Federal Appropriations for Solar Energy

Creating jobs by investing in clean energy technology

Overview

Solar energy provides a clean, abundant power source and job creation engine for Americans today. Federal appropriations for solar-related programs at the Department of Energy (DOE) have been critical to catalyzing technological innovation, lowering the cost of solar components and systems, and overcoming market barriers. Continued strong support for DOE's Solar Energy Program and Building Technologies Program will help drive new solar products to market, creating jobs and expanding the renewable energy industry.

SEIA Recommendations for Fiscal Year 2012 Budget

DOE's Solar Energy Program undertakes a variety of initiatives each year researching photovoltaic (PV), concentrating photovoltaic (CPV), and concentrating solar power (CSP) technologies with the goal of producing cost-effective solar energy for America while creating jobs in solar manufacturing and installation.[1] DOE also funds solar heating and cooling (SHC) activities within the Building Technologies Program, which aims to make buildings more energy efficient, productive, and affordable.[2] For FY2012, SEIA supports the Administration's recommendation of $457 million for DOE's Solar Energy Program and requests $10 million for Solar Heating & Cooling activities within the Building Technologies Program.

SEIA Recommendations for FY2012 Budget

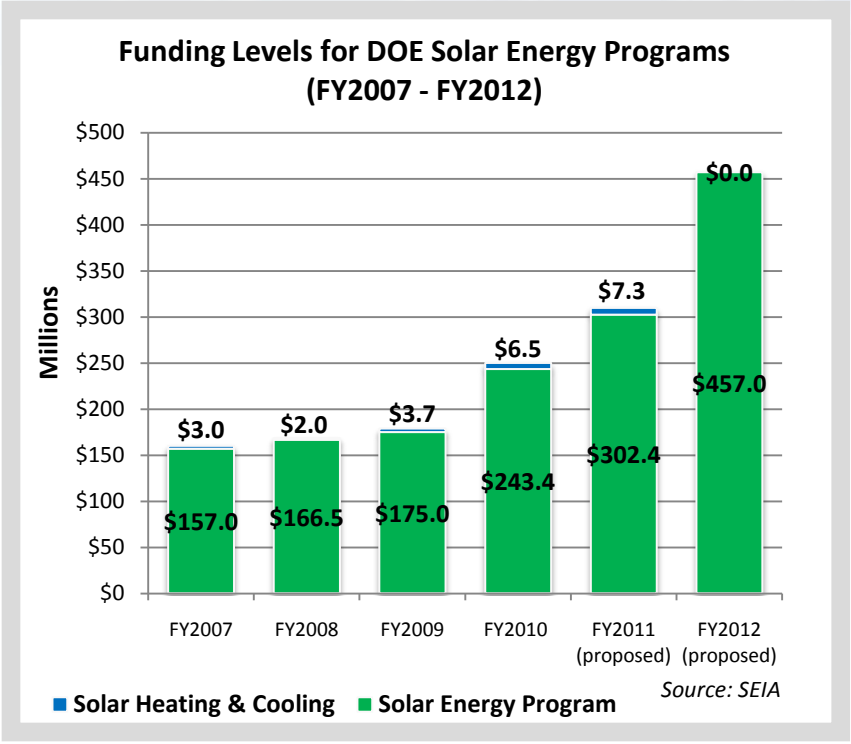
DEPARTMENT OF ENERGY PROGRAM	MILLIONS
Solar Energy Program	$457.0
Solar Heating & Cooling (within Building Technologies Program)	$ 10.0
TOTAL	**$467.0**

Federal appropriations should also include sufficient funding for the Section 1703 Loan Guarantee Program to continue the timely processing and reward of loan guarantees to all of the projects deserving of DOE support. Approximately $15 billion of clean energy projects were not funded in FY2011, so at least $1.5 billion of credit cost subsidies is needed in FY2012.

LOAN GUARANTEE PROGRAM	MILLIONS
1703 Loan Guarantee Program	$1,500
TOTAL	**$1,500**

FY2012 Budget Request

The President's proposed FY2012 budget requested $457 million for the Solar Energy Program.[3] The proposal was accompanied by a number of important programmatic requests that would benefit the solar industry:



PV – The proposed budget seeks to achieve the "Sunshot" initiative goal of a dollar-a-watt by accelerating R&D, investing in technologies with the capabilities of reaching long-term carbon reduction goals, and ensuring a sustainable PV manufacturing base. ($336 million)

CSP – Funding includes new demonstration projects which have the potential to accelerate the deployment of new, advanced CSP technology and enable electricity from CSP to reach parity with baseload power, including thermal storage, by 2020. ($50.0 million)

Systems Integration – Activities will address balance of system costs in order to meet the "Sunshot" $1/W goal for PC and address the technical barriers to wide-scale deployment of distributed and central station solar technologies in the US. Activities fall into four areas: balance of system hardware (BOS), grid integration, technology validation, and solar resource development. ($43.4 million)

Market Transformation – This subprogram enables DOE to achieve its stated goal of lowering the costs of solar power by reducing the market barriers to solar commercialization. The specific goal is to achieve $1/W installed PV costs before the end of the decade. IN FY2012, the subprogram will examine BOS costs and market barriers not currently being addressed. Activities include removal of regulatory and financial market barriers and reduction of non-hardware system costs. ($27 million)

Solar Heating & Cooling – Research will include activities at National Renewable Energy Lab (NREL) and Sandia National Lab to improve quality, reduce prices, and increase product efficiency for consumers. Funding will also include the USH_2O Initiative, which facilitates the successful implementation of new solar water heating programs by utilities by educating energy service providers about existing programs and technology benefits. The SHC Program also supports the development and ongoing improvement of certification, rating, and labeling activities for solar collectors and systems. (line item eliminated, $10 million needed)

About the Solar Energy Industries Association

Established in 1974, the Solar Energy Industries Association® is the national trade association of the U.S. solar energy industry. Through advocacy and education, SEIA and its 1,000 member companies are building a strong solar industry to power America. As the voice of the industry, SEIA works to make solar a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry and educating the public on the benefits of solar energy.

For a referenced version of this factsheet and more information, please visit www.seia.org.

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[1] Solar Energy Technologies Program. Office of Energy Efficiency and Renewable Energy. U.S. Department of Energy. Accessed online 5 May 2011. http://www1.eere.energy.gov/solar

[2] Building Technologies Program. Office of Energy Efficiency and Renewable Energy. U.S. Department of Energy. Accessed online 5 May 2011. http://www1.eere.energy.gov/buildings

[3] "Department of Energy." Appendix, Budget of the United States Government, Fiscal Year 2012. Office of Management and Budget. Accessed online 5 May 2011. http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/energy.pdf