



Policy Support for Solar

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Many Factors Affect Solar Market



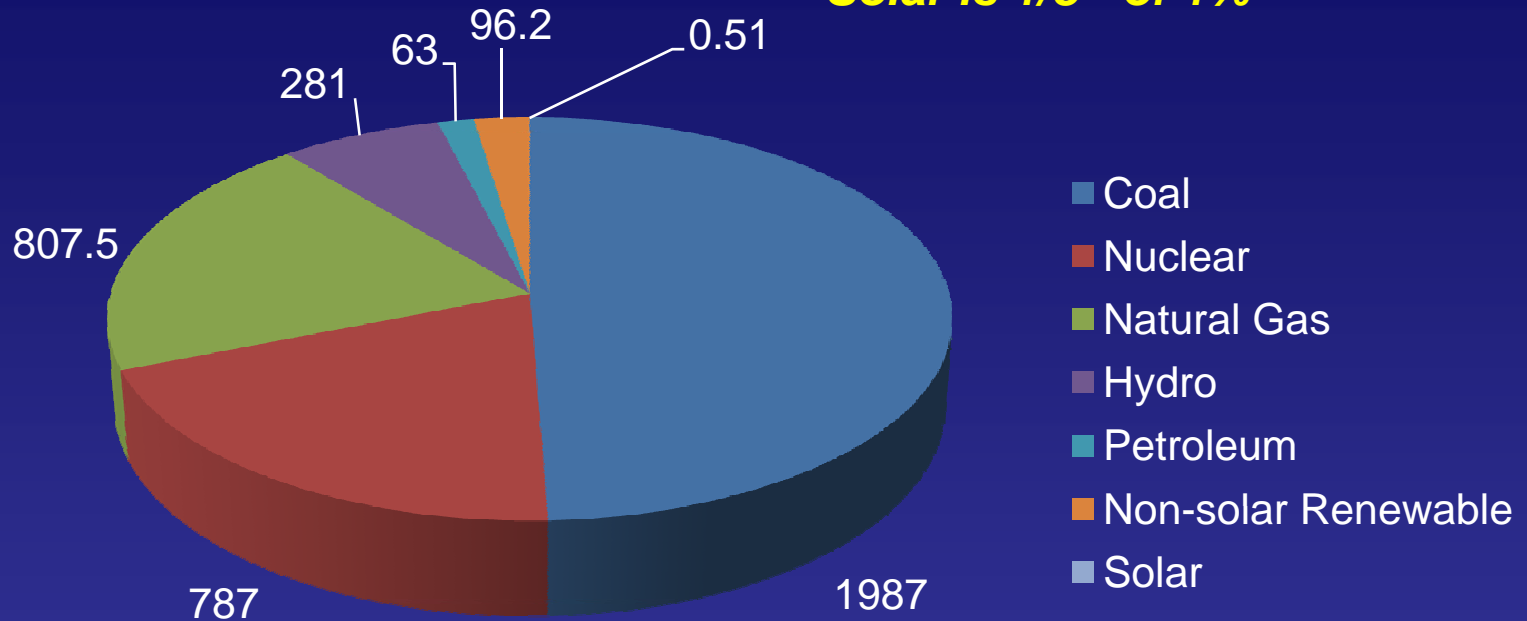
- Market volatility and high cost of natural gas and oil
- Climate change
- Energy security issues
- Growing demand for energy
- Interest from financial community in “next big thing”
- Talent shift from IC to solar





Electricity Generation in the U.S.

