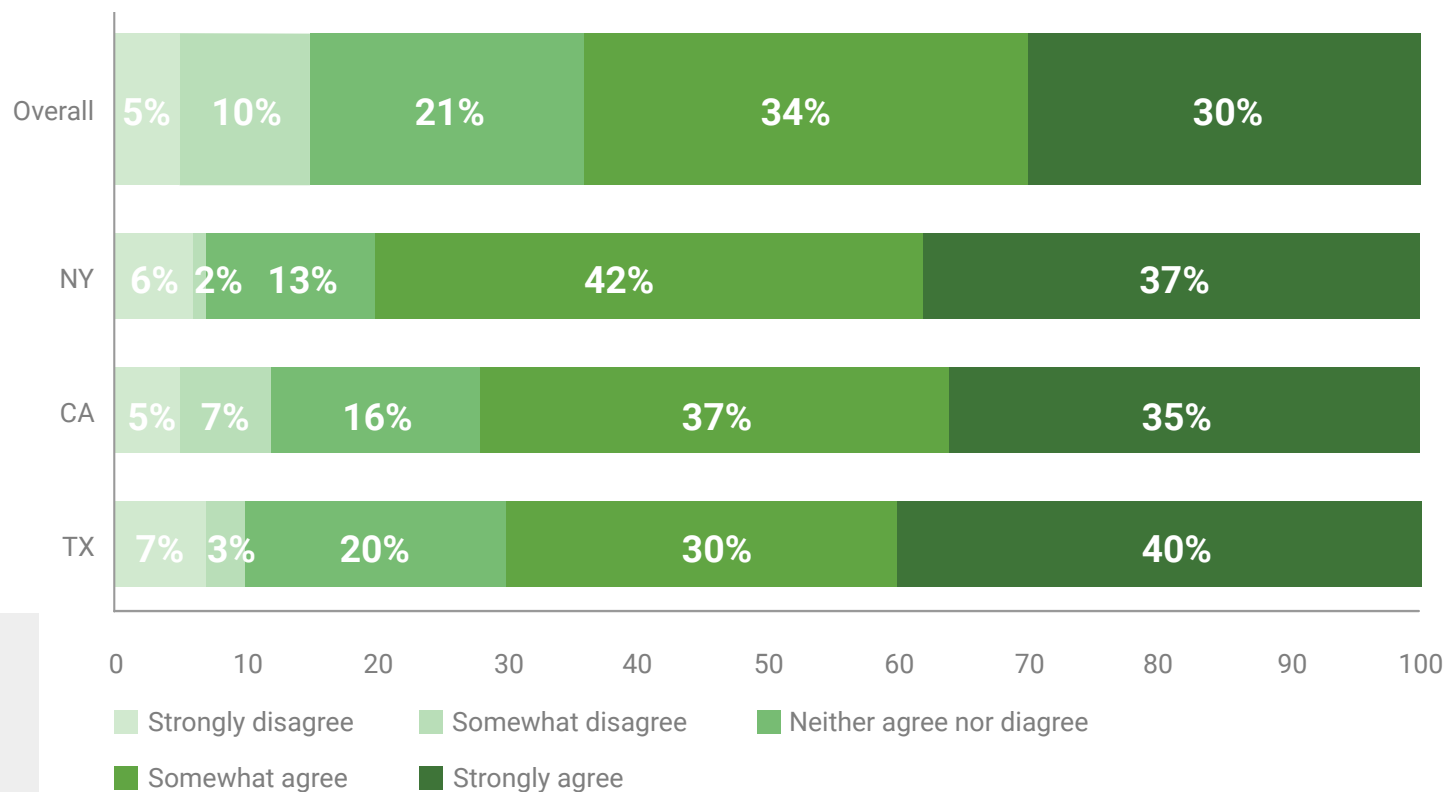
Three primary drivers of increased interest in solar

1. People spending **more time at home now** and are **more aware of their energy usage**
2. **Resiliency and control** (i.e., to help keep the lights on)
3. People want to **lower their electricity bills** due to current financial constraints

Plans for energy independence are accelerating



Please indicate your agreement with the following: The COVID-19 situation is accelerating my plans to become more energy-resilient



