

July 8, 2021



Chairman Richard Neal
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth
Washington, D.C. 20515

Dear Chairman Neal,

I write on behalf of the 231,000 American solar workers and the 1,000 member companies of the Solar Energy Industries Association (SEIA) to share our priorities for once-in-a generation infrastructure legislation that will lead America into a clean energy future and create hundreds of thousands of jobs.

The clean energy transition must be based on principles of equity and opportunity. These values are infused throughout our organization and ones we are actively working to advance within our industry. This also means we are taking a close look at our supply chains and taking action to promote a more just world. And it means that we are here to work in partnership with you and with President Biden to bring meaningful and lasting change, create hundreds of billions of dollars in economic growth and address climate change. We cannot fail in this endeavor.

To continue on this path, we urge support for effective tax policies that will help our country meet the necessary targets set forth by President Biden. The fact is, despite our industry's tremendous growth, solar comprises just over 3% of electricity generation nationwide. To modernize the grid and meet climate goals, solar must account for *at least* 20% of U.S. generation by the end of this decade and 40-50% by 2035. That means quadrupling our current pace of installations by 2030. We are in a race against time.

Here is what we think it will take:

1.) First, we suggest that the Solar Investment Tax Credit (ITC) be lengthened and strengthened to fill as much of the 10-year budget window as possible and increase the credit back to at least 30 percent.

This will immediately create thousands of jobs and a surge of planning, building, and construction across the country. SEIA strongly supports tax policy that is durable and predictable. For the solar industry, the core of that policy is the ITC, which has helped the solar industry drive down energy prices and foster innovation across the country.

2.) To reach deployment goals, it is also critically important to address financing challenges with direct pay. With the COVID recession and increasing demands attributable to higher deployment, tax equity has been difficult, if not impossible, to obtain for many projects. This is why we strongly support 100% direct pay – it will ensure ongoing financing, keep the industry growing, and deploy solar rapidly. Without this provision, we anticipate that lack of financing will continue to mean fewer projects creating fewer jobs. We respectfully urge the Committee to include 100% direct pay for as long as possible to address this shortfall.

3.) We urge that standalone energy storage be added to the ITC. Solar plus storage has a critical role in meeting our nation's energy needs and enhancing the resilience of our electricity supply. Adding storage to the ITC will ensure continuity going forward and contribute to deploying storage as quickly as possible.

Additionally, to this end, we urge you to protect fair competition and retain current tax policy with regard to normalization. In the electric sector, monopolies or monopsonies control the lines that deliver electricity in and out of homes. Those monopolistic entities, which in most cases are owned by investors and not the public, have tremendous tax and financing advantages available to no one else in the tax code. The Ways and Means Committee has always stood strong against a change to normalization, and we urge you to remain steadfast for the sake of the climate and ratepayers. We appreciate that the GREEN Act does not include a normalization opt-out for the ITC for solar or storage. Doing so would eliminate a critical guardrail and disrupt technology adoption at a time when we need to be focusing on growth.

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4.) We urge providing significant support to help grow American solar manufacturing. United States' investment in domestic renewable energy manufacturing has languished for many years. SEIA strongly urges the Committee to implement long-term federal tax policies that promote sustained solar deployment at a high level through the ITC and incentivize private sector investments in domestic solar manufacturing — both are essential. This combination will ensure that the U.S. is a global leader in the production of clean energy technologies.

We also understand that the Committee is contemplating new domestic content requirements. While we fully support a broad approach to incentivizing domestic manufacturing investments, we urge the Committee to avoid policies which are overly restrictive and unnecessarily harm solar deployment.

5.) Address grid resilience and necessary upgrades to accommodate all the new renewable energy coming online, including transmission and interconnection. SEIA supports federal tax support for grid upgrades including tax credits for buildout of necessary transmission lines as well as ensuring interconnection costs for community solar and smaller projects qualify for the ITC. Interconnection in particular has become a very serious barrier to deployment in urban and congested areas, limiting solar deployment where it could be making a big difference.

6.) Support equitable workforce policies that meet the needs of the growing renewable industry. Equity and opportunity are core values of our industry. The solar industry supports well-paying jobs across the country, over the next decade, the solar industry will start hundreds of thousands of careers, and there will be opportunities for all Americans.

Many of our member companies are large-scale developers that use union labor. Having highly skilled experienced crews — like those supplied by union halls in many parts of the country — is part of their regular business practices. However, there is an acute lack of trained technical tradespeople across this country, including in solar. We need a comprehensive national plan to encourage more young people to explore jobs in renewable trades and build successful careers. And we need partners to get there, including those from organized labor.

Our industry is committed to working with you on policies such as prevailing wage and apprenticeship programs. It is important however, that we not jeopardize the success we have achieved or create unworkable barriers for the 95% of solar companies that are small businesses.

We have a critical opportunity under your Committee's leadership to meet this moment with bold and courageous action. Thank you for considering our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Abigail Ross Hopper".

Abigail Ross Hopper, Esq.
President & CEO
Solar Energy Industries Association