Solar is 1/8th of 1%



In billion kilowatt hours

Renewable Energy Generates 2.4% of US Electricity

Source: EIA, Electric Power Monthly, released September 10, 2007





US Market Demand - CSP



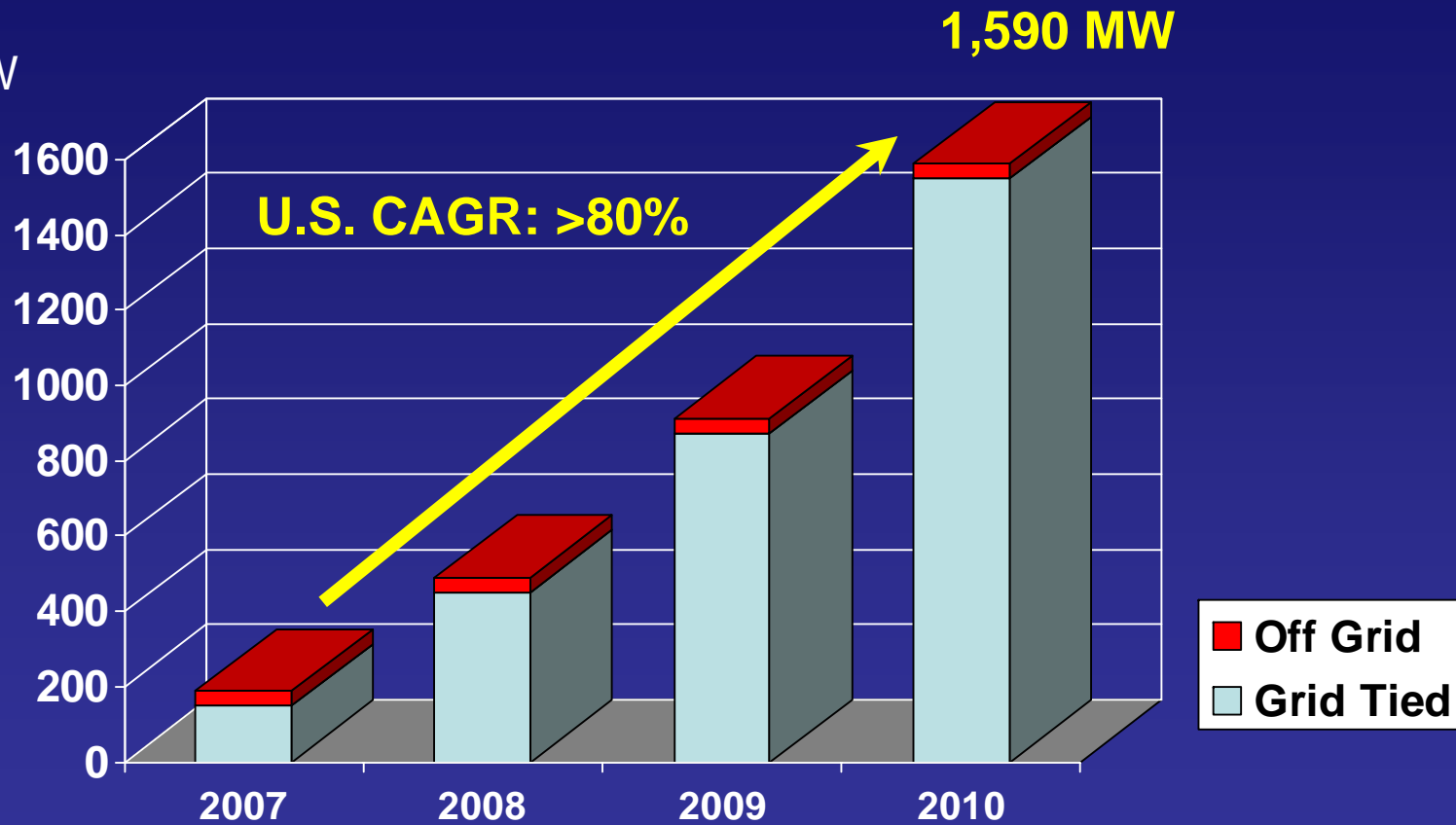
Installation Name & Technology Developer	Technology Type	Output (MW)	Status
Stirling Energy SDG&E Plant	Dish-Engine	300	Feasibility
Ausra & PG&E Plant	LFR	177	Feasibility
Victorville Hybrid Gas-Solar Plant	Trough	50	Feasibility
Sopogy Demonstration Plant	MicroCSP	1	Feasibility
Solel PG&E Plant	Trough	553	Planning
Sterling Energy Systems SCE Plant	Dish-Engine	500	Planning
Sterling Energy Systems SCE Plant Exp.	Dish-Engine	350	Planning
Ausra & Florida Power & Light Plant	LFR	300	Planning
Sterling Energy	Dish-Engine	300	Planning
Sterling Energy SDG&E Plant Exp 1	Dish-Engine	300	Planning
Harper Lake Solar Plant	Trough	250	Planning
Arizona Public Services/Abengoa	Trough	280	Planning
BrightSource Energy Ivanpha 2 and 3	Tower	400	Planning
Emcore / SunPeak Power	Lens CPV	200	Planning
Palmdale Hybrid Gas Solar Planbt	Trough	50	Planning
Current US CSP Contract Potential		4,011 MW	