64%

of consumers say they are accelerating their plans to become energy independent

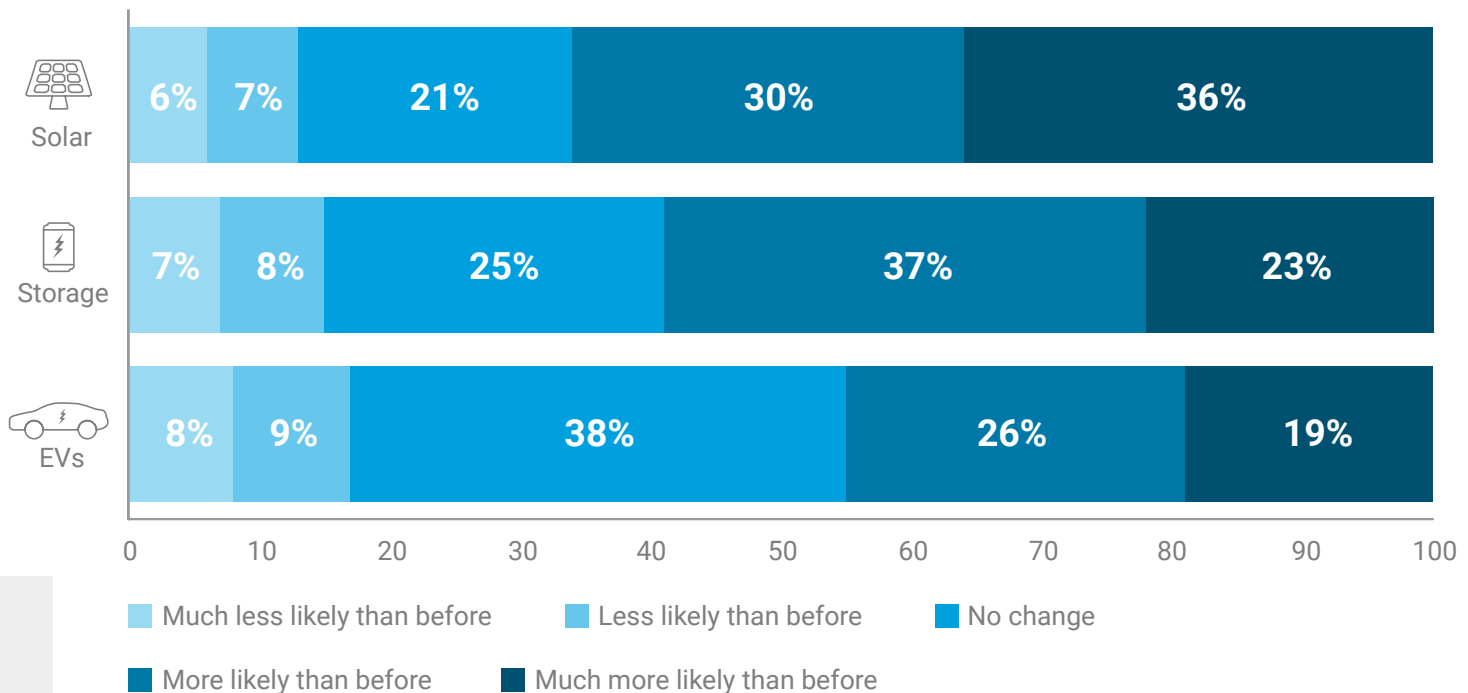
Desire for resilience and independence increase interest in storage

The COVID-19 situation is convincing more consumers of the need to be more energy independent and resilient, with many pointing out in open text responses that they seek the security and control of having their own backup power supply, especially during uncertain times.

Shopping behavior is moving online



How likely are you to shop online for:



66%

of consumers say they are more likely to shop for solar online now than prior to the COVID situation

