



The 2026 Idaho Homeowner's Solar Guide

Straight answers on Idaho Power, Avista, KEC,
batteries and leasing after the federal tax credit ended.

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INSIDE THIS GUIDE

Solar in Idaho changed in 2026. Here is what matters now.

The 30% federal tax credit for homeowners is gone, Idaho Power pays less for the solar you send back to the grid, and North Idaho utilities each have their own rules. This guide explains all of it in plain language, so you can judge any solar proposal on its real numbers. It is written by Idahome Energy, a Boise installer serving the Treasure Valley, Mountain Home and North Idaho since 2019.

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Is Solar Worth It in Idaho in 2026?

SHORT ANSWER

It depends mostly on your utility. In North Idaho, Avista, Clearwater Power and Kootenai Electric Cooperative credit exported solar one-for-one, so solar is still a strong investment for most homes with a good roof. In the Treasure Valley, Idaho Power credits exports at a lower rate, so solar works best when it's sized to your usage and paired with a battery or a lease structure that still captures federal value. The federal homeowner tax credit ended for systems installed after 2025, but Idaho's state income tax deduction still applies.

What changed for 2026

The federal Residential Clean Energy Credit (Section 25D), the 30% tax credit homeowners used for years, ended for systems installed on or after January 1, 2026. It was eliminated by federal legislation signed in July 2025, with no phase-down.

Businesses that own solar systems can still claim federal credits for now. That is why leases and prepaid leases, where a third-party company owns the system, can still pass federal value to homeowners.

In the Treasure Valley, Idaho Power's export credit rates were reset in fall 2025 and paused until 2028.

North Idaho vs. the Treasure Valley

Your utility has more effect on solar value than anything else in Idaho.

- Avista (Coeur d'Alene, Post Falls, Lewiston, Moscow and more): one-for-one retail net metering in Idaho.
- Clearwater Power (many rural areas around Lewiston and the Palouse): one-for-one net metering.
- Kootenai Electric Cooperative (many homes around Hayden, Rathdrum and Post Falls): one-for-one kWh credit, plus a monthly service charge and a peak-use charge that a battery can reduce.
- Idaho Power (Boise and the Treasure Valley): net billing. Power used at home saves retail, and exports are credited at a lower export credit rate.

The same system, making the same power, can be worth noticeably more per exported kWh in North Idaho than in the Treasure Valley. In Idaho Power territory, design and storage matter more.

Idaho incentives that still apply

Idaho offers a state income tax deduction for residential solar under Idaho Code 63-3022C. You can deduct 40% of the cost in the year the system is installed and 20% in each of the next three years, up to \$5,000 per year.

This is a deduction, not a credit. It lowers your taxable income rather than your tax bill dollar-for-dollar, and it goes to the system's owner. Talk to your tax professional about how it applies to you.

Who solar makes sense for in 2026

Solar tends to be a good fit if most of these are true:

- You use steady power during the day or evening (EV charging, air conditioning, a pool, a home office or shop).
- Your roof has good south or west exposure and at least 10 years of life left, or you plan to replace it along with the solar install.
- You plan to stay in the home for years.
- You are in North Idaho with one-for-one crediting, or in the Treasure Valley and open to a battery or a lease structure.

It's a weaker fit with heavy shade, a very low electric bill, a roof near the end of its life with no plan to replace it, or a move coming in the next few years.

How to check a solar proposal

- It uses your actual utility and rate plan. An Idaho Power proposal must use the export credit rate for exported power.
- The production estimate is modeled for your roof and shade, not a statewide average.
- It does not include a federal tax credit on a cash or loan purchase installed in 2026 or later.
- It is clear about who owns the system and who claims each incentive.
- It spells out the roof plan, warranty terms and who services the system.

Frequently asked questions

Can I still get the 30% federal solar tax credit in Idaho?

Not for a system you buy and install in 2026 or later. The homeowner credit ended for systems installed on or after January 1, 2026. Third-party owned systems, such as leases and prepaid leases, can still capture federal value and pass some of it to you.

Does Idaho have a solar tax credit?

Idaho has a state income tax deduction for residential solar: 40% of the cost in year one and 20% in each of the next three years, capped at \$5,000 per year. It is a deduction, not a credit.

How long does solar take to pay off in Idaho?

It depends on your utility, how much power you use and when, and how you pay for the system. We calculate it for your address using your actual rate and usage history instead of a statewide average.