US Market Demand - PV



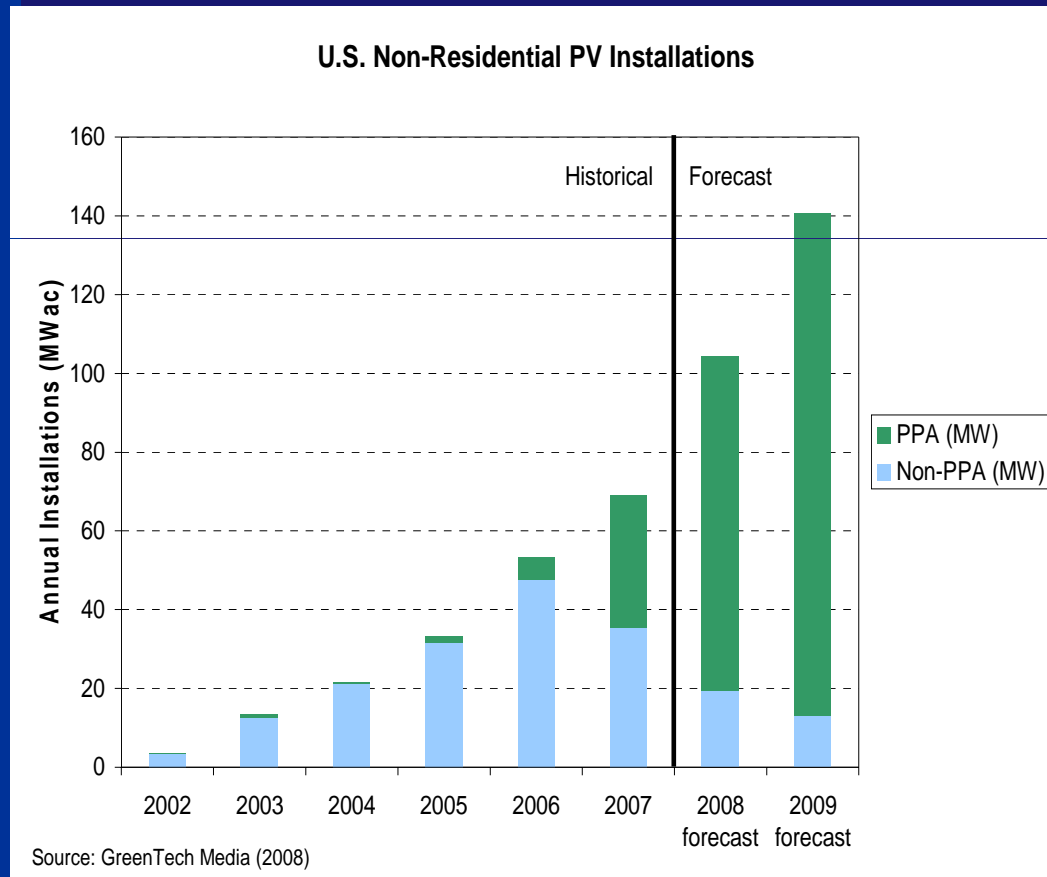
MW



Source: PVNews, SEIA



Innovation in Business Models and Government Policy



Business Trends

- Power Purchase Agreements (PPA)
- Creative Funding Vehicles
- LEED / E-Rating

Policy Trends

- Investment and residential tax credits
- Federal Installations RPS (with solar carve out)
- REC / Carbon Policy
- Clean Renewable Energy Bond
- Property Tax Assessment



