The Solar Investment Tax Credit Has Spurred Job Creation

- The solar Investment Tax Credit (ITC) is one of the most successful clean energy policies in U.S. history and has helped the industry grow by more than 10,000% since it was enacted in 2006.

- A long-term extension of the ITC was passed by Congress in bipartisan fashion in 2015. This extension included a phasedown schedule that began at the end of 2019. The current 26% credit will step down to 22% at the end of 2020.

- Before the COVID-19 recession, solar companies added more than 150,000 U.S. jobs in the last decade, growing five times faster than the overall economy over the last five years alone. With more time to recover COVID-19 related losses, the solar economy can create jobs again.

Delays and Demand Reduction from COVID-19

- Due to COVID-19, demand for solar has fallen and solar companies, many of whom are small businesses, do not have the project pipelines they need to maintain their workforces.

- When the COVID-19 pandemic hit the U.S., the solar industry lost more than 70,000 jobs, wiping out 5 years of job growth in just a few months. Some of these jobs have returned, but lingering financial uncertainty and the impending stepdown of the tax credit are limiting the industry’s recovery.

- Many of these job losses have taken place in residential solar. This sector utilizes a non-business tax credit, Section 25D, which would not benefit from a business tax only system of direct pay or monetization provision for the ITC.

- A delay of the ITC phasedown schedule would allow solar companies to rebuild their pipelines, rehire currently furloughed workers and even hire new workers, helping to rebuild the American economy.

U.S. Distributed Solar Market Outlook, Baseline vs. COVID-19 Impact

<table>
<thead>
<tr>
<th>Capacity (MW)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>3200</td>
<td>3600</td>
<td>4000</td>
<td>4400</td>
</tr>
<tr>
<td>COVID-19 Impact</td>
<td>4800</td>
<td>5200</td>
<td>5600</td>
<td>6000</td>
</tr>
</tbody>
</table>

Distributed solar includes residential, C&I, non-profit, government and community solar

Delaying the ITC phasedown and maintaining the current 26% rate for 2021 and 2022 will save jobs and help stimulate the U.S. economy.