People are now more likely to shop online for solar and storage

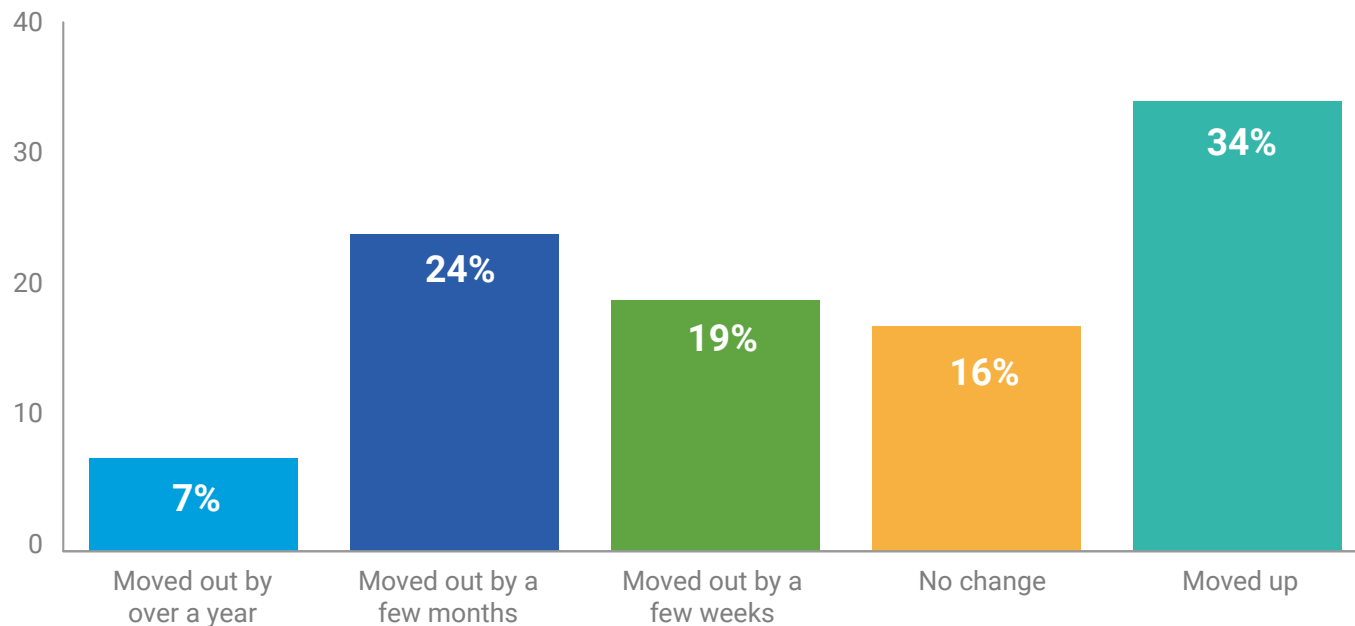
Confirming results from other consumer surveys, including from McKinsey*, consumer shopping behavior is changing in the age of COVID, shifting to online channels. This is particularly true for solar and, to a lesser degree, storage, while nearly two-fifths of consumers anticipate no change to their vehicle purchasing habits.

*<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis>

Solar timelines delayed by less than a year



How has your timeline for installing solar changed?



34%

of consumers say that their timeline for solar has accelerated due to COVID-19

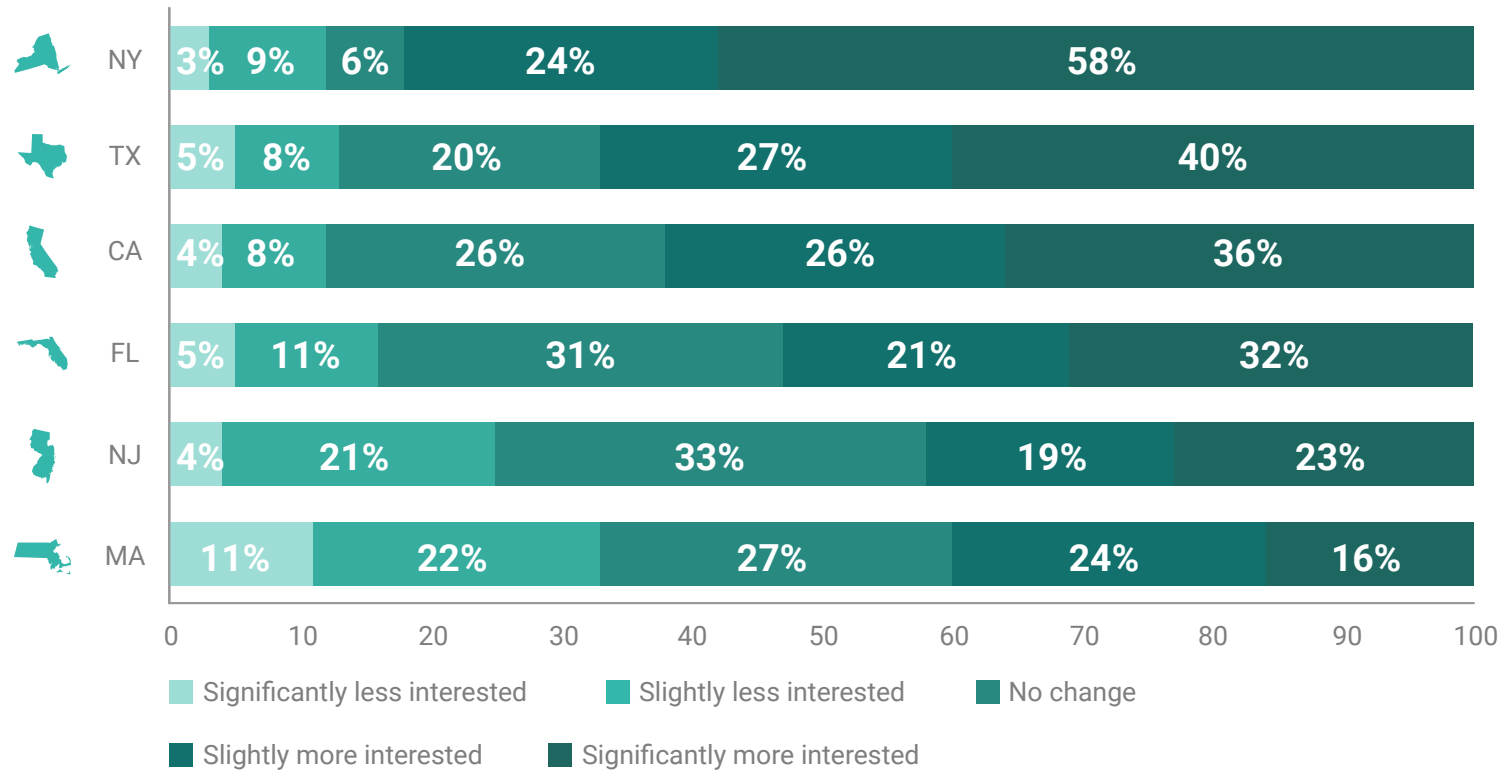
Few consumers are delaying their timeline for solar by more than a year