Is solar better in North Idaho than in Boise?

Per exported kWh, yes. Avista, Clearwater Power and KEC credit exports one-for-one, while Idaho Power credits exports at a lower rate. Treasure Valley homes can still do well with the right design and a battery.

Does solar work with Idaho snow?

Yes. Solar value is based on annual production, and long summer days make up for short winter ones. Panels are set at an angle that helps snow slide off.

Idaho Power's Solar Export Credit in 2026, Explained

SHORT ANSWER

If you add solar in Idaho Power territory today, the power your home uses as it's produced still saves you the full retail rate. The power you send back to the grid is credited at Idaho Power's export credit rate: about 15.7 cents per kWh on summer evenings, 3.4 cents at other summer times, and 2.9 cents from October through May. Those rates are set until at least 2028, so the best systems are sized to use their own power and often include a battery.

How Idaho Power net billing works

Idaho Power moved newer solar customers from kWh-for-kWh net metering to net billing. Your meter now tracks two things separately: the energy you pull from the grid and the energy you push back to it.

Energy your panels produce and your home uses right away never shows up on the meter. It simply replaces power you would have bought at the full retail rate. That is the most valuable kWh your system makes.

Energy you export earns a dollar credit at the export credit rate for the hour it was sent. Those credits carry forward from month to month as long as you keep service at the same address.

Older systems grandfathered under the previous net metering rules keep their original terms. This guide is about systems installed today.

Current Idaho Power export credit rates

The Idaho Public Utilities Commission approved these rates in fall 2025 (Order No. 36785). Idaho Power had asked for lower numbers. The commission also paused annual updates, so the next change is not expected until 2028.

- Summer on-peak (June through September, 3 to 11 p.m., Monday through Saturday): 15.68 cents per kWh
- Summer off-peak (all other summer hours, plus Sundays and holidays): 3.39 cents per kWh
- Non-summer (October through May, all hours): 2.90 cents per kWh

What this means for how solar should be sized

For most of the year, midday solar you export earns about 3 cents per kWh. The same kWh used inside your home saves you the retail rate, which is several times higher. Every kWh you use yourself is worth far more than one you export.

That changes the old sales pitch. Bigger is not automatically better in Idaho Power territory. A good design is sized around how and when your home actually uses power, not around zeroing out your annual bill on paper.

Summer evenings are the exception. At 15.68 cents, energy exported between 3 and 11 p.m. from June through September carries real value. West-facing panels and batteries that discharge in the evening can take advantage of that window.

Where a battery fits

A battery stores midday production you would otherwise export for about 3 cents and uses it that evening instead of buying power from the grid. It also keeps your essentials running during an outage.

Idahome Energy is a certified Tesla Powerwall 3 installer. We model battery value using your actual Idaho Power usage history, so you can see what a battery is expected to do for your bill before you decide.

Is solar still worth it with Idaho Power?

For many homes, yes, but the math depends on the design. Homes that do best tend to use a lot of power during the day or evening (EV charging, air conditioning, a home office), have good south or west roof exposure, and either pair solar with storage or use a financing structure that still captures federal value.

Ask any installer to show you savings calculated with the export credit rate, not the retail rate. If a proposal assumes every kWh you produce is worth retail, the numbers are wrong.

Frequently asked questions

Does Idaho Power still offer net metering?

Not for new systems. New solar customers are on net billing. Power your home uses as it's produced saves the retail rate, and exported power is credited at the export credit rate. Older grandfathered systems keep their original terms.

What is Idaho Power's export credit rate in 2026?

15.68 cents per kWh during summer on-peak hours (June through September, 3 to 11 p.m., Monday through Saturday), 3.39 cents during other summer hours, and 2.90 cents from October through May.

Will the export credit rate change again soon?

The Idaho Public Utilities Commission paused annual updates in fall 2025. The next change is not expected until 2028.

Do export credits expire?

Export credits carry forward as a dollar credit from month to month as long as you keep service at the same address.

Does this apply in North Idaho?

No. Avista, Clearwater Power and Kootenai Electric Cooperative set their own rules. Avista and Clearwater Power credit exports one-for-one, and KEC credits exports one-for-one per kWh with some added charges.

