

The solar provisions in the Federal Energy Bill

- Extending the commercial solar ITC for 8 years (through December 31, 2016);
- Extending the residential solar ITC for 6 years (through December 31, 2014);
- Changing the monetary cap to \$4,000 on the residential solar ITC;
- Permitting corporate and individual taxpayers to claim the solar ITC against the Alternative Minimum Tax.

Why this is important:

- Create local jobs. This provision will create tens of thousands of good jobs throughout the US, including manufacturing, engineering, roofing, electrical and construction jobs. Up to half the cost of solar projects is installation, which leads to local job growth.
- Creates energy security and energy independence by diversifying our energy sources, protecting against rising electricity fuel prices, helping to stabilize the electricity grid, and reducing our reliance on imported energy.
- U.S. solar market is rapidly expanding. This year alone the U.S. solar market is poised to grow more than 60 percent. This quickly emerging sector of our economy is now a multi-billion dollar industry in the United States.
- Way to expand the economy while reducing the pollution that causes global warming.
- Clean energy sources. Is a non-air polluting energy source, by developing solar and other non-polluting sources will reduce the particulate levels that cause health problems.
- Supports State RPS policies. This provision would support states that have aggressive renewable portfolio standards (RPS) and solar goals.
- Long-term is necessary. Development of utility-scale projects requires long-term (8 years) solar ITC extension for financing and construction.
- Empowers individuals. This is the only provision in the energy bill that empowers individual citizens to take action to improve our energy independence and reduce the production of global warming gases.
- Help bring the price down. This would work toward the President's Solar America Initiative goal of reducing the cost of solar photovoltaic technologies so that they become cost-competitive by 2015. Enactment of this tax credit will help bring the price of solar down to market level by mass production.
- Solar energy helps offset the use of high-cost natural gas used for water heating and peak electricity production.

Conventional Sources verses renewables

A popular argument is that renewable energy sources such as solar and wind are not cost-competitive with conventional sources. This argument ignores the fact that the latter are subsidized at a far greater rate and renewable energy is not currently mass produced so they cannot take advantages of the economies of scale.

	Nuclear	Fossil Fuel	Renewables	Conclusion
Electricity-related R&D funding	\$6.2B	\$3.1B	\$1.4B	Nuclear and fossil fuels received 6X the funding of renewables
Electricity-related tax expenditures		\$13.7B	\$2.8B	Fossil fuels received nearly 5X the funding of renewables

