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Strategies & Priorities for a Strong Solar Future

RENEW Wisconsin
2021 Renewable Energy Summit



Looking Back on 2020

Impacts from the COVID-19 pandemic, the November election, and end-of-year legislation in Congress

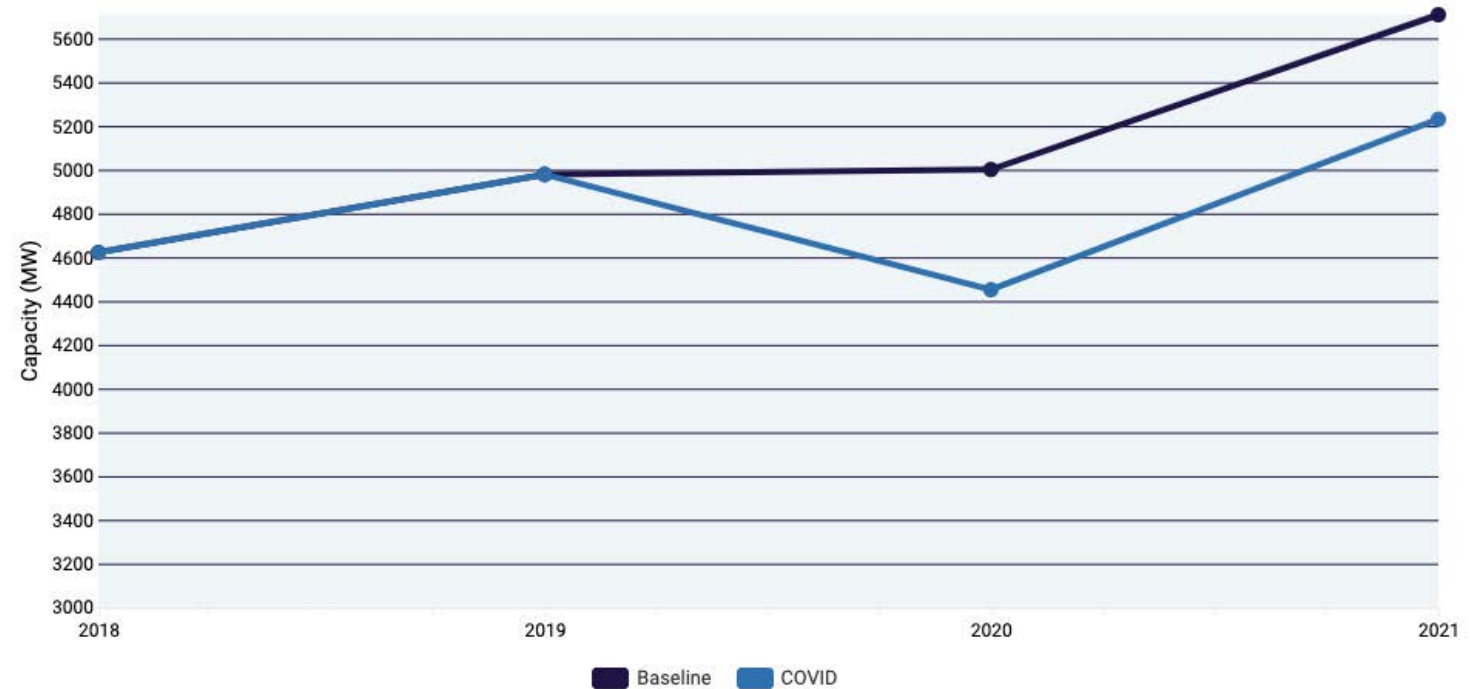
Rebuilding from the COVID Crisis

- Secured **essential worker status** early on
- **Challenges remain for DG** - underscores the importance of permitting improvements
- **2020 was a record year** – our capacity to contribute to economic recovery is significant



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

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



Source: SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight 2020 Q3 & 2019 Year in Review



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Preparing for Election Outcomes

	Status Quo	Senate Flips	Biden with GOP Senate	Democratic Sweep
Favorable Tax Legislation				
Carbon Policy/Clean Energy Standard				
Favorable Trade Policy				
PURPA Compliance & QF Development				
Strong Regional Transmission				
Increased Solar Development on Public Lands				
Domestic Manufacturing Support				

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End-of-Year COVID Relief/Omnibus Bill

Big Wins for Solar in all the major sections of the bill!