While half of consumers say that their timeline for going solar has been pushed back due to COVID, only 7% of consumers say that they are delaying their timeline for solar by a year or more. As seen later in the report, installers report a similar level of postponements and cancellations.

State differences in post-COVID sentiments



How has the COVID 19 situation changed your interest in solar?



Post-COVID consumer sentiments differ from state to state.

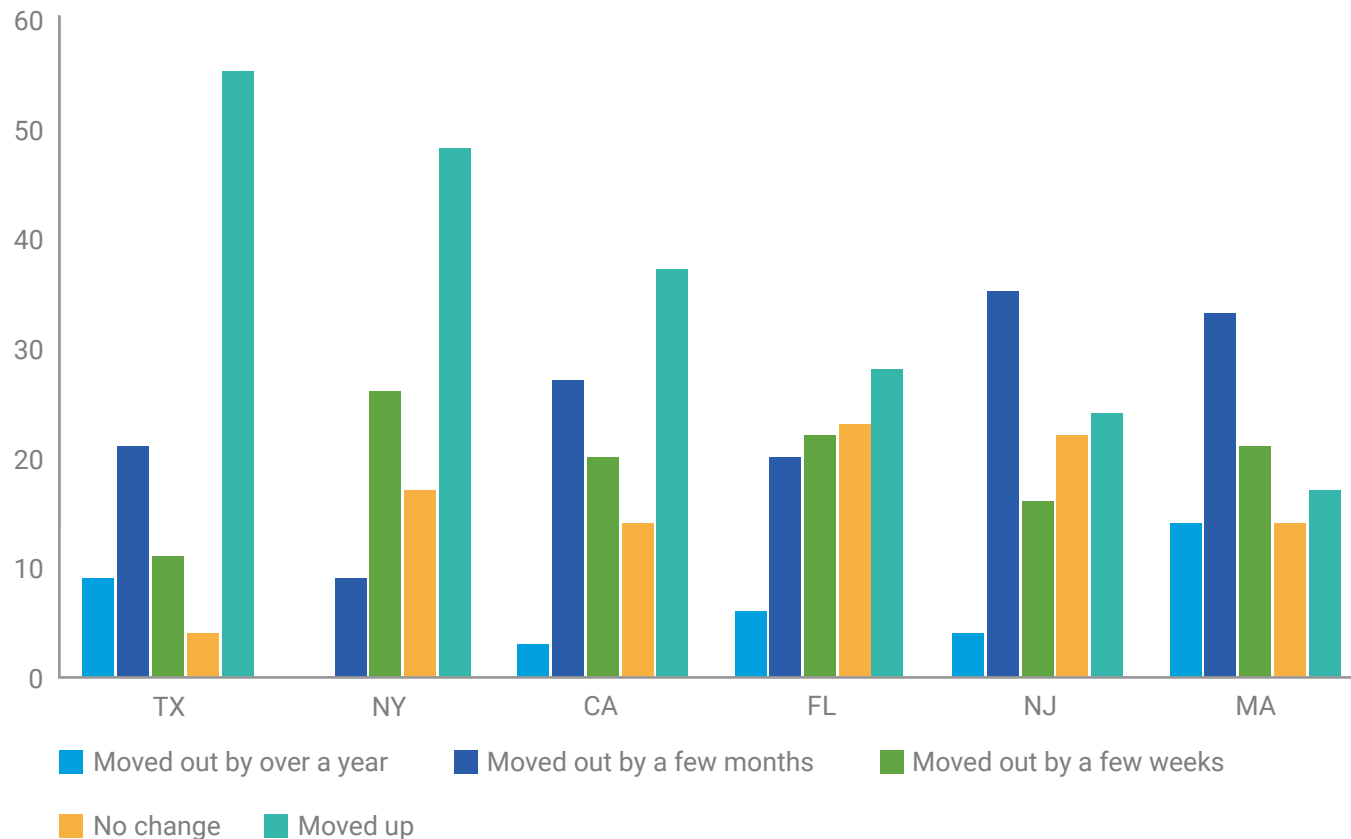
Hypotheses for these differences include:

