

Economic Stimulus for Renewable Energy

We deeply appreciate those in Congress who have worked to respond to the COVID-19 crisis. We are grateful for efforts to advance urgent national priorities such as sick leave, paid leave, and testing for the virus. From the perspective of the solar industry, these initiatives will greatly help all those impacted, including workers, customers, and the communities we work in. This is an unprecedented situation and we want to express our profound gratitude.

As Congress considers subsequent actions to address ongoing economic turmoil, we want to share what we are seeing in the solar industry and provide recommendations for policy actions that will help save jobs and support long-term growth.

The U.S. solar industry employs 250,000 Americans, providing above-national-average wages, and injects nearly \$19 billion annually in infrastructure investments across the country. The COVID-19 crisis is threatening these jobs and investments at a time when we need them most.

How the COVID-19 Pandemic is Impacting Solar Businesses

- We are already seeing significant contraction in the residential installation sector – cancellations were initially up by 30% in some markets and could reach 50% in many places. In metropolitan areas that have ordered residents to shelter in place, sales have dropped to zero, and in some locations businesses have already lost half a year's worth of sales.
- Companies are deeply concerned about liquidity issues and keeping their companies solvent during a protracted period of dramatically fewer projects.
- Many solar projects depend on utilizing the federal Investment Tax Credit (ITC). As tax equity tightens during an economic crisis, many solar companies will be unable to finance their projects and keep workers employed.
- Manufacturing and shipping delays of ITC “safe harbor”-qualifying equipment and other equipment are putting at risk the tax credit qualification of projects currently under development and in construction.

This crisis impacts not just companies but workers. It will be challenging for employers to continue employment without any revenue, and the longer the crisis goes, the more difficult it will get. This is especially true if medium and long-term horizons are bleak. We do not yet have full visibility into how many different disruptions will compound each other.

How Congress can Support the Solar Industry

As you consider steps to stimulate the economy, we ask that you advance policies that would help stabilize the solar industry. This includes a direct pay option and an extension of the investment tax credit. These two policies would help address growing concerns on financing and create a runway that allows solar companies to retain

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employees in anticipation of future growth. Additionally, we suggest that additional clarity could be brought to safe harbor and commence construction rules to ameliorate the impacts of COVID-19. Specifically, our policy proposals are:

1. Launch a program to provide a choice of existing ITC or direct cash payments in lieu of the ITC for all Section 48 and 25D qualified solar energy projects for the length of the investment tax credit period including any extensions under this relief program.
2. Pass a multi-year extension of the Section 48 and Section 25D solar ITC and postpone the corresponding placed-in-service deadlines.
3. Extend the Safe Harbor agreement outlined in IRS Notice 2018-59 to accommodate all equipment delivered by the end of the years in 2020 and 2021 so long as the respective projects are placed in service by the end of the ITC phase-down period and equipment was ordered and paid for in the previous year.

We know that much more can be done to support economic recovery on a nationwide basis. In the case of solar, these policies would help to stabilize a rapidly deteriorating situation and present a vision for the future while providing immediate support to American families.

We thank you in advance for your timely response and stand ready to support you in actions taken to shore up the industry.

Sincerely,

7X Energy
8Minute Solar Energy
Ares Management Corporation
Array Technologies
BayWa r.e.
Blattner Energy
Canadian Solar
Clearway Energy
Clenera
Copenhagen Infrastructure Partners
Cypress Creek Renewables
DE Shaw Renewable Investments
First Solar
Geronimo Energy
Hanwha Q CELLS North America
Heelstone Renewable Energy, LLC
Intersect Power
Longroad Energy
MMA Energy Capital
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