Solar Still Pays in Sacramento Despite the End of the Federal Tax Credit, Says Solectric

The West Sacramento-based solar and electric company, ranked in the top 1% of California's licensed contractors with more than 3,600 installations

Sacramento, California Sep 15, 2026 (Issuewire.com) - The economics of home solar changed sharply at the start of 2026. The 30% federal residential solar tax credit that homeowners relied on for more than a decade expired on December 31, 2025, which means Californians who buy or finance a system they own outright this year receive no federal residential credit. Layered on top of earlier changes to how utilities pay for exported solar, and years of steep electricity price rises, the shift has left many homeowners unsure whether solar still makes financial sense. West Sacramento-based solar and electric specialist Solectric says it does. It also says 2026 rewards careful design and expert guidance far more than the boom years did.

The company, a family business founded in 2015 and now ranked in the top 1% of California's 336,931 licensed contractors, argues that the headlines have outrun the reality. Solar still delivers strong long-term savings across the Sacramento region, particularly when a system is sized around how a household actually uses power and paired with storage. Crucially, Sacramento's own utility rules also remain among the most favorable in the state.

Why 2026 Feels Different for Solar Buyers

Several forces have converged. The most significant is federal: under the One Big Beautiful Bill Act, the Residential Clean Energy Credit, known as Section 25D, ended for systems placed in service after December 31, 2025, removing what was often a $6,000 to $9,000 benefit on a typical home installation. Homeowners who buy a system in 2026 no longer claim that credit, although a federal path survives for those who lease or sign a power purchase agreement, where the system's third-party owner can still claim a commercial credit and pass part of the value through in a lower rate.

At the same time, California's Net Billing Tariff, widely known as NEM 3.0, has reshaped the value of solar for customers of the state's large investor-owned utilities. In effect since April 2023 for PG&E, SCE and SDG&E customers, it cut the credit paid for electricity exported to the grid by roughly 75%, shifting the advantage decisively toward using and storing your own power rather than selling it back. Meanwhile, retail electricity prices have kept climbing, with PG&E rates up more than 50% since 2020, which steadily increases the value of every kilowatt-hour a home produces and consumes itself.

The Sacramento Advantage Many Homeowners Miss

For local homeowners, Solectric says one detail matters more than any other: NEM 3.0 does not apply to Sacramento Municipal Utility District (SMUD) customers. SMUD runs its own net metering program, which remains meaningfully more favorable than the investor-owned utilities' rules, so many Sacramento households are in a stronger position than statewide coverage suggests.

That does not make batteries optional. Pairing solar with storage lets a home capture midday production and use it during expensive evening peak hours, and provides backup power during outages and Public Safety Power Shutoffs. That value has pushed battery attachment rates on new California systems from around one in ten a few years ago to more than half today. Solectric designs and installs complete solar, battery, EV-charging and backup-generator systems, working with brands including SunPower, SolarEdge, Enphase, Sonnen, Generac and JuiceBox, and also maintains and troubleshoots existing systems.

Expert Commentary

"Most people call us in 2026 assuming they have already missed the boat," said Daniel Navarrete, owner and founder of Solectric. ***"They have read that the tax credit is gone and that net metering was cut, so they conclude solar no longer works. That is rarely true, especially here in Sacramento. The tax credit mattered, but rising utility rates and a properly designed system matter more over twenty-five years. Our job is to run the honest numbers for each home, not the boom-era math that a lot of quotes online are still using."***

Navarrete, who has worked in the solar industry since 2008, said the change in the market has raised the stakes on getting the design right. ***"When incentives were generous, you could oversize a system, export the surplus and still come out ahead. That era is over. Now the money is in what you use and store yourself, so sizing, battery capacity and how your utility bills you are everything. A good installer earns their fee in the design, long before anyone gets on the roof."***

Local Expertise, Built on Repeat Business

Solectric was founded by Navarrete after years installing for other solar companies, with a deliberate focus on customer relationships and installation quality rather than high-volume, one-and-done sales. The West Sacramento family business now employs more than 20 people, cites over 18 years of industry experience, has completed more than 3,600 installations, and holds five-star ratings across Google, Yelp and Nextdoor along with Better Business Bureau accreditation. It is a SunPower Authorized Dealer and operates under California contractor license #1013576.

Its work spans residential solar installations, battery and storage systems, EV charging stations, standby generators, system finance options, and ongoing maintenance, troubleshooting and panel cleaning, an increasingly important service as Sacramento's large installed base of solar systems ages.

Practical Steps for Sacramento Homeowners

For households weighing solar in 2026, the team offers a simple sequence. First, confirm your utility, because SMUD and PG&E customers face very different rules and the answer changes the math. Second, model self-consumption honestly and consider pairing solar with a battery to capture peak-time value and outage protection.

Third, understand your ownership options: buying or financing means you own the system but claim no federal residential credit this year, while a lease or PPA keeps a federal credit in play through the system's owner. Fourth, be wary of any quote that still subtracts a 30% federal credit for an owned system in 2026, as many online calculators have not been updated. Finally, choose a licensed, experienced local installer who designs around your actual usage rather than a generic template.

"Solar in 2026 is not worse, it is just less forgiving of guesswork," Navarrete added. ***"The homeowners who do well are the ones who start with good information. That is what we try to give people, whether or not they end up buying from us."***

About Solectric

Solectric is a family-owned solar and electric company based in West Sacramento, California, serving homeowners across the Sacramento region and Northern California. Founded in 2015 by owner Daniel Navarrete, the company designs, installs and maintains residential solar, battery storage, EV charging and backup generator systems, and is a SunPower Authorized Dealer working with leading brands including SolarEdge, Enphase, Sonnen, Generac and JuiceBox. Ranked in the top 1% of California's licensed contractors with more than 3,600 installations, over 20 employees, five-star reviews across every major platform and Better Business Bureau accreditation, Solectric operates under California contractor license #1013576.

For more information, to calculate potential savings or to request a free quote, visit https://www.mysolectric.com or contact the team on (916) 719-0074 or info@mysolectric.com.

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