Expanding the US Solar Market



**Long-term
commitment to
R&D**

**Long-term, meaningful
Federal incentives**



**Long-term state
incentives**

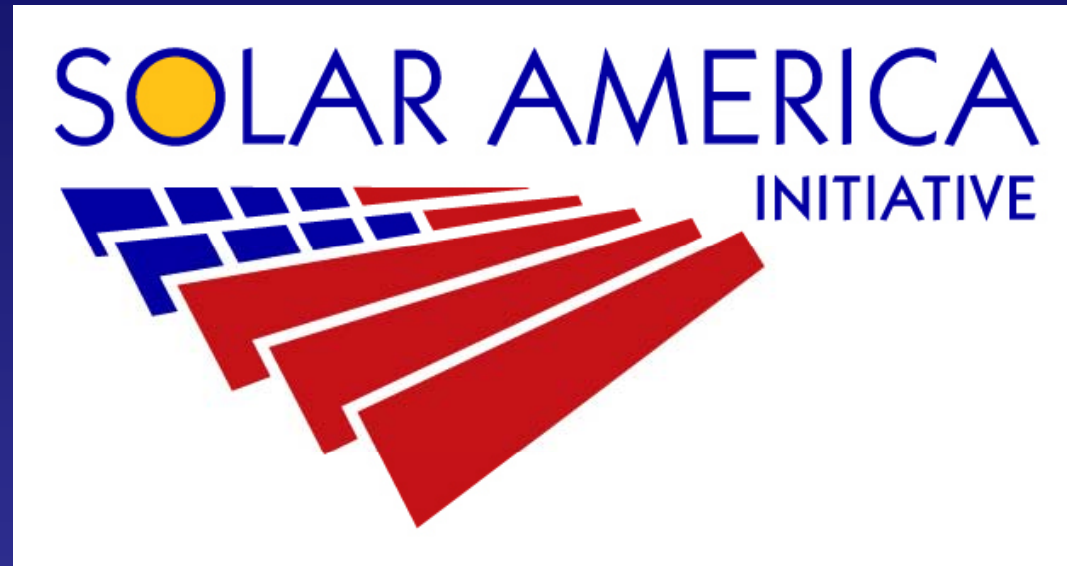
Public Education



Long-term Commitment to R&D



Presidential Initiative



The mission of the Solar America Initiative is to achieve cost-competitive solar energy technologies by 2015 across all market sectors.