- Lower solar interest in NJ and MA due to the way the states have been impacted by the shutdown and a pessimistic outlook for the future economy;
- Increased interest in TX due to a desire for self reliance and independence;
- And higher interest in CA and NY primarily due to people spending more time at home.

State differences in post-COVID sentiments



How has your timeline for installing solar changed?



Post-COVID solar timelines also vary from state to state

55% of respondents from Texas say their timeline for going solar has accelerated as a result of COVID, compared to only 17% in MA and only 24% in New Jersey. Importantly, accelerated timelines do not necessarily mean that a consumer is interested in going solar right now.

Installers



Background & Methodology

In order to gauge the impact of COVID-19 on solar installers, EnergySage fielded a survey to our nationwide installer network. The survey, which was open from April 14 through April 26, received 118 responses, with the majority of responses from CEOs, founders or executives from their company. Responses came from installers operating in 39 different states and Washington D.C.

Key Takeaways



Nine out of ten installers are still **actively offering solar installations**



Three out of five installers see an **increase in storage interest**



Half of solar companies **have cut staff** or plan to



Companies see **delays and cancellations**, but from a small percentage of consumers

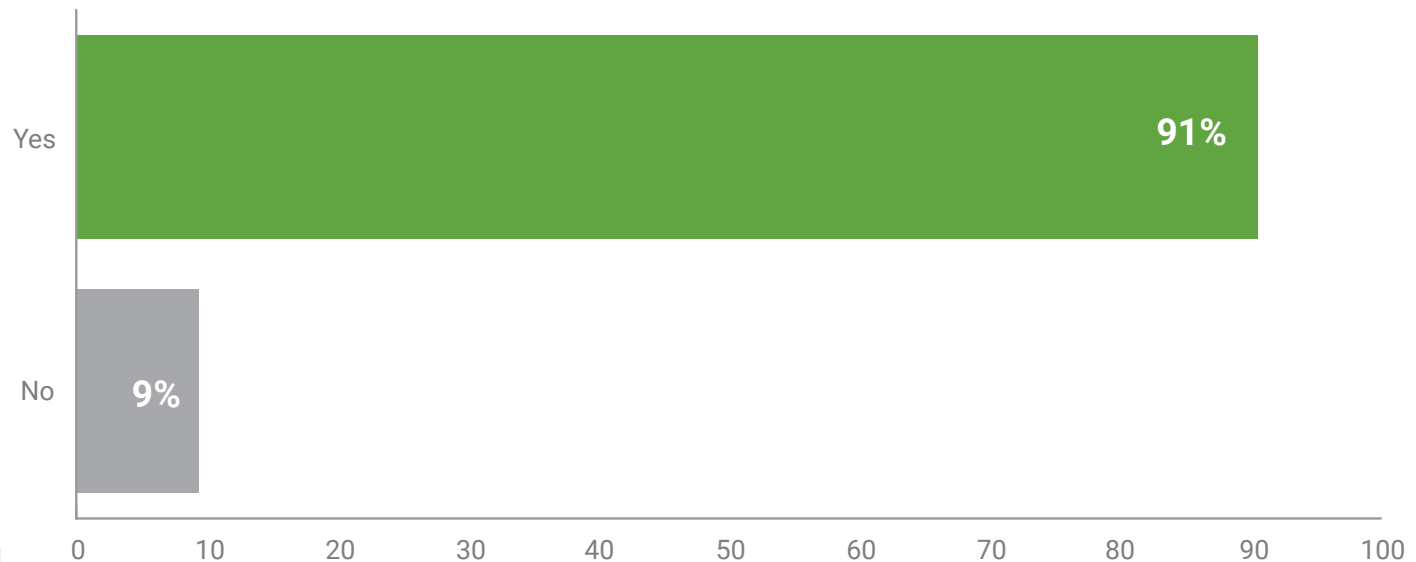


Silver linings: installers see **improved online sales** and increased **consumer demand for resilience** as potential positives

Solar remains open for business



Presently, is your company still actively offering solar installations?



