

Solar Industry Perspective

No More Solyndras Act

- In the wake of the Solyndra bankruptcy, multiple Congressional hearings and internal administration reviews such as the Allison Report have identified steps to improve the Department of Energy (“DOE”) Loan Guarantee Program. America’s solar industry fully supports efforts to protect the integrity and improve administration of the DOE Loan Guarantee Program, and is willing to constructively work with policymakers to address these issues.
- Unfortunately, this bill would sunset DOE’s Loan Guarantee Program. To use a common saying, this legislation would “throw the baby out with the bathwater.”
- The federal government has, on a bipartisan basis, developed and utilized loan guarantees and lending programs to leverage private capital to meet a host of policy objectives ranging from transportation, health care, education, housing and energy infrastructure. According to the Brookings Institution, the U.S. government runs some 70 loan guarantee programs and 63 lending programs. The Office of Management of Budget estimates that these programs, taken in total, will return money to the taxpayers.
- Private lenders are often initially wary of providing loans to develop innovative and new energy technologies. The Department of Energy (“DOE”) Loan Guarantee Program provides loans guarantees to innovative energy projects, both renewable and non-renewable, and serves the important role of demonstrating the viability of utility-scale solar projects.
- The DOE Loan Guarantee Program has achieved a number of notable successes for the solar industry. Chief among these is the finalizing of loan guarantees for 11 utility-scale solar power plants in the Southwest, totaling more than 2,700 megawatts (“MW”) of generation – enough to power approximately 630,000 homes.
- These utility-scale solar power plants have long-term contracts with utilities to sell the electricity they generate, which provides a stable revenue stream for the project. This significantly minimizes risk to the federal government and ensures that taxpayers see a positive return on investment. These projects are also employing thousands of construction workers – a sector of the workforce hit hard by the recession – and utilizing a nationwide manufacturing supply chain.

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