

Chairwoman Kathy Castor
House Select Committee on Climate Crisis
H2-359 Ford House Office Building
Washington, DC 20515

RE: MAKING THE CASE FOR CLIMATE ACTION: CREATING NEW JOBS AND CATALYZING ECONOMIC GROWTH

Dear Chairwoman Castor,

On behalf of the Solar Energy Industries Association (SEIA), I first want to thank you for your leadership on behalf of the American people and the aggressive work you have already undertaken during the beginning days of this 117th Congress in work to get us on a trajectory to a 100 percent clean economy by 2050. As the House Select Committee on Climate Crisis prepares to discuss policy solutions at a hearing entitled "*Making the Case for Climate Action: Creating New Jobs and Catalyzing Economic Growth*" hearing I wanted to give you some specific details on how the solar industry has and continues to work aggressively towards your goals and President Biden's goal of a 100 percent clean energy future that the committee seeks to attain, and the nation so desperately needs and deserves.

SEIA has set a goal of solar energy being 20% of the US electricity mix by 2030. We have deemed the upcoming 10 years as the "Solar+ Decade" to represent not just the immense amount of solar energy that must be deployed for the US to reach both the committee's goal and those stated in the Intergovernmental Panel on Climate Change (IPCC) goal for climate mitigation. If we achieve this goal, the solar industry will have generated hundreds of billions of dollars in investment and created thousands of American jobs.

As recently as last week, solar industry leaders took this message to lawmakers and Biden Administration officials in an advocacy blitz that highlights that highlighted the critical importance of additional policy action. As the legislative debate shifts toward infrastructure and labor issues, we feel that now is the time to take steps that will chart America's path to 100% clean electricity. Achieving that target will require U.S. solar capacity to reach nearly 700 GW by 2030, and annual installations will need to grow from 20 GW in 2020 to more than 90 GW in 2030. This means that the U.S. will need an extra 270 GW of total solar capacity by 2030 to stay on track with our climate goals, which is 3 times greater than that we have installed in the entire history of solar in this nation. This additional capacity represents hundreds of thousands of U.S. jobs and billions in economic investment in clean energy that the solar industry, in all facets.

With continued innovation and policy support, these goals become more than realistic. Wood Mackenzie found that the recent two-year extension of the solar Investment Tax Credit (ITC), increased solar installation forecasts by 17%. Smart policy works, and SEIA continues to fight for policies that incentivize solar deployment, streamline permitting and interconnection, encourage renewable energy development on public lands, and invest in solutions that provide long-term and sustained support for domestic manufacturing, among other priorities.

One of the most urgent priorities is our workforce. For solar to account for 20% of U.S. electricity generation by 2030, the industry will need to grow to 600,000 workers. The solar industry was able to keep tens of thousands of workers on the payroll during the pandemic, but some residential solar companies experienced hardship and others are still having difficulty securing tax equity for their projects. The solar industry is made up of primarily small businesses, and these changes can make it hard to adjust, let alone grow their businesses and hire more workers.

One near-term solution is to add a direct pay option for the ITC, which would make the industry less reliant on tax equity for financing. Another solution is a long-term extension of the ITC that would give the industry a long runway to continue its growth. Solar companies are major job creators, but they need certainty and a stable tax policy to go to work for our economy.

SEIA also knows that addressing diversity, equity, inclusion, and justice within our industry must be a priority as we move towards an America dominated by clean energy. Our industry is taking important steps

to focus on this work and ensure it is considered throughout all aspects of our industry. Incorporating environmental justice and equity into our policy priorities is a crucial aspect of our energy future and we continue to develop best practices and any federal policy aiming to address climate change (and therefore impacting our industry) must simultaneously address the socioeconomic and systemic challenges faced by communities of color and other marginalized groups. The solar industry has a crucial role to play in the development of these policies.

Our message to leaders in Washington is simple: Policies that support solar will help our economy recover, create jobs, and address climate change. The stakes are high, but they also present an incredible opportunity for America to prosper.

Below are some policy priorities for the solar industry that will put us on the path to making 20% of the nation's energy mix solar while making electricity cost savings through solar accessible to every family and small business, putting the United States on a path to decarbonizing the electricity sector in its entirety:

Strong tax policy: The Investment Tax Credit

The Investment Tax Credit (ITC) is the most effective proven federal policy on the books to deploy more solar energy. While the tax credit is due to step down from 30% at the end of this year to 26% then eventually phase out over three years for residential solar and remain at 10% for commercial & utility-scale solar, SEIA is advocating for a delay in the stepdown of this integral incentive policy. The ITC has been the most effective tool for allowing companies to finance solar installations, and with other compounding factors affecting the deployment of solar such as trade policy and tariffs, we urge an extension of this important credit. Extending clean energy tax credits is one of the most effective tools available to help meet climate goals while creating over a hundred thousand new jobs and tens of billions of dollars in economic growth.

Other Issue Areas

SEIA has identified the following areas as beneficial drivers for solar energy including:

- Grid modernization and transmission: Grid modernization efforts should include establishment of a robust and transparent benefit cost framework to inform utility planning and ensure full and fair valuation of distributed energy resources. To reduce transmission barriers to the further expansion of utility-scale solar, we need a disciplined, well-coordinated, cross-jurisdictional regional-level transmission planning effort.
- US manufacturing: To help ensure U.S. manufacturers can succeed in this environment, the United States must leverage its unique technology and innovation ecosystem, including national labs, regional and local incubators, and the venture capital investment community.
- Resiliency & cybersecurity: Ensuring resiliency requires a focus on developing technological solutions for reliability, including developing industry guidance for equipment corrosion protection in design and installation, establishing grid management and source-based maintenance programs that ensure integration as main or back-up systems and developing industry-wide procedures for operations and maintenance.
- Workforce development: To reach 20% of generation by 2030, our estimates show that nearly 400,000 jobs will be added over the next decade, with many of them coming in emerging states and regions that will require significant training and workforce development.

SEIA is proud of the amount the solar industry has contributed to decarbonizing the electricity system, but we know we still have a long way to go. With your support in addition to our industry taking on aggressive collaboration to work with other technologies and partners, we are confident that the Solar+ Decade will be fruitful for the American economy, American workers, and homeowners and small businesses. Thank you for your consideration of these policies and continued dialogue with the solar industry.

Sincerely,

Abigail Ross Hopper, Esq.
President & CEO