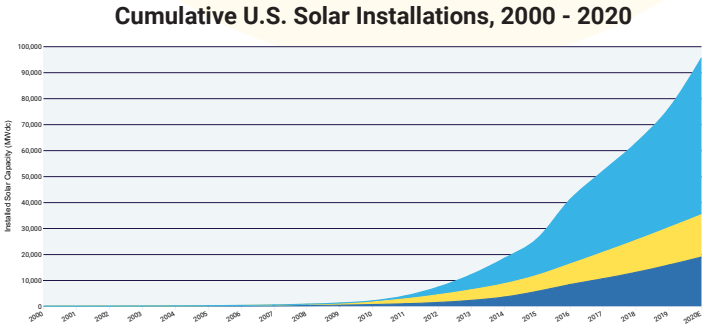
COVID-19 & THE U.S. SOLAR INDUSTRY

The Global COVID-19 Pandemic is Threatening American Workers, Small Businesses, and U.S. Clean Energy Goals

The 250,000 jobs in the solar industry is not just a number. Rather, it represents a quarter million American families who depend on a healthy solar industry to put food on the table and pay their bills.

Quick Facts About the U.S. Solar Industry

- In 2019, solar was the number one source of new electric generating capacity installed in the United States, representing **40% of all new U.S. electricity capacity installed**.
- Over the last 10 years, solar deployment has **grown an average of 48% every year**.
- In the process, solar has grown to **reduce carbon emissions by 88.1 million metric tons** annually.



Impacts from COVID-19 Could be Devastating

While we are still grappling with the impact of this pandemic on our industry, early estimates suggested the solar industry could suffer **losses between 16% and 30% of volume this year**. Some sectors will likely see a 50% reduction or more. If those impacts hit the full supply chain in the U.S., we would expect the **industry to lose roughly 38,000 to 120,000 jobs** compared to the 250,000 employed in solar in 2019. These losses would all be attributed to COVID-19. Based on what has happened in the last few days, we believe these figures could be at the low end. Urgent action from Congress is needed to protect these workers and their families.

We have been in constant contact with our member companies, and what we hear from them is deeply concerning and grows more dire by the day. Responses to our member survey received on March 19 showed **35% of respondents are considering a workforce reduction**; this was before California, New York, New Jersey, Illinois and Pennsylvania tightened restrictions on commercial activities.

Additionally, financing for solar through the tax equity markets – a core element of the investment tax credit – is drying up. The $20 billion in investment that was anticipated in 2020 from the solar industry is currently threatened. Across the country, there are billions of dollars worth of projects ready for construction – with workers on-site – that may lose financing.

In addition to the loss of jobs and investment, a significant decrease in the number of gigawatts of solar energy deployed would be devastating and **set our country back years in the climate fight**, a setback we cannot afford.

March 2020

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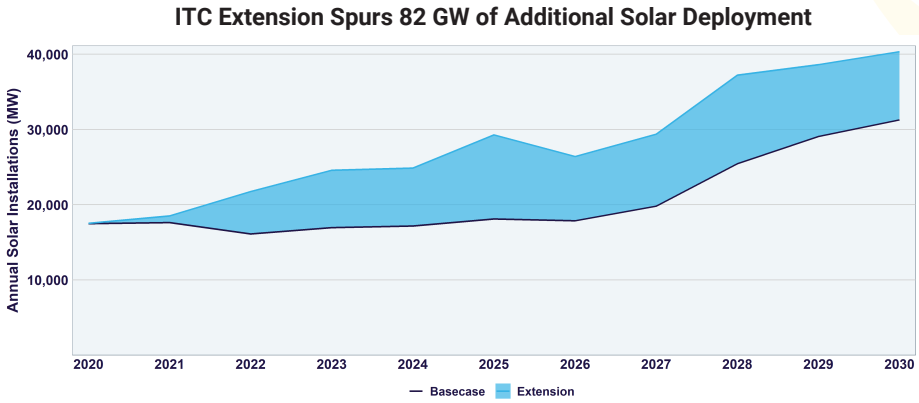
The Solar Investment Tax Credit

A study by Wood McKenzie conducted last fall showed that an extension of the ITC could further reduce carbon emissions by an additional 363 million metric tons of CO2 emissions over the next 10 years, equivalent to 21% of all emissions from U.S. electricity generation in 2018.



A study by Wood McKenzie conducted last fall showed that an extension of the ITC could further reduce carbon emissions by an additional 363 million metric tons of CO2 emissions over the next 10 years, equivalent to 21% of all emissions from U.S. electricity generation in 2018. By 2030, annual offsets will be equivalent to taking 77 million cars off the road or eliminating the emissions from 93 coal plants.

The 82 GW of additional capacity spurred from an ITC extension would be enough to power more than 15 million American homes.

With the COVID-19 pandemic causing significant economic damage, not only is our climate progress threatened, but the very foundation of the modern solar industry is in danger. We need an extension of the ITC, as well as a refundability or grant mechanism in order to keep our companies open for business while the tax equity markets recover and consumer confidence returns.

Specifically, the Solar Industry is Requesting the Following

Ensure solar companies can utilize the ITC during this economic crisis.

Pass a program to provide companies a choice of receiving direct cash payments in lieu of the ITC for all Section 48 and 25D qualified solar energy projects for the length of the investment tax credit period, including any extensions under this relief program.

Extend the ITC to help the industry stay on track.

Pass a multi-year extension of the Section 48 and Section 25D solar ITC and postpone the corresponding placed-in-service deadlines.

Adjust ITC deadlines to account for COVID-19 delays.

Extend the Safe Harbor agreement outlined in IRS Notice 2018-59 to accommodate all equipment delivered by the end of the years in 2020 and 2021 so long as the respective projects are placed in service by the end of the ITC phase-down period and equipment was ordered and paid for in the previous year. We also request multi-year extensions of placed-in-service deadlines so that delayed projects can be completed.

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