In COVID Relief package (Tax Extenders):

Extension of the ITC. Also called a “Delay in the ITC phase down”:

- 2-year extension of the ITC – both Sec. 48 and 25D – at 26 percent



The Energy Act of 2020

Provides
\$1.5 billion
over five years for a solar
energy research and
development program

Will streamline the
permitting process by
establishing a **Renewable
Energy Coordination
Office** through the
Department of Energy

Grants the Secretary of
Interior power to
reduce rental rates
for solar and wind
projects on federal
lands

Requires the Secretary of Interior to establish goals for renewable energy production on public lands by September 2022. The legislation sets minimum goals of 25 gigawatts of energy from renewable sources being produced on public lands by 2025

A photograph of two workers in blue shirts and hard hats carrying a large solar panel on a roof. The scene is set against a backdrop of tall cypress trees and a clear sky. The workers are positioned on the right side of the frame, moving the panel towards the left. A ladder is visible on the left side of the roof. The overall image has a warm, golden-yellow tint.

Looking Ahead

Our vision for building the Solar+ Decade



The Solar Industry's 100-day Agenda

Our vision includes:

- **Immediate actions** that will support strong solar growth and **longer-term policies** that support climate and energy goals
- **Legislative proposals** for the 117th Congress and **executive actions** for the Biden administration to take



2021 Policy Priorities in the States

Rebuilding Through Clean Energy Investment

- California and North/South Carolina IRPs
- Virginia Clean Energy Act implementation
- Arizona CES, Pennsylvania AEPS, Colorado RES
- California NEM 3.0, Florida NEM defense
- Illinois clean energy legislation/funding cliff

Enhancing Solar & Solar + Storage Cost-Effectiveness

- Property tax issues in California, South Carolina, Massachusetts, Michigan, Texas
- New Jersey SREC successor program
- Massachusetts SMART implementation,

Market Reform & Market Access

- Southeast Energy Exchange proposal
- Resource adequacy reform/Hybrid resources
- New York Capacity Market reform
- Community Solar (PA, CA, IL, NY, MA)
- Expand microgrid advocacy

Mitigating Current & Future Risk

- DG compensation evolution
- Consumer Protection
- PV Recycling
- Land Use
- Labor

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Two Tracks to Grow the Solar Industry

There are two equally critical efforts we must undertake to increase solar deployment:

INCREASE MARKET OPPORTUNITIES

Enact policies and clear obstacles to protect existing markets, open new ones, and ensure long-term, healthy demand for our product

MITIGATE BUSINESS RISKS

Identify and address risks that come from increased deployment/penetration and ensure that we grow responsibly

Improving Residential Permitting

INCREASE MARKET
OPPORTUNITIES

- COVID pandemic brought new urgency to the importance of streamlined permitting
- **SolarAPP**: move jurisdictions towards faster, modern, online permitting processes
- Massive cost reductions for customers and installers
- **Get involved and support this work through SEIA's DG Division**

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The Interconnection Challenge

INCREASE MARKET
OPPORTUNITIES

- Recent updates to state interconnections rules in MN and MI used FERC's small generator interconnection procedures (SGIP) as starting point
- CA Rule 21 remains the gold standard
- **Key principles for strong interconnection rules:**
 - **Transparency** – who, what and when
 - **Certainty** – clear timelines and steps
 - **Cost** – estimates must be reasonable and durable
 - **Enforceability** – rules are only effective when followed

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PURPA & Open Competition

INCREASE MARKET
OPPORTUNITIES

- PURPA remains a critically important tool for ensuring **fair access to electricity markets** for independent power producers
- Great example of the importance of state-federal coordination
 - SEIA has been extremely active at FERC in defending PURPA against anti-competitive threats
 - Our partners in the states, like RENEW, are critical in keeping the pressure on state commissions and RTOs/ISOs

