

SWOpti's stance on the new 5.5% VAT Law on solar panels

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Currently, the reduced VAT rate in France of 10% applies to photovoltaic solar panel installations up to 3,000 watts. The government has noted that many households are undersizing their installations to benefit from this reduced rate. As a result, the government enacted a new law in February that will come into effect in October. This law reduces VAT to 5.5% and will apply to installations carried out by an RGE*-approved installer up to 9,000 watts. However, there are conditions.

Currently, most solar panels come with a small app that simply monitors your panels' production, and sometimes your home's consumption. The government's intention is to increase self-consumption. The "total resale" system will disappear for individuals, and any new installation must be accompanied by control software (and not just monitoring). Indeed, simply knowing your production via a monitoring app does nothing to optimise your self-consumption. There is also talk that the government could require that the panels be manufactured in Europe, and also that the installation be provided with a storage device. We are all waiting for the implementing decree of this new law, which will clarify these outstanding questions. We already know, however, that the resale rate, currently around 0.10 € per kWh, will now be only 0.02 or 0.03 €, once again to encourage self-consumption.

SWOpti obviously welcomes the 5.5% VAT rate. However, when applying a reduced VAT rate, the installer might be tempted to increase their price excluding VAT, thus depriving the consumer of the full benefit of the reduced rate. Let's hope this doesn't happen too much, if at all. But for SWOpti, the worst thing for the consumer would be if the installer did the "absolute minimum" and installed simple software that didn't really do the maximum to optimise self-consumption. It's software like SWOpti that runs constantly and constantly evaluates the situation of your installation, by turning devices on and off, that allows you to make the installation profitable as quickly as possible and make substantial savings for many years to come.

If the consumer would like to switch to solar, it is necessary to compare the full cost of a SWOpti system and the full cost of an installation done by an RGE-certified installer. The price that the latter will charge you will include the RGE certification fees (yes, the installer must pay for his certification and he passes this cost on to the customer), the price of the panels (not Chinese ones, I hope), travel costs, labour, etc., and a control software that would probably be "the minimum that passes". Even if the panels will be at 5.5% (and hoping that the installer does not increase his price excluding VAT in order to take advantage of the situation), this calculation must be compared to offers like SWOpti, where the price of Plug-and-Play (PnP) panels, even if the VAT remains 20% on them, are much cheaper by definition (there is no installer) and manufactured in France. You can purchase PnPs as you go, and they come with the most advanced control software available. Keeping in mind that it is the software that will make the biggest difference in increasing your self-consumption rate and thus your savings. And MNR batteries can be added, as you progress with your installation.

* RGE = French "Recognised as a Guarantor of the Environment" certification



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