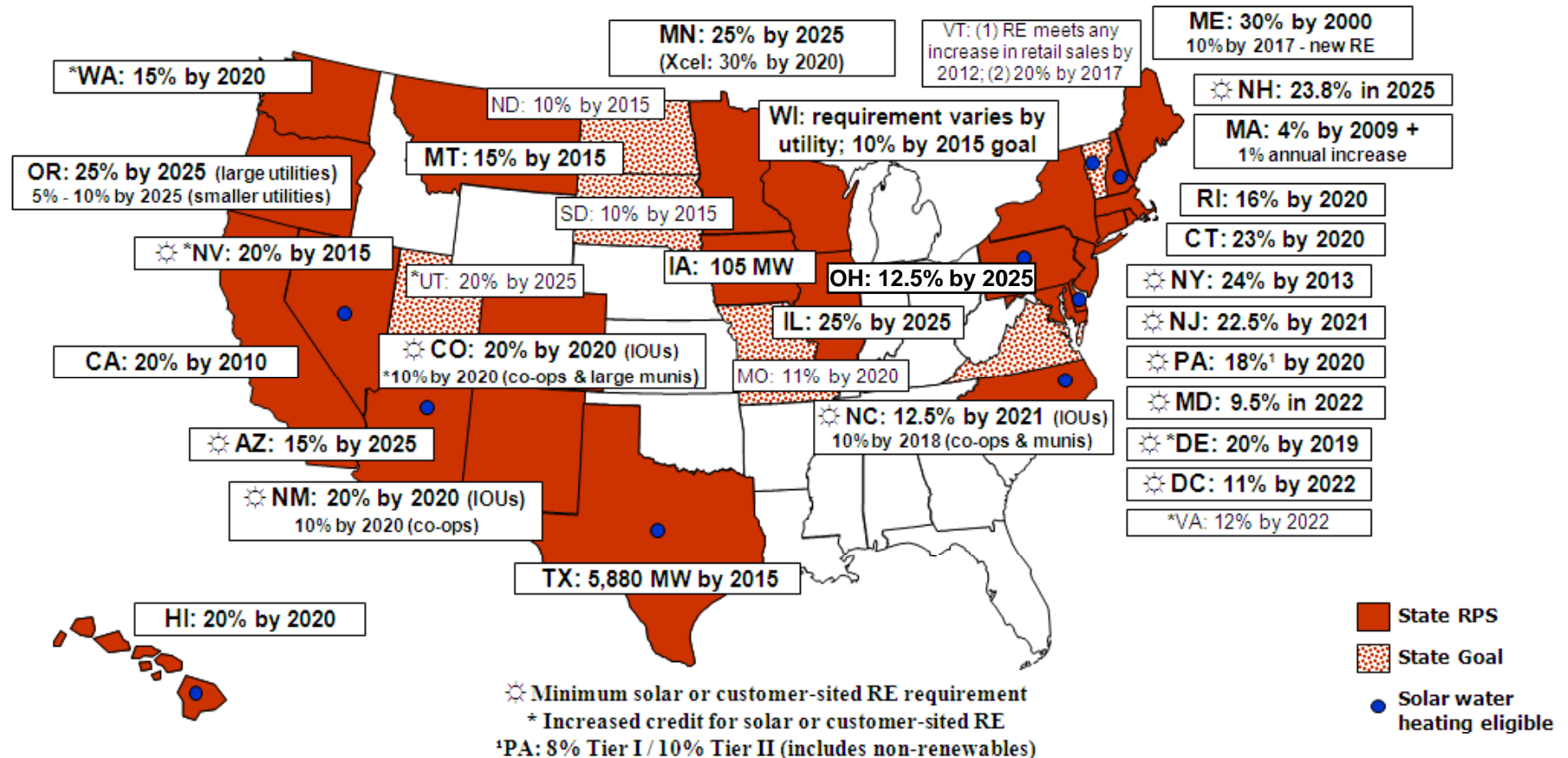


Long-term State Incentives



Existing State RPS Requirements: 26 States and Washington D.C.