CHAPTER 03

Prepaid Lease, Purchase or Monthly Lease: How to Pay for Solar in Idaho in 2026

SHORT ANSWER

Since January 1, 2026, a homeowner who buys solar with cash or a loan gets no federal tax credit. A prepaid lease can still bring federal value to you, because the system's legal owner is a business that can still claim it and passes part of it back as a lower price. In 2026 that often makes a prepaid lease the lowest cost way to go solar, and it can be financed for \$0 out of pocket. Buying still makes sense if you want to own the system from day one, claim Idaho's state deduction, or expand freely later.

What changed, and why leases are back

THROUGH 2025

Buyers got 30% back

Homeowners who bought a system could claim 30% of the cost as a federal tax credit (Section 25D), as long as they owed enough federal tax to use it.

JANUARY 1, 2026

The homeowner credit ended

Federal legislation signed in July 2025 ended the homeowner credit for systems installed on or after January 1, 2026, with no phase-down.

NOW

Business owners still qualify

Companies that own solar can still claim federal credits for now. When a third-party company owns the system on your roof, it can share that value with you through a lower price.

Every option, side by side

The grey column is how buying worked before 2026, for comparison. Monthly leases are included for general information. We focus on purchases and prepaid leases, and we are happy to look over a monthly lease offer with you.

	Cash purchase	Solar loan	Prepaid lease	Monthly lease	Cash, before 2026
Who owns it	You, from day one	You, from day one	Our partner for the first several years, with ownership options starting in year 6	The leasing company	You
Upfront cost	Full system price	Little or none	System price minus up to 30%, or \$0 out of pocket with financing	Little or none	Full price, 30% back at tax time
Monthly payment	None	Yes, loan payment	None if paid upfront, or a low monthly payment if financed	Yes, for the lease term	None
Federal credit	None for 2026 installs	None for 2026 installs	Claimed by the owner, passed to you as the discount	Claimed by the owner, may lower the payment	30% (Section 25D)
Idaho deduction	Yes	Yes	Goes to the system owner	Goes to the system owner	Yes
Service and warranty	Our warranty plus manufacturer warranties	Our warranty plus manufacturer warranties	Partner's 25-year guarantee, plus our warranty and the manufacturer warranties	Handled by the leasing company	Installer and manufacturer warranties
Best for	Owning outright with the simplest paperwork	Owning without paying upfront	Lowest system price in 2026, with \$0 out of pocket available	Little or nothing upfront, long agreement	No longer available

The same \$30,000 system, three ways

An illustration, not a quote. Your price depends on your home, equipment and eligibility.

CASH, BEFORE 2026

\$21,000

net, after the credit

Paid \$30,000 upfront

Claimed \$9,000 back at tax time

Needed enough federal tax owed to use it

CASH, 2026

about \$28,900

net, after Idaho's deduction

Pay \$30,000 upfront

No federal credit

Idaho deduction: \$20,000 over 4 years, worth about \$1,060 at Idaho's 5.3% rate

PREPAID LEASE, 2026

as low as \$21,000

with up to 30% off

Up to 30% off the \$30,000 price

Or finance it for \$0 out of pocket

Ownership options starting in year 6

Assumes the same \$30,000 system price before any discount. The Idaho deduction figure assumes enough Idaho taxable income to use the full \$5,000 each year. This is general information, not tax advice.

Which one fits you?

- Prepaid lease: You want the lowest system price available in 2026 and plan to stay in the home. Pay upfront, or finance it for \$0 out of pocket.
- Cash or loan: You want to own the system outright from day one, claim Idaho's deduction, or add panels and batteries freely later.
- Monthly lease: You want little or nothing upfront and are comfortable with a long agreement and a monthly payment.

What to compare before you sign

- Total cost over the life of the system, not just the upfront or monthly number.
- Who owns the system, and when and how you can take ownership.
- Who handles warranty and service during each stage.
- What happens if you sell your home. Get the transfer terms in writing.
- Who can claim Idaho's state deduction. It goes to the system owner.

Frequently asked questions

Can I still get the 30% solar tax credit in Idaho?

Not on a system you buy and install in 2026 or later. A prepaid lease is the main way homeowners still benefit from federal credits, through a lower price.

What is a prepaid solar lease?

You pay for the whole term at the start, either upfront or with financing for \$0 out of pocket. A third-party company owns the system for the first several years, claims the federal value, and passes it to you as a lower price.

Can I own the system later?

Yes. Our prepaid lease partner offers ownership options starting in year 6. Our warranties and the manufacturer warranties continue to apply.