91%

of installers are still actively offering solar installations

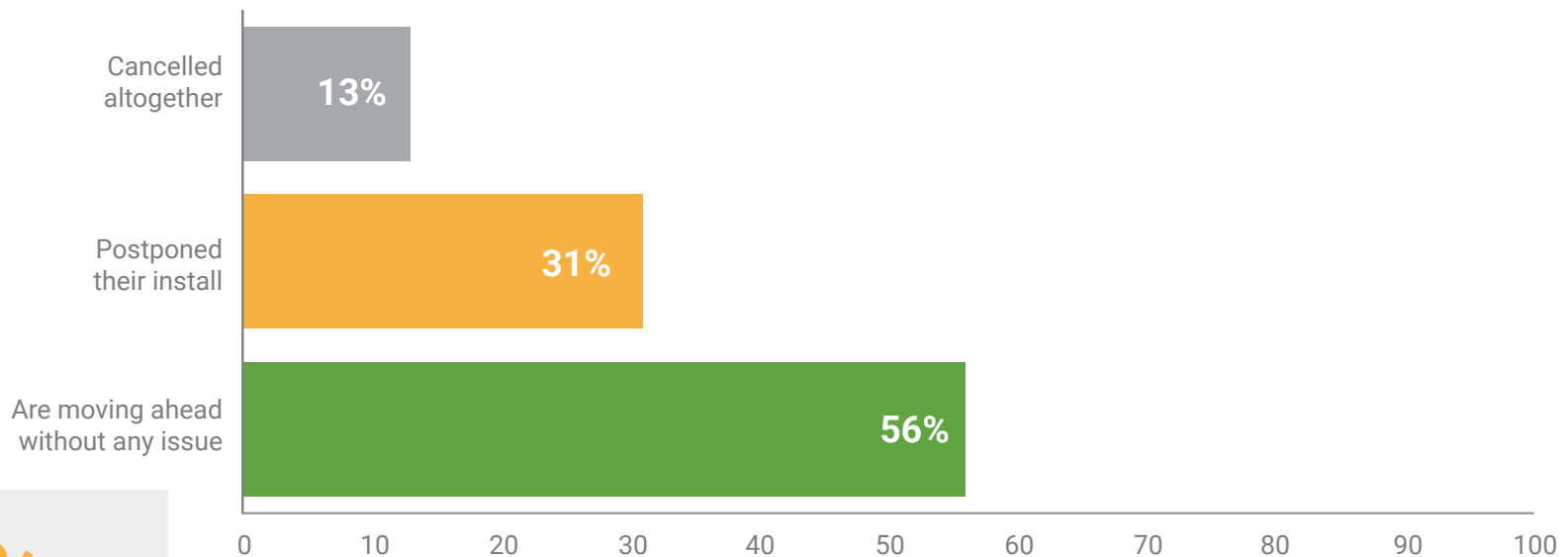
The EnergySage installer network is still operational

According to federal guidance from the US Department of Homeland Security, solar companies are essential workers. While state-level guidance supersedes these rulings, solar remains open for business nearly coast-to-coast. Responses from the EnergySage installer network confirm this, as nine out of ten installers are still actively offering solar installations.

Many delayed contracts, but few cancellations



What percentage of customers who signed contracts, or who you believe were close to doing so prior to the COVID-19 outbreak, fall into the following categories:



69%

of installers have had customers cancel or postpone previously signed contracts, but few consumers have cancelled altogether

