

Federal Support for Solar Energy Consistent with Incentives for Traditional Energy Sources

New Study Finds Federal Solar Support Follows Same Path as all Other Energy Sources; Potential Return on Investment Includes 430,000 Jobs, Significant Benefits to American Economy

A recent studyⁱ ("Study") published by the University of Tennessee Howard H. Baker Jr. Center for Public Policy highlights the importance of federal incentives for emerging energy technologies like solar energy and the vast benefits solar energy could bring to the U.S. economy with continued federal support. The report not only emphasizes the value of consistent federal energy incentives, but shows how solar energy is following the same incentive-driven path as other traditional energy sources like coal, oil, natural gas, and nuclear.

Importance of Stable Federal Energy Incentives

- Energy technologies, including oil and gas, typically require about 30 years to achieve widespread adoption. Stable incentives have been critical throughout this adoption period for traditional resources. Solar is following a similar but accelerated trajectory.
- The study finds direct federal government support has removed barriers, encouraged private investment and enabled all energy technologies to reach maturity.
- The study states that solar energy technologies are moving quickly toward widespread adoption. Consistent government support will be crucial for solar to become a major source of domestic energy production.

"We find that solar energy is following the same incentive-driven path as other traditional energy sources before it, consistent with the government's decision to incentivize energy production for a variety of policy purposes" - Study

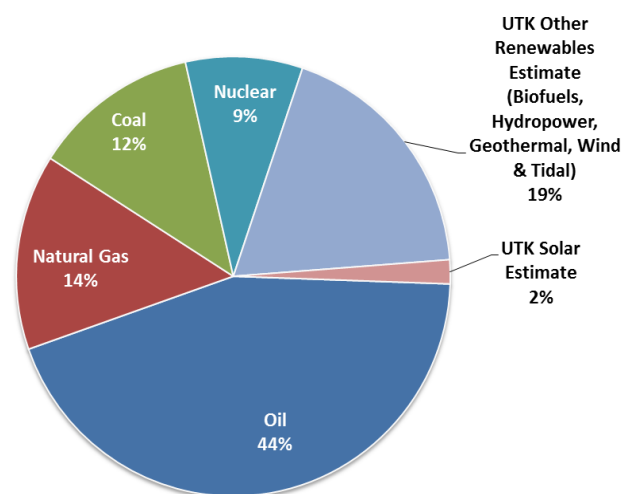
Decades of Incentives for Traditional Fuels

- The chart to the right highlights federal government spending for every major energy source over the past 60 years.
- Solar has received a modest amount of federal support compared to other energy sources.

Economic Impacts of Solar Energy

- The study finds that, with consistent policy, solar could support 200,000 to 430,000 jobs across the United States by 2020.
- Widespread solar adoption can lower peak electricity rates, strengthen our national energy portfolio, and benefit all Americans.

Federal Support for Energy 1950-2010



Source: MISO 2011, UTK 2012

ⁱ Assessment of Incentives and Employment Impacts of Solar Industry Deployment, University of Tennessee Howard H. Baker Jr. Center for Public Policy (May 2012).