

Manufacturing Incentives for Solar Energy

Ensuring U.S. Competitiveness in a Global Industry

Overview

The United States continues record-setting growth in renewable energy project construction. A stronger and more competitive U.S. domestic manufacturing base will support more robust job creation and economic growth. Limited, short-term federal tax incentives like the Section 48C Advanced Energy Manufacturing Tax Credit (“48C”) jump-started recent investments in new domestic plants, as well as expansions of existing facilities. The oversubscribed program lacked sufficient funding to meet company demand, but new legislation could provide the support necessary to spur thousands of new jobs and develop U.S. manufacturing’s global competitiveness.

The Solar Industry’s Growing U.S. Manufacturing Base

- The solar industry employs over 24,000 Americans in the manufacturing sector across more than 600 manufacturing facilities in the United States, and solar manufacturing jobs are expected to grow by 14% between 2011 and 2012.ⁱ
- PV manufacturing facilities in 28 states around the country are producing the primary components of a solar PV system, including solar-grade polysilicon, ingots, wafers, cells, solar modules, and inverters.
- Glass and steel manufacturers also provide essential components for utility-scale solar power plants, including Concentrating Solar Power (“CSP”) projects currently under construction in the U.S. Southwest.
- New solar manufacturing facilities opened in 2011 in Arizona, California, Illinois, Kentucky, Michigan, Mississippi, North Carolina, Nevada, New York, Ohio, Texas, Vermont, Washington, and Wisconsin.
- San Jose-Calif.-based manufacturer Stion expanded to a new 100,000-square-foot plant in Hattiesburg, Mississippi in 2011. The plant currently employs 140 people and is expected to employ 1,000 people in the next five years as production ramps up.ⁱⁱ
- Further solar manufacturing expansion will continue in 2012 and 2013, as major new facilities come online in 13 states.



First Solar factory. Source: First Solar



Suniva employees at a Georgia facility monitor the solar panel manufacturing process. Source: Suniva

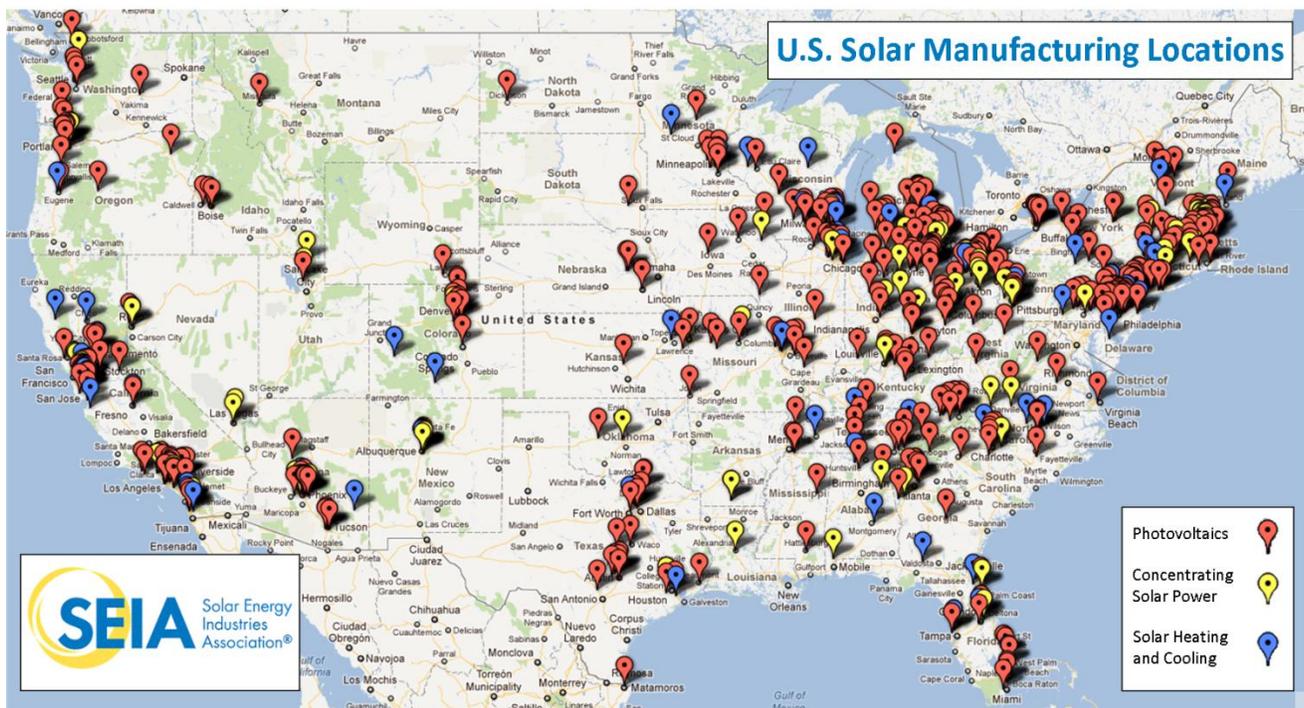
A Strong Domestic Manufacturing Base Keeps America Globally Competitive

Smart federal policy that supports solar manufacturing in the United States will grow American jobs throughout the clean energy supply chain and ensure a robust domestic industry that can compete internationally.

Countries such as China, Germany, and Malaysia continue to provide stable support to their renewable energy manufacturing sectors, making it very difficult for American companies who are hampered by short-term, inconsistent federal policy.

For example, Congress passed in 2009 the Advanced Energy Manufacturing Tax Credit, which provided a one-time allotment of \$2.3 billion for renewable energy projects in a competitive bidding process. Although 183 separate projects received awards, over 500 applications were submitted, totaling over \$8 billion and oversubscribing the program by a ratio of more than 3 to 1.ⁱⁱⁱ

Currently, no federal manufacturing incentives are available to companies trying to build manufacturing facilities here in the United States.



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 1,100 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 more information, please visit www.seia.org.

ⁱ National Solar Jobs Census 2011: A Review of the U.S. Solar Workforce. October 2011. The Solar Foundation. Available online at http://thesolarfoundation.org/sites/thesolarfoundation.org/files/TSF_JobsCensus2011_Final_Compressed.pdf.

ⁱⁱ "Stion Begins Operations in Hattiesburg; Investing \$500M, Creating 1,000 Jobs." 16 September 2011. Mississippi Economic Council. Available online at <http://www.msmecc.com/index.php/featured-news/4/417>.

ⁱⁱⁱ "Fact Sheet: \$2.3 Billion in New Clean Energy Manufacturing Tax Credits." 8 January 2010. The White House. Available online at <http://www.whitehouse.gov/the-press-office/fact-sheet-23-billion-new-clean-energy-manufacturing-tax-credits>.