Renewables Portfolio Standards

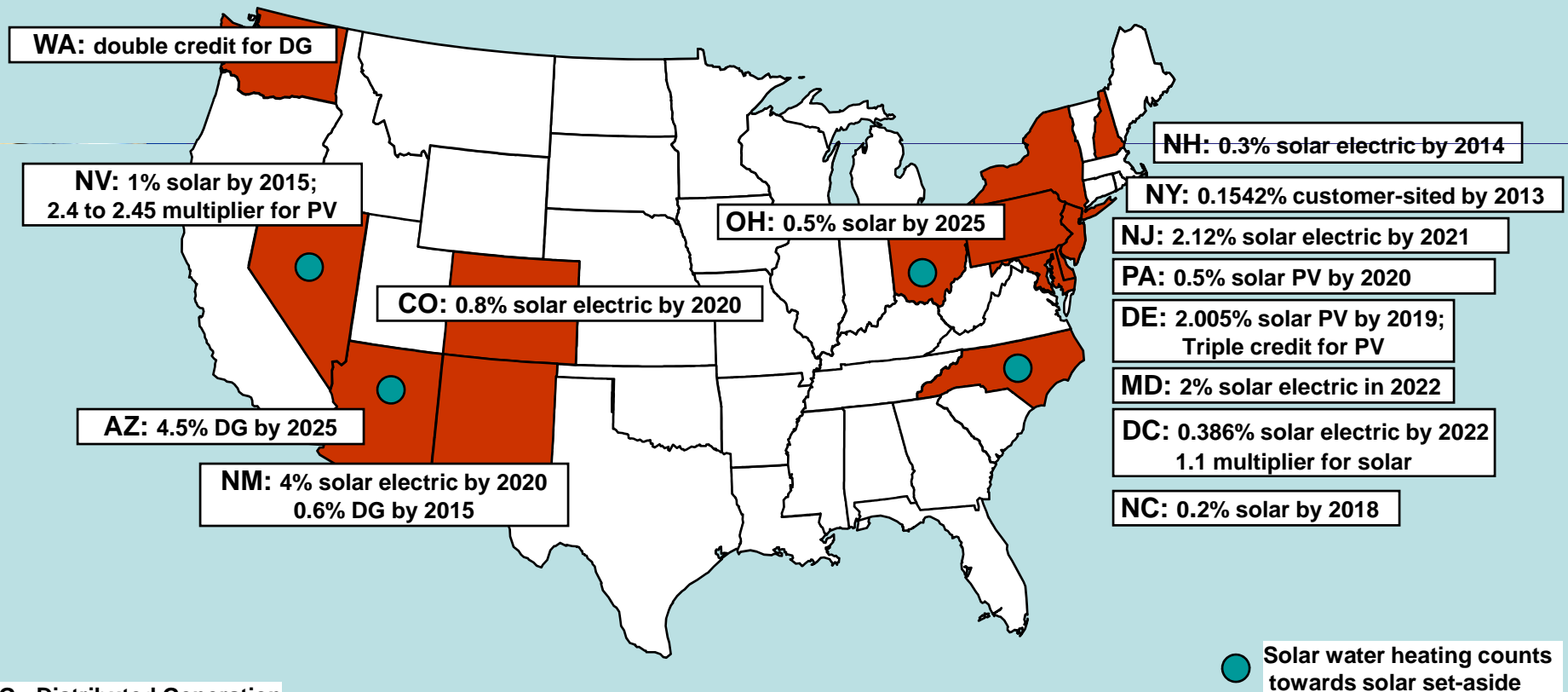


Source: DSIRE, www.dsireusa.org, May, 2008



Solar/DG Provisions in RPS Policies 13 States and Washington D.C.

Solar/DG Provisions in RPS Policies



DG: Distributed Generation

DSIRE: www.dsireusa.org

May 2008



Federal Policy Certainty is Needed



Expand Federal Tax Credits



- Created in 2005, Expires Dec. 2008
- O&G permanent, Nukes 15 yrs
- Level the playing field for solar
 - 8-year extension of the 30% business ITC
 - 8-year extension of the 30% residential ITC
 - Strike existing \$2,000 limit on residential (except for SHW)
 - Alternative Minimum Tax (AMT) relief
 - Elimination of the public utility exception



Failure to Extend ITC



- Lose 39,000 jobs in 2009
- Loss of \$8 billion in economic investment
- All CSP projects delayed
 - Exacerbates our natural gas supply and price issues
- Most PV projects will be scrapped
- Manufacturers move their product over seas
- Solar will shift from being an economic engine to another casualty of our economy



Correcting Administration Mistakes



- BLM Moratorium on New Solar Projects
- This decision is beyond absurd
 - 80 Million acres leased to oil and gas
 - Not 1 acre leased to solar
 - BLM processes >20,000 APDs annually
 - BLM has only received 125 solar applications
- Thankful it was corrected
- Need BLM to begin processing applications



Other Major Energy Legislation



- Global Warming Legislation
 - Carbon controls can be optimized to maximize solar deployment and generation
 - Carbon policy can recognize and monetize solar's carbon-free attributes
 - Creates collateral "income stream" that surpasses current government support policies
- Solar Act
 - Net metering
 - Require utilities to offer retail net metering
 - Require utilities to offer time of use rates
 - Interconnection
 - National uniformity
 - Federal power purchase: 30 year authority
 - Remove restrictive homeowner association covenants
 - Restrict high-cost permits for residential installations



Thank You



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