The 2026 Reset For Residential Solar

Description

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This article discusses the outlook of the residential solar market and its reset to solar-plus-storage solutions. It also discusses how you can buy the most effective leads for 2026.

The residential solar market is shifting. In the past, the word â??solarâ?• conjured up visions of multiple solar panels on the roofs of neighborhood homes. But the recent slowing of the solar market has brought with it some new realizations. One point in particular is that traditional solar panel installations will not be enough to reset the solar industry. To grow in 2026, solar installation companies will need to strategically focus on opportunities that pair batteries with solar (solar-plus-storage solutions) in states that offer stable net-metering programs, including buying leads that focus on these new trends.

So, what is driving this reset opportunity?

Key growth drivers for solar in 2026

Some factors that will continue to drive growth in residential solar include:

- **Multiple states are offering strong net-metering policies** â?? While 38 states and the District of Columbia have formal net-metering laws or rules, not all of these programs are considered stable. Stable rules are desirable because they give greater clarity to homeowners and confidence to solar installation companies. Markets like Arizona, Florida, North Carolina, Texas, Colorado, and New Mexico offer predictable export compensation and fewer reforms.
- **Demand for battery storage is rising** â?? According to a report by the National Renewable Energy Laboratory (NREL) earlier this year, the U.S. installed approximately 37 GWh of energy storage in 2024, up about 34% from the previous year. More homeowners want whole-home backup and solar-plus-storage solutions.
- **Federal Investment Tax Credit (ITC) remains strong** â?? The Federal Investment Tax Credit (ITC) is a tax credit that allows homeowners to deduct 30% of the *entire* cost of a solar installation, including solar panels, batteries, labor, permits, engineering, sales tax, and any other charge that may appear on a solar installerâ??s invoice. This is a powerful incentive that makes a solar-plus-storage option more affordable.

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Headwinds to watch

While it is easy to get excited about this opportunity, there are a few headwinds that could slow progress toward a reset. Some challenges that may lie ahead include:

- **NEM 3.0 in California and reform states** â?? The shift to NEM 3.0 â?? away from the near-retail rate credits offered for extra solar sent to the grid under NEM 2.0 â?? has clearly slowed solar growth in California. Under NEM 3.0, homeowners are only paid for their extra solar at â??avoided-costâ?• values, often just five to eight cents per KWh. This means that solar-only projects in California and other similar reform states result in less savings and overall attractiveness to consumers. Solar installers must add solar-plus-storage projects to be economically sound.
- **High interest rates and financing costs** â?? As most solar installations are financed, high interest rates have stalled some sales opportunities. But, as the Federal Reserve continues to reduce the fed rate as anticipated, there should be at least a slight easing of interest rates in 2026. That could go a long way in helping solar installation sales.
- **Utility pushback and regulatory risk** â?? In states undergoing net-metering overhauls, utilities often try to quietly make policy changes. Regulators will continuously review net exporting and rate designs, such as those in Nevada, California, and parts of the northeast U.S. Solar installation companies can help minimize the negative impact by being aware of pending policy shifts and helping residents fully understand the impact of these changes.

Despite these headwinds, the solar market doesnâ??t appear to be falling. It is just steering toward a new growth path.

2026 forecast

The general consensus is that the U.S. residential solar industry will realize moderate growth in the future. States with stable net-metering policies will capture the greatest share of this residential solar opportunity.

There is also agreement that most of the industry growth will come from solar-plus-storage solutions rather than solar-only solutions. Solar-plus-storage solutions matter because:

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- Batteries make solar projects feasible. When export compensation reduces (due to policy changes), self-consumption and backup matters.
- Installers that offer performance guarantees, resilience (during power outages), and battery add-ons will convert more prospects.
- Many homeowners who bought solar years ago will be looking to upgrade with a battery. That means warm leads with stronger conversion rates.

Where solar installers should focus their lead-buying strategy

There are a number of strategies that solar installation companies can use when purchasing sales leads to grow their residential solar business, including:

1. **Targeting** â?? Target homeowners in states with stable net-metering policies, such as in Arizona, Florida, Texas, North Carolina, Colorado, and New Mexico.
2. **Refining qualifying filters** â?? When a solar lead is generated, homeowners are qualified based on the information they provide. With the industry shifting focus to solar-plus-storage, solar installers will want to buy leads that provide homeowner roof space and shade information, as well as confirm the homeowner has an interest in resilience or backup power and is located in a stable net-metering state or export compensation market.
3. **Shifting your message** â?? Leads can only work well with the right messaging. Format your campaigns around messaging that reflects the new norm. Messaging that includes â??buy solar leads: battery + solar,â?• â??whole-home backup + solar,â?• or â??secure your power with battery + solarâ?• tends to convert higher than generic solar offers. Messaging should also hone in on key benefits, such as â??pay less for electricity,â?• â??get backup when the grid fails,â?• or â??lock in your solar + battery now before utility rates rise.â?•

4. **Understanding the cost-benefit of leads** â?? Leads for solar-plus-storage will be rarer and more valuable than solar-only leads. You will pay more per lead under the new model, but your margin potential will also increase due to a higher average sales price.

Conclusion

The residential solar industry is not dead; it is evolving. While some regulatory and financing challenges remain, batteries will power new growth in the industry in 2026. Successful solar installers will move strategically, buying solar-plus-storage sales leads, focusing on strong net-metering geographies, and shifting their messaging to embrace the new norm of backup power, resilience, and performance guarantees.

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Are you ready to have a conversation about solar-plus-storage leads to grow your business in 2026?

If you would like more information on how you can grow your solar sales, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at https://theleadswarehouse.com.

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