



Urgent Letter to the Solar Industry & Our Customers

- No audio this week. Read the letter. [And sign our petition. Thanks! -](#)

We don't call it the "Solar Coaster" for nothing. U.S. solar installations will hit 16 GW in 2016. These solar installations are having a big impact on Main Streets all over the country: our industry employs over 200,000 people, over a million Americans have installed solar, more solar is being deployed than any other energy source, and solar is delivering electricity at a value greater than that of new natural gas plants across the country.

But with profitability challenges and regulatory uncertainty at the state level, the solar coaster is about to take another turn.

...Just when we have a leadership vacuum at the top.

...When monopoly utilities are pulling out all the stops to eliminate net metering and add punitive fixed charges to kill the customer-owned solar industry that employs over 100,000 people.

...And when the Solar Energy Industries Association – which ostensibly represents all solar businesses in the U.S. – has a governance system that favors utility scale solar interests. Even though the majority of solar companies and employees in the U.S. are focused on rooftop solar, also called distributed generation.

We want you to sign our petition to let SEIA know that local residential and commercial solar companies want to pay more in dues to support the solar industry if they are ensured to have the same voice and influence as their utility solar brothers and sisters.

If you have solar on your roof, if you work for a solar company, if your business is powered by solar, or if you just want the benefits of clean solar energy without lining the pockets of monopoly utilities, please sign our petition. And pass it on to your friends.

[Click HERE to Sign Our Petition](#)

It's been a 50+ year journey to get to this point at which distributed generation solar power is often cheaper than power delivered by your local utility. New solar and storage technology will continue this transition to cheaper and cleaner local power. Unfortunately, homeowners, businesses and local solar companies will not benefit as long as incumbent utilities leverage their money and monopoly to influence both state and federal solar policies.

Just look at what happened in Hawaii, where their local utility put an end to net metering. Or Nevada, where the dominant utility changed the billing for 32,000 solar customers so that home solar no longer makes economic sense. Or Florida – the Sunshine State? — where monopoly utilities campaign to tax home solar installations and make it illegal for homeowners to lease a rooftop solar system.

But changes are under way.

Earlier this year, the Solar Energy Industries Association reluctantly said goodbye to its long- time CEO, Rhone Resch after over a decade of service. Under his leadership, the solar industry introduced and passed a 30% tax credit in 2005,

extended it for eight years in 2008, and then again for another five years in 2015. The majority of the membership dues to fund SEIA came from its hard-working industry board, which consisted mainly of manufacturers and large-scale developers, supported by smaller companies active in solar thermal and distributed generation solar.

Many of us “old-timers” have seen these gyrations in the solar industry before. As an industry should do, we need to look forward to the technology and structural cost changes that are under way right now – and adapt to them. National and state priorities need to reflect our business and climate goals. With the most recent extension of the investment tax credit and deployed solar costs continuing to decline, many are wondering what the next decade of SEIA priorities really should be. Do we need an organization that is heavily focused on the federal government? Should SEIA be on the front lines leading the effort at the state level? How do we balance the benefits of DG solar with the profit motivation of regulated utilities, many of whom are actively blocking ability of Americans to vote with their check books and buy from our industry?

SEIA and state solar chapters have done a solid job on behalf of the solar industry. Everyone employed by the solar industry owes them a debt of gratitude. Even with the extremely talented staff led by a very capable Tom Kimbis, they are increasingly showing their inability to keep up with the incoming onslaught by traditional fossil fuel and utility interests. Yes, we got the ITC for a few more years – but there is a big gap between the current market and the addressable market. We should not be trailing Australia’s 15% solar rooftop penetration achievement here in the USA over the next five years. And we don’t want the DG solar market to stagnate as has happened in Europe. In fact, the entire European Photovoltaic Industry Association board has been taken over by utility scale players often openly hostile to the DG market.

