

Solar Industry Needs Tax Credits

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Solar Industry Must Support ITC Extension or Face Potentially Dire Consequences

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By Meg Cichon, Associate Editor, RenewableEnergyWorld.com

BOSTON -- The keynote session at PV America 2015 in Boston, Massachusetts highlighted the great strides solar has made in the past year, but also warned that the progress could all go up flames if the investment tax credit (ITC) is not extended beyond December 31, 2016.

Solar has really had a banner year: It accounted for nearly 32 percent of all electric capacity installed through Q3 2014, installed costs have dropped, and more than 175,000 people work in the industry, which has more than 8,000 companies. It has certainly come a long way since the ITC was first introduced in 2006, explained Solar Energy Industries Association (SEIA) Executive Director Rhone Resch.

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“Since 2006, 150,000 jobs have been created, 19.5 GW have been installed, and yearly installations have increased by a factor of 60,” said Resch. “Most of us in this room have jobs because of the solar ITC.”

Resch laid out an eye-opening scenario if the solar ITC expires: “The reality is that we will lose 100,000 jobs if we lose the ITC — and these are conservative numbers. Ninety percent of solar companies will go out of business.”

In order to prevent this scenario from becoming reality, Resch said that the industry needs to band together to support a solar ITC extension. While some have suggested a “ramp down” of the incentive — gradually lowering the credit percentage to wean the industry off entirely — Resch said SEIA is gunning for a long-term extension. “Oil and gas has had incentives since 1916, coal since the 1930’s and nuclear since the 1950’s,” Resch told REW. “They aren’t ramping down, so why should we?”

Tony Clifford, CEO of Standard Solar, echoed Resch’s call. According to Clifford, the majority of the 8,000 solar companies depend on tax credits. A huge amount of companies are at risk if the ITC expires, and most of them are small businesses. These companies, at the very least, need to join SEIA and communicate the importance of a tax extension, and it is important that they start now.


“If an extension happens it will be in late-2016, early-2017, but it won’t happen any sooner than that. This will still throw brakes on the industry for about six to nine months, which means layoffs will begin mid-2016,” said Clifford. “We have to start working the halls of congress now. Companies should join SEIA’s ITC coalition — get involved and start contacting your local political leaders. Show them the importance of solar.”

Resch said that if all goes well, it is likely that we will see a short-term, one to two year extension in 2016, and then a longer-term deal after the election. Thousands of small, innovative

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companies have helped to create a booming industry, said Resch, and those same small companies need to give back and support the tool that has allowed them to thrive.

"It's not corporate America that has made the industry great, it's entrepreneurial America," said Resch. "[But] we all need to be engaged in the industry. If you're employed by it, it's time that we all participate.

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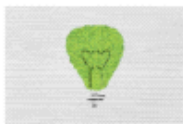
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