

April 24, 2008

The Honorable []

Re: Residential Solar Investment Tax Credits

Dear [],

We are writing you to ask that Congress create a long-term extension of the residential solar ITC for photovoltaic (PV) solar systems and remove the current cap of \$2,000. The residential solar industry needs the extension of the ITC and elimination of the \$2,000 residential monetary cap to create market forces that sufficiently support the residential solar industry nationwide.

The unique benefits of residential solar energy generation warrant Congress' immediate extension and improvement of the residential solar ITC. Residential solar is directly related to the housing market since it provides both immediate and long-term savings for homeowners. By installing solar, homeowners lower their energy costs for at least 30 years; increase their property values; relieve the electrical grid by providing energy output at peak times; provide energy independence and security at the local level; and can keep the power on in their homes, even after major emergencies. Yet still, companies that provide residential solar significantly benefit the U.S. economy. A study by Navigant Consulting found that nearly \$20 billion in investment would be lost in a year's time if Congress fails to adequately incentivize solar. Additionally, most residential solar jobs are disbursed across states in local industries because that is where homes are located – these jobs cannot be moved offshore. These industries include the electrical, roofing, construction, and PV design and installation industries.

Further, the companies that provide residential solar need and deserve the same degree of federal support as commercial solar. While both the residential and commercial ITC are currently at 30%, the residential has a further monetary cap of \$2,000. The lack of a monetary cap on commercial caused the explosion of growth the U.S. now sees in the commercial solar industry. With the cost of even small-scale residential solar PV systems exceeding \$20,000, the current policy of "30% with a \$2,000 cap" is \$2,000 in every instance. This is stifling industry growth. If Congress were to make this a true 30% ITC, the U.S. would see exponential growth in the residential solar industry and a reduction in the disparity between the residential and commercial solar industries. Moreover, approximately 20% more local jobs are created by residential than commercial solar because residential solar requires a higher proportion of labor per MW spread across local contractor industries on a statewide basis.

We are at a crossroads in United States history that warrants looking at how our energy policy fosters national security, and residential solar offers a solution. Residential solar power is ready with neither transmission, technological, nor timing issues still needing to be resolved. Every state has enough sun to provide the resources for a thriving residential solar industry base. Residential solar fosters our nation's security by lowering the need for overseas energy sources and allows individual Americans to become energy patriots by installing solar panels on their rooftops to generate their own electricity. It also ensures uninterrupted power generation should transmission facilities or major generating stations fail due to terrorism, accident, or natural disaster. In fact, every satellite launched by our military in the last 40 years has been powered by solar, demonstrating solar's reliability. Additionally, the Air Force is now saving a million dollars a year with the largest PV solar