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Workforce Diversity & Environmental Justice

MITIGATING BUSINESS RISK

- Our industry needs to reflect the diversity of our nation
- Reaching 20% solar by 2030 will require **hiring 400,000+ new workers** over the next decade – a massive challenge and opportunity
- Simply building more clean energy will not ensure all Americans have access, or that frontline communities are prioritized – it will take **intentional action and advocacy from our industry**

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Land Use

MITIGATING BUSINESS RISK

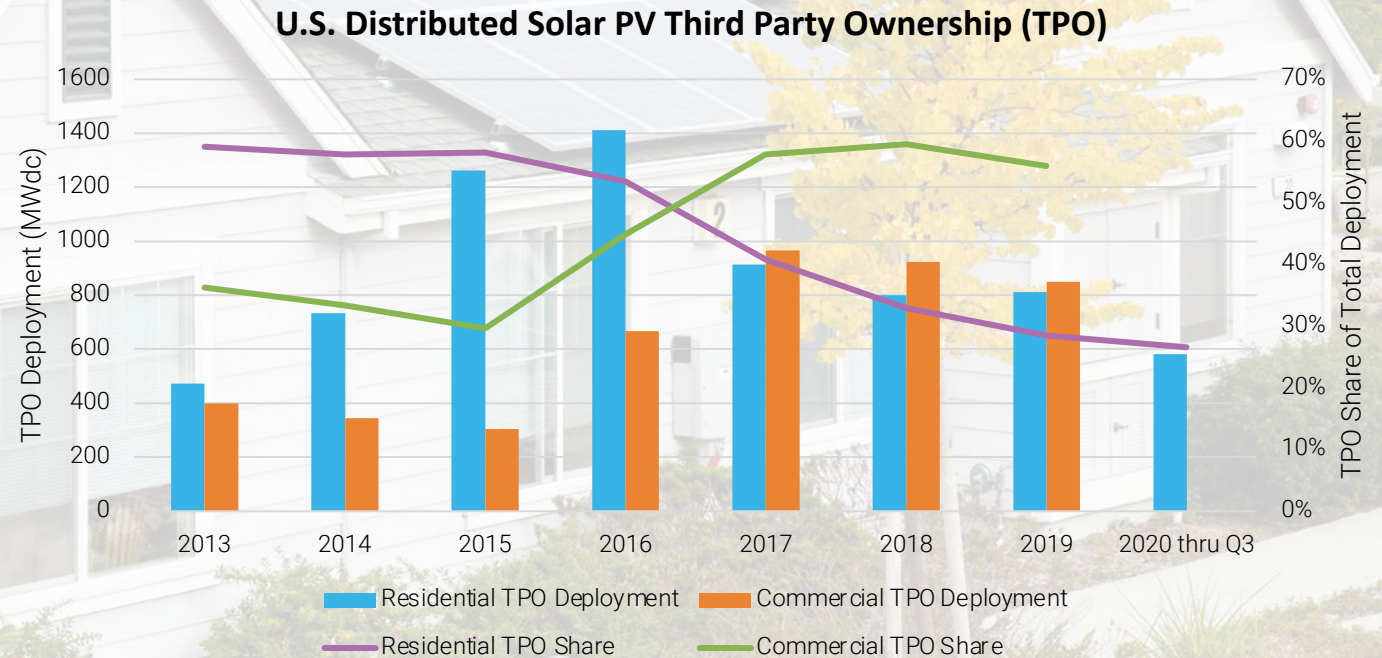
- As clean energy targets increase and deployment ramps up, many states will approach siting and land use more carefully
- It is our responsibility to be **responsible stewards and community partners**
- Need to **incorporate ecosystem services** into our project planning, and build local support early

Third-Party Ownership

MITIGATING BUSINESS RISK

Financing models will shift as industry scales and tax paradigms change

- TPO is declining for residential solar, but remains an important mechanism for commercial projects
- States should remain flexible and provide options for consumers to go solar





Thank You!

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