U.S. Solar Market Post 2016: Deployment and Employment

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Background

- Two federal investment tax credits (ITCs) for solar property

<table>
<thead>
<tr>
<th>Credit</th>
<th>Application</th>
<th>Current Level</th>
<th>Level after December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 25d</td>
<td>• Residential direct ownership</td>
<td>30%</td>
<td>0%</td>
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</tbody>
</table>
| Section 48 | • Commercial Direct Ownership
  • Commercial TPO
  • Utility
  • Residential TPO | 30%           | 10% (Permanent level in statute) |

- Under current policy, systems must be **online** before the end of 2016
Recent U.S. Solar Deployment

Yearly U.S. Solar Installations

Source: SEIA/GTM Research U.S. Solar Market Insight Q4 2014
greenetchmedia.com/research/ussmi
• SEIA commissioned Bloomberg New Energy Finance (BNEF) to analyze demand (deployment) for solar energy systems under two scenarios. Forecast completed mid-August 2015.
  – Scenario 1: Current Policy where the credits drop as written in current statute
  – Scenario 2: A 5-year extension at 30% is enacted along with a “commence construction” provision for the section 48 credit. (Intervention assumed before 2H 2016.)
• SEIA analyzed demand-side employment impacts by running BNEF’s results and inputs through the PV Jobs and Economic Development Impact (JEDI) model—a derivative of IMPLAN—developed by NREL.
  – Note: The employment estimates derived from this analysis do not include manufacturing or other up-stream jobs. Thus, these figures cannot be compared to The Solar Foundation’s National Solar Jobs Census.
Jobs in the solar industry support additional jobs in the broader economy. These are largely service sector jobs that support the industry and solar workers.
Deployment Under Current Policy
ITC Drop in 2016 (All Market Segments)

• Dramatic drops from 2016 to 2017 in:
  – California
  – Nevada
  – Utah
  – Texas
  – North Carolina
  – Florida
Deployment with 5-Year ITC Extension + Commence Construction for 48c (All Market Segments)

• ITC by mid-2016 eases pressure to complete jobs by the end of the year.
• Some 2016 projects extend into 2017.
• Additional growth seen in nearly every state 2017-2022 with extension.
  – +22 GW by 2022 vs no extension

Source: BNEF
Thank you

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