Solar Panels: The Benefits & The Challenges

Insurance Board

In an effort to be more responsible stewards of the earth and its natural resources, many churches are exploring or have already adopted solar energy solutions to help power their facilities. Solar panels have become an increasingly popular option for faith-based organizations seeking to reduce energy consumption, manage utility expenses, and demonstrate a commitment to environmental responsibility. This issue of *The Steward* newsletter focuses on solar panel usage and highlights key considerations ministry leadership teams should evaluate before adding or modifying solar energy systems on church property. While solar energy offers meaningful benefits, it also presents important risks and responsibilities that should be thoughtfully reviewed. As you read this Summer edition, we encourage you to consider both the advantages and challenges of solar technology to develop a well-rounded understanding of this growing energy trend.

The concept of leveraging renewable resources such as sunlight to reduce operating costs and reliance on traditional energy sources is understandably appealing. However, it is essential that churches conduct thorough due diligence before moving forward with any solar panel installation. Factors such as safety, installation location, long-term maintenance, insurance implications, and potential hazards must all be carefully weighed. One of the most significant risks associated with solar panels is the potential for fire. Solar panels may overheat, suffer electrical malfunctions, or sustain damage during severe weather events, including lightning strikes. Any of these situations can lead to fires on church property, posing risks to facilities, congregants, and neighboring structures. Fire risk is generally greater when solar panels are mounted directly on a church building particularly on rooftops, because damage or overheating can affect the structure itself. In comparison, free-standing or ground-mounted solar panel arrays typically present fewer risks, as they are physically separated from the main building. Additional hazards may include defective equipment, improper or faulty installation, electrical system damage, or water intrusion caused by roof penetrations. Water and electricity create a particularly dangerous combination and can lead to costly repairs, safety concerns, and long-term structural damage if not properly addressed. Because of these risks, it is critical that any solar panel installation be completed by qualified professionals, meet all applicable safety codes, and be regularly inspected and maintained. Despite these challenges, solar panels can offer several notable benefits when properly installed and maintained:



- **Reduced Electrical Costs:** While energy costs vary by state and municipality, lowering utility expenses can provide meaningful financial relief over time. Reduced operating costs may allow ministries to redirect funds toward mission-focused initiatives and community outreach.
- **Increased Property Value:** Solar panel systems may enhance property value and contribute to energy resilience. In some cases, solar technology can help maintain power during outages, improving safety and continuity of operations during storms or emergencies.
- **Environmental Stewardship:** Solar energy reduces reliance on nonrenewable resources, lowers carbon emissions, and supports sustainable practices. Additionally, solar panels have an average lifespan of 25 years or more, requiring relatively limited long-term maintenance.
- **Potential Financial Incentives:** Depending on location and eligibility, federal solar tax credits or other incentives may be available, helping to offset initial installation costs.

Insurance Board encourages ministry leaders and property committees to educate themselves on fire prevention strategies, risk mitigation methods, and proper solar safety considerations.

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