

Gas vs. Solar: Compare Costs

Type	65-gal. Gas Water Heater	Solar Water Heater
Life expectancy	12 years (buy in year 1; replace in years 13, 25, 37)	40 years (buy in year 1; replace storage tank and 30-gal. backup heater in years 16, 31)
Initial purchase price, installed	\$590	\$7,000
Total equipment costs 40 years @ 3.5% inflation	\$4,275	\$12,781
Fuel costs 40 years @ 6% inflation	\$46,428	\$16,250
Maintenance 40 years @ 3.5% inflation	\$1,000	\$2,033
Total	\$52,293	\$38,064
Solar saves you \$14,229!		

Assumptions: The solar water-heating system initially uses the existing water heater as back-up and provides 65 percent of hot water; the average family currently spends \$300 annually to heat water; maintenance of the solar system currently costs \$24 annually; fuel costs will increase by 6 percent annually; other costs will increase by 3.5 percent annually.