The solar industry has the most active employee and advocate base ever mobilized in the clean energy space. Yet its messaging is being led by environmental groups and foundations, instead of SEIA. The core of the DG industry lies with hundreds of companies with \$5M-\$100M of annual revenues that are consistently profitable every year – almost all of whom are only basic members of SEIA. Solar is by far the most popular form of energy in America. There are a million homeowners with solar, which means that there are over 100M Americans – one third the population – who know someone with solar on their roof.

But solar industry leadership is focused almost entirely on minutiae in Washington, DC. Right now, the primary movers on the SEIA board are large corporations, many of whom have aspirations that are less local and more global, less rooftop solar and more utility-owned solar. In a nutshell, the dominant interests on the SEIA board are not making room for the voices from the vast majority of solar installers and customers in the U.S. Some are even pandering to utility arguments to reduce the value of solar through changes in net metering and other tariff taxes.

At the moment, almost every one of the major solar states are in a pitched battle to preserve the stability of their local markets. Local installers are doing the best that they can within their local state chapters with virtually no funding from SEIA for their priorities. While the extension of the solar ITC was essential work, the right to legally and profitably install solar on customer rooftops is even more essential. The solar issues that 5,000 solar installers live and die for relate to interconnection costs, net metering, local incentives, codes and standards, and punitive property taxes. They also need help finding affordable insurance, health care, benefits, and other programs that plague small businesses. Many trade associations provide these services to member companies as a block. Given the right structure and outreach at SEIA, a focus on these services would increase membership and boost revenues.

There is a search underway to find a new permanent executive director SEIA. It is time to look forward to the solar industry of the future, not backwards. California's SEIA chapter is showing the way. In just three short years, they have tripled its budget by enrolling these \$5M-\$100M companies to dig deep. More importantly they took back the messaging from environmental groups and delivered on "do or die" local needs.

Taking this same approach across the country means we need to be open to:

- 1) Changing the way SEIA prioritizes activities towards a more democratic approach that responds directly to a representative cross-section of industry members, particularly:
 - a. Renewable Portfolio Standards
 - b. Net Metering
 - c. Interconnection
 - d. Codes and standards
 - e. Property Taxes
 - f. Ballot Initiatives
- 2) Bringing all of the State SEIA chapters into the SEIA family with Executive Directors being paid by SEIA and having a formal role on the Board in proportion to their ability to fundraise from their \$5M-\$100M revenue members.
- 3) Continuing to have high quality staff in DC that plays offense and defense at the Federal level to weigh in on the Clean Power Plan, PURPA, and many other issues.
- 4) Hiring an executive director with proven leadership experience that can double the budget of SEIA by bringing in profitable mid-sized companies.

The solar industry has over 200,000 full-time employees, over 650 manufacturing companies and almost a million solar system owners. This potent ground force can and should be directed by SEIA. We should welcome, but not rely on, the help that we are getting from national environmental groups and foundations. Whether the issue is about carbon pollution, electricity reform, local economic development, or the many other hot-button issues, SEIA needs a position that is thoughtful, widely disseminated and effectively pursued.

We can and should use this moment to coordinate our message to grow the power of our industry. This presidential election – more than any other – has shown that a small group of engaged people at the local level can have an outsized voice in the future of our country. But they must be led. SEIA has not had a mandate to lead outside of DC. In fact, it has deliberately not weighed in on important solar industry issues. This has to change.

We are at an amazing moment today, in no small part because of the job SEIA has done in getting the industry to a series of tremendous milestones. However, the fight has shifted from the federal to the state level. Let's democratize our solar organization by getting more Americans involved. Together we can bring about the future that we all want for our country.

Jigar Shah and Barry Cinnamon



Barry Cinnamon heads up Cinnamon Solar (a San Jose residential C-46 solar contractor) and Spice Solar (suppliers of built-in solar racking technology). After 10,000+ installations at Akeena Solar and Westinghouse Solar, he's developed a pretty good perspective on the real-world economics of rooftop solar -- as well as the best products and services for homeowners, manufacturers and installers. His rooftop tinkering led to the development of integrated racking (released in 2007), AC solar modules (released in 2009), and Spice Solar (the fastest way to install rooftop solar modules).

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