

# What Happens If the ITC is Not Extended?

Solar Focus 2015, Washington, DC

STANDARD  
SOLAR



- Founded in 2004
- Headquartered in Rockville, MD with offices in NY, CA and SC
- Specializing in the development, construction and financing of Distributed Generation (DG) solar electric systems, helping customers nationwide deploy solar energy solutions
- Full service support includes design, engineering, installation, financing and maintenance



*Named one of the Fastest Growing Private Companies in America four years in a row by Inc. Magazine and one of the Top 100 Solar Contractors three years in a row by Solar Power World*



# What if the ITC is not Extended?

**Already seeing anticipatory changes in solar markets**

**Utility and Larger DG solar markets are taking a huge hit**

- A 50+ MW utility-scale project is a multi-year process
- No new projects can be developed and completed by 12/31/2016
- Big hole in the utility-scale market in 2017
- Liquidated damages in DG contracts not worth the risk to the EPC

**Residential markets are fine -- for now, but...**

- Small installers selling cash deals will be extremely challenged without ITC
- The residential leasing firms are also challenged, but will be able to utilize the 10% commercial ITC and depreciation benefits.

# How Bad Might it be in 2017?

## The Optimistic View – A Hangover

- A two or three quarter “hangover” until the industry adjusts to the new reality of life without a 30% ITC.
  - People talking hangover offer little in the way of specifics.

## The Pessimistic (Realistic?) View – Falling Off a Cliff

- SEIA is predicting that the solar industry will fall off a cliff
  - Annual installs in 2017 in the range of 5,000 MW
  - Less than half the nearly 12,000 MW predicted for 2016



*“The reality is that we will lose 100,000 jobs if we lose the ITC... and 90% of solar companies will go out of business.”*

— SEIA president Rhone Resch, Feb 2015

## Falling Off a Cliff, Cont'd

Bloomberg New Energy Finance

September, 2015

**Bloomberg**  
NEW ENERGY FINANCE

- **Expiration of ITC would result in:**
  - Loss of 80,000 solar industry jobs
  - Loss of 20,000 jobs in related industries
  - Installs would plummet from 11.2 GW in 2016 to 3.2 GW in 2017

<http://www.seia.org/news/new-bloomberg-new-energy-finance-report-forecasts-strong-steady-solar-growth-investment-tax>

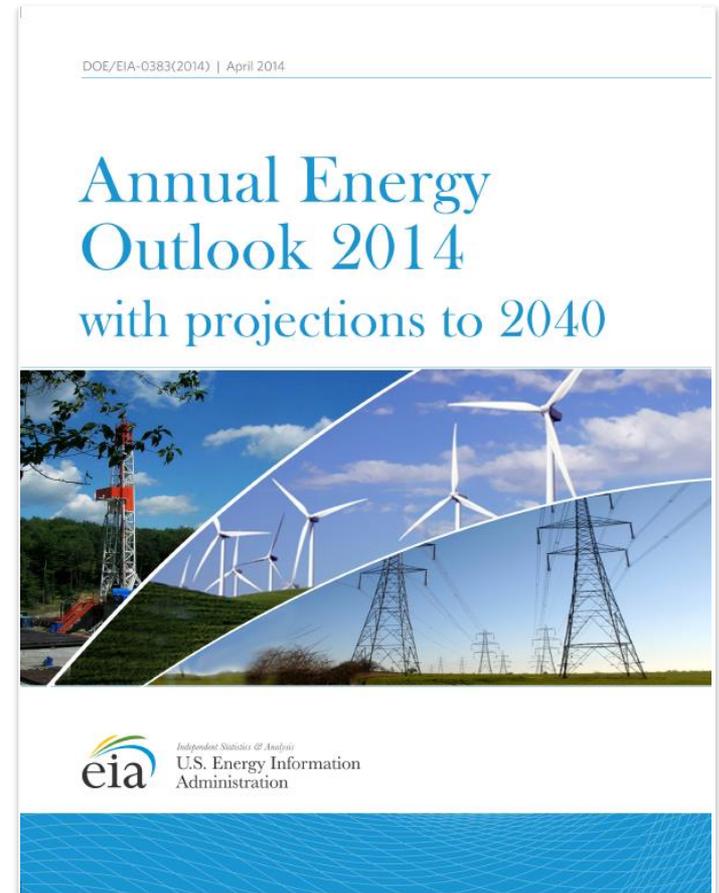
# Falling Off a Cliff, Cont'd

**U.S. Energy Information Agency**  
*2014 Annual Energy Outlook*

## **2016 to 2017 Reduction in Annual PV Installations**

- 100% decrease in utility-scale installs
- 94.3% decrease in Distributed Generation PV installs

[www.eia.gov/forecasts/aeo/pdf/0383\(2014\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2014).pdf)



# Falling Off a Cliff, Cont'd

Stanford University  
Graduate School of Business  
April 2015



STANFORD  
UNIVERSITY

## ***The U.S. Investment Tax Credit for Solar Energy: Alternatives to the Anticipated 2017 Step-Down***

- Analyzed Residential, Commercial and Utility-Scale markets in CA, CO, NJ, NC & TX
- On an LCOE basis "...anticipated cost reductions...are nowhere near sufficient to compensate for...the anticipated drop in the ITC."
- "...with the exception of Commercial applications in CA, solar PV would in fact become distinctly uncompetitive."

# Impact of the Loss of the ITC

**Solar industry will be in a world of hurt if the 30% ITC not extended.**

- Let's not waste time debating how high the cliff is going to be
- Need to make sure solar doesn't go over any cliff on 1/1/17

**We all...AND I DO MEAN ALL...**

- must contribute financially and work doubly hard to get the ITC extended



*Solar industry professionals on Capitol Hill in Washington, D.C.*



*Solar workers rally at California Public Utilities Commission*

# So, How Do We Get the ITC Extended?

- **Lobbying & Advocacy**
- **Research**
- **Public Campaign**
- **Grassroots Campaign**
- **Financial Support**

# Your Role in ITC Extension

## Financial Support

**Solar is dramatically outgunned in terms of PR and financial support of politicians**

- EEI, fossil-fuel industries and Koch brothers: tens of millions/year
- Only \$230,000 currently in Solar PAC
  - 174,000 solar workers = \$1.32 PAC contribution per worker

**Solar consistently shows 75 – 90% support in opinion polls**

- In DC this is “soft support”
  - Not backed up with \$\$\$

**To get the ITC extended, we need to fund a serious, industry-wide political effort**

- Major solar companies cannot do it on their own
- Individual solar workers have to dig into their own pockets



Key: ● Manufacturer ● Installer ● Other

# Your Role in ITC Extension

## Personal Unemployment Insurance

**174,000 solar industry workers**

**Contribute \$250 ASAP**

- \$20.83 a month (skip Starbucks once a week)

**\$43.5 Million ITC war chest**

- Solar PAC
- Other lobbying/grass roots efforts

**View this as unemployment insurance**

- Otherwise, you may be on unemployment in 2017



National Solar Jobs Census  
**2014**



JANUARY 2015

# Thank you



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