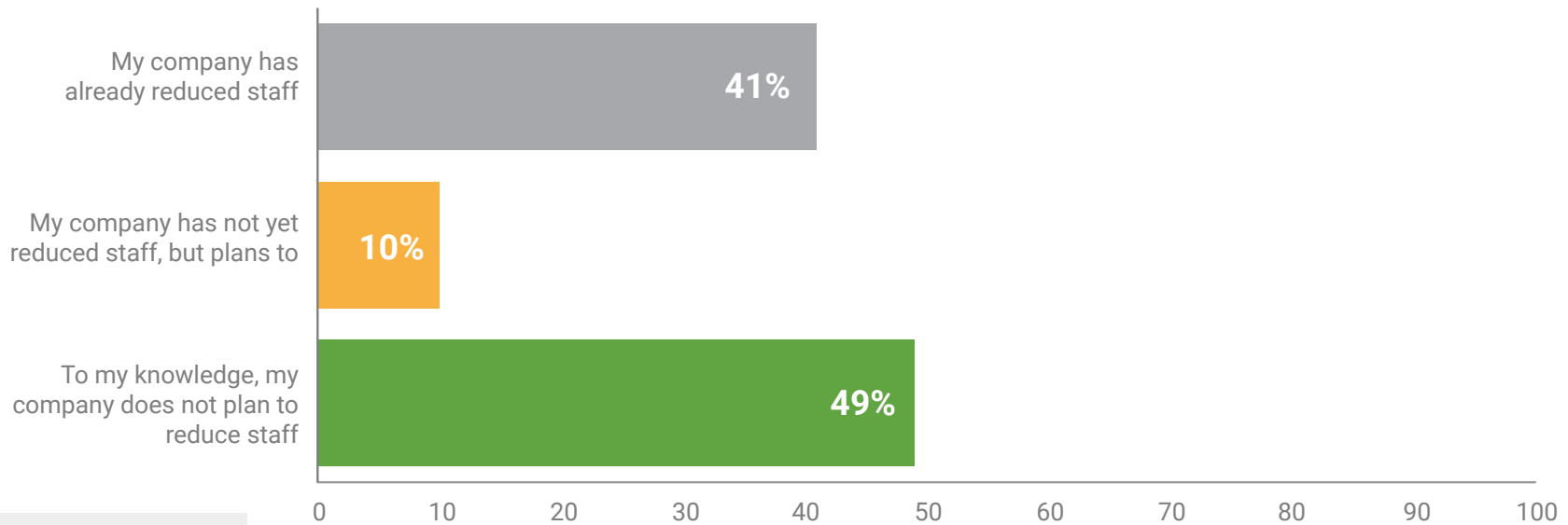
Companies see delays and cancellations, but from a small percentage of consumers

The majority of solar companies—69%—have had at least one customer postpone or cancel a previously signed contract. However, when asked what percentage of customers are moving ahead without issue as opposed to canceling or postponing their contract, installers indicated that relatively few customers—only 13%—have cancelled their install altogether.

Half of companies have cut staff



Has your company reduced its staff due to COVID-19?
Do you know if it plans to?



51%

of companies surveyed have either already reduced staff, or are planning to

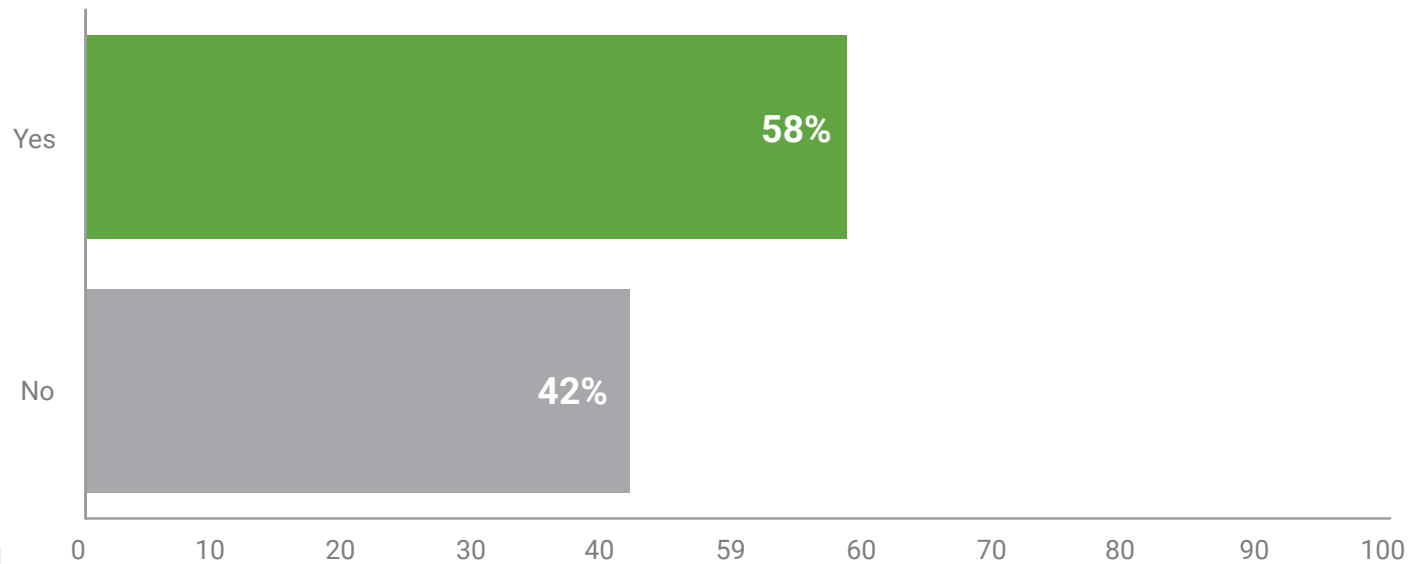
Solar companies are hit particularly hard by COVID-19

93% of installers say the COVID-19 situation has adversely impacted their business, with two-fifths saying their company has been significantly harmed. This has come to fruition in staff cuts across the EnergySage installer network, as half of the companies surveyed have experienced reductions to their staff.