Is buying solar still worth it without the federal credit?

It can be, especially in North Idaho where Avista, Clearwater Power and KEC credit exported solar one-for-one. Compare the total cost against a prepaid lease for the same system before you decide.

What happens if I sell my home?

Terms vary by agreement. Ask for the transfer terms in writing before you sign. We walk every customer through them.

Tesla Powerwall 3 in Idaho: What It Does on Idaho Power, Avista and KEC

SHORT ANSWER

Idahome Energy is a certified Tesla Powerwall installer serving Boise, the Treasure Valley, Mountain Home and North Idaho. Powerwall 3 is a 13.5 kWh home battery with a built-in solar inverter. What it is worth to you depends on your utility. On Idaho Power, it stores midday solar that would otherwise be exported for about 3 cents per kWh. On Kootenai Electric Cooperative, it can lower the peak-use charge. On every utility, it keeps your essentials running when the grid goes down.

What Powerwall 3 is

Powerwall 3 is Tesla's current home battery. Each unit stores 13.5 kWh and has a solar inverter built in, so a new solar and battery system needs less separate equipment on the wall.

It is rated for indoor or outdoor installation and for operating temperatures from -4°F to 122°F. Tesla's warranty on Powerwall 3 is 10 years.

Systems can be expanded. Additional Powerwall 3 units or Tesla Expansion units can be added for homes that need more storage.

Powerwall 3 on Idaho Power

Idaho Power credits exported solar at its export credit rate under Schedule 6. As of January 1, 2026, that is 15.68 cents per kWh during summer on-peak hours (June through September, 3 to 11 p.m., Monday through Saturday, except holidays), 3.39 cents during other summer hours, and 2.90 cents from October through May.

Power your home uses as it is produced saves the full retail rate. So for most of the year, a kWh you store in a battery and use that evening is worth far more than the same kWh exported at about 3 cents.

A battery shifts midday solar into the evening and keeps it inside your home. That is the main reason more Treasure Valley solar projects now include one.

Powerwall 3 on Kootenai Electric Cooperative

KEC credits exported solar one kWh for one kWh. Net-metered members also pay a \$32.50 monthly service availability charge and a peak-use charge of \$6 per kW during 6 to 10 a.m. and 5 to 9 p.m. The first 5 kW are at no charge.

Solar produces little during those morning and evening windows. A Powerwall set to cover them keeps the demand KEC measures lower, which is why batteries tend to earn more for KEC members than for many other North Idaho homes.

Powerwall 3 on Avista and Clearwater Power

Avista and Clearwater Power credit exported solar one-for-one. Because exports are already credited at full value, a battery on these utilities is mostly about backup power and energy independence rather than bill savings.

For homes in Coeur d'Alene, Post Falls, Lewiston, Moscow and Sandpoint that see weather-driven outages, or that rely on a well pump, that backup can matter as much as the savings.

Backup power during outages

When the grid goes down, Powerwall 3 disconnects your home from the grid automatically and keeps the loads it is set up to back up running. Your solar keeps recharging it during the day.

We size backup around what you actually want to keep on: typically the furnace fan, refrigerator, internet, lights and, in rural areas, the well pump.

How we install Powerwall 3

Idahome Energy is a certified Tesla Powerwall installer. The Idahome Energy team manages every project from design and utility paperwork through permitting and final inspection, and our highly vetted installer partners complete the field work, backed by our warranty.

We manage Treasure Valley and Mountain Home projects from our Boise office and North Idaho projects from our Post Falls office. Before recommending a battery, we confirm your utility and review your actual usage history. If a battery does not make sense for your home, we will tell you.

Frequently asked questions

Who installs Tesla Powerwall in Boise?

Tesla works with trained Certified Installers. Idahome Energy is a certified Tesla Powerwall installer based in Boise, serving the Treasure Valley and Mountain Home, with a second office in Post Falls for North Idaho.

How much energy does a Powerwall 3 store?

Each Powerwall 3 stores 13.5 kWh. Homes that need more can add more Powerwall 3 units or Tesla Expansion units.

Is a Powerwall worth it on Idaho Power?

It often helps. Idaho Power credits most exported solar at about 3 cents per kWh, so storing midday solar and using it in the evening is usually worth more than exporting it. We model it using your own usage history before you decide.

Can a Powerwall lower my Kootenai Electric bill?

Yes. KEC charges \$6 per kW of demand during 6 to 10 a.m. and 5 to 9 p.m., after the first 5 kW. A battery that covers those windows can lower that charge.

Can I add a Powerwall to solar I already have?

Usually, yes. We review your existing system and electrical panel first. If your solar is on a prepaid lease, note that a battery added later does not get the prepaid lease discount.

Does Powerwall 3 work in Idaho winters?

Powerwall 3 is rated to operate from -4°F to 122°F and is rated for indoor or outdoor installation.

Solar and Batteries for Kootenai Electric Cooperative Members

SHORT ANSWER

Kootenai Electric Cooperative credits the solar energy you export one-for-one per kWh, so solar is a good fit for most KEC homes. Net-metered members also pay a monthly service charge and a peak-use charge based on demand during morning and evening peak hours. Solar alone does little for that peak charge because the sun is weak or down during those hours. A battery that covers the peak windows can lower it, which is why batteries tend to pay off better on KEC than on many other utilities.

Are you on KEC or Avista?

Kootenai County is split between Kootenai Electric Cooperative and Avista, and neighbors can be on different utilities. KEC serves many homes around Hayden, Rathdrum, Post Falls and the outskirts of Coeur d'Alene. Check the name on your power bill, or send it to us and we'll confirm.

How KEC credits solar

KEC credits exported solar energy one kWh for one kWh. Banked kWh credits offset the energy portion of your bill. They cannot be used to pay fixed charges like the monthly service charge or the peak-use charge.

The charges net-metered members pay

These figures come from KEC's published net metering program as of September 2026. Check kec.com for the current numbers.

- Service availability charge: \$32.50 per month for residential net-metered locations.
- Peak-use charge: \$6 per kW during peak hours (6 to 10 a.m. and 5 to 9 p.m.). The first 5 kW are exempt.
- Net generation loss factor: a small charge on metered generation, or an annual reduction to banked credits, depending on your rate.

For example, if your peak-use charge is based on 9 kW, the first 5 kW are exempt and you'd pay \$6 on the other 4 kW, or \$24 for that month.

Why solar alone doesn't fix the peak charge

KEC's peak windows are early morning and early evening. In winter the sun is barely up during those hours, and in summer production is low at the edges of the day. Solar panels cut your energy charges, but they do very little to lower your demand during the peak windows.

How a battery helps

A battery can be set to power your home during the 6 to 10 a.m. and 5 to 9 p.m. windows, keeping the demand KEC measures low. It recharges from your solar during the day.

It also keeps selected loads running during outages. North Idaho outages are often weather-driven, and for homes on a well, keeping the pump running matters.

Idahome Energy is a certified Tesla Powerwall 3 installer. We manage North Idaho projects from our Post Falls office, and our highly vetted installer partners complete the field work.

Getting an accurate estimate

We confirm your utility, review your recent KEC usage history and model both the energy savings and the peak-use savings before recommending a system. If a battery doesn't make sense for your home, we'll tell you.

Frequently asked questions

Does Kootenai Electric Cooperative offer net metering?

Yes. KEC credits exported solar energy one-for-one per kWh. Banked credits offset energy charges but not fixed charges.

What is KEC's peak-use charge?

KEC charges \$6 per kW of demand during peak hours, 6 to 10 a.m. and 5 to 9 p.m. The first 5 kW are exempt. Check kec.com for current rates.

Can a battery lower my KEC bill?

Yes. A battery that powers your home during the peak windows can lower the peak-use charge, on top of the energy savings from solar.

How do I know if I'm on KEC or Avista?

Check the utility name on your power bill. Kootenai County is split between the two, so neighbors can be on different utilities.

Do you install in Hayden and Rathdrum?

Yes. We serve Hayden, Rathdrum, Post Falls, Coeur d'Alene and the surrounding area from our Post Falls office.

Get numbers built on your home, not a statewide average.

We confirm your utility, pull your actual usage history, shade-model your roof and show you the savings with the right export rate for your address. If solar or a battery does not make sense for your home, we will tell you.

FREE ESTIMATE

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Idaho contractor license RCE 65198. Certified Tesla Powerwall installer. Rates and incentives are summarized from public utility tariffs, Idaho Public Utilities Commission orders and Idaho Code as of September 2026 and can change. This guide is general information, not tax or legal advice.