Installers confirm increase in storage interest



Are you noticing an increase in battery storage interest from consumers as a result of the COVID-19 situation?



58%

of installers see an increase in consumer storage interest due to COVID

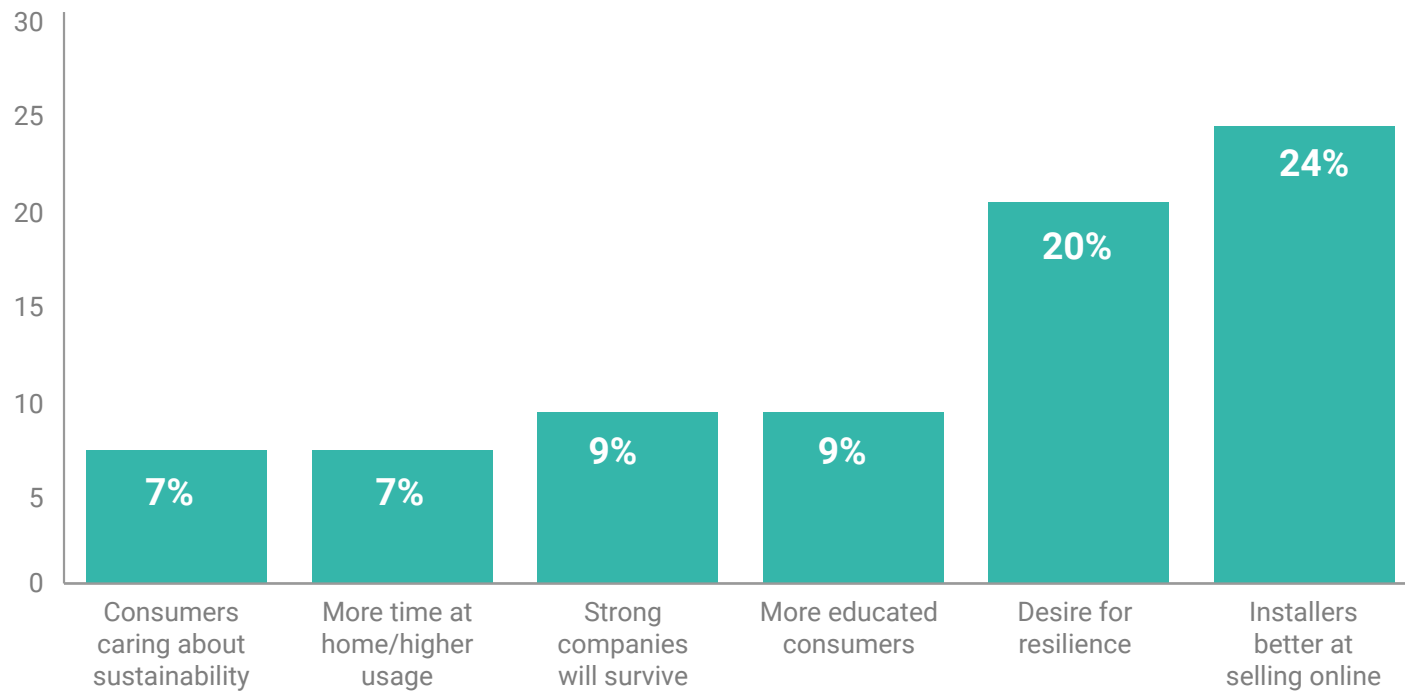
Installers confirm shifting consumer sentiment, seeing increased interest in storage

In line with the increased consumer interest in accelerating plans for energy independence presented on [page 6](#) above, installers across the country are seeing an increase in consumer interest for batteries as a result of COVID-19. This is particularly true in Texas, where 70% of installers report an increase in consumer interest in storage.

Solar industry can emerge stronger



What, if any, positives do you see coming out of this pandemic for your company and/or the solar industry?



Silver linings: installers see some potential positives for the industry

The impact of the global pandemic is vast and has affected both personal and financial health in unparalleled ways. It's impact truly cannot be minimized. It is important to note, however, that there may be silver linings for the solar industry, as installers see ways in which the current transition to online sales and the increased consumer desire for resilience could help drive down costs and drive up demand for solar and storage.

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