



Impact of the New Administration on the Solar Industry

3/25/2025

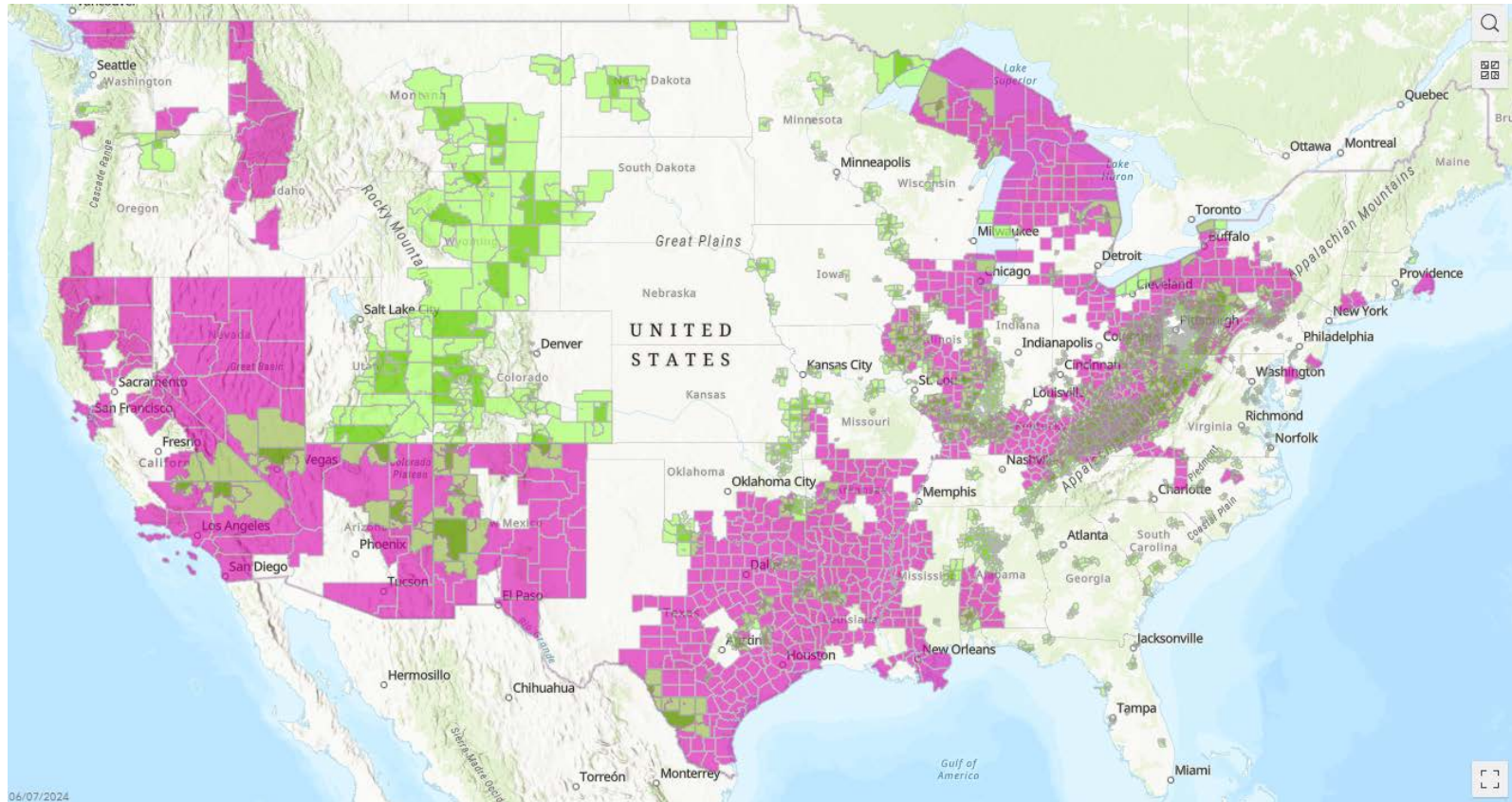
Inflation Reduction Act

- 30% Base ITC until 2032
 - Requires Prevailing Wages for projects over 1MW.
 - +10% Adder for reaching Domestic Content threshold
 - +10% Adder for projects located in “Energy Communities”
 - Shuttered coal mine or power plants
 - “Fossil Fuel communities” with higher than average unemployment
 - Brownfield
 - +10% or +20% for projects located in or benefiting low-income communities

Potentially up to a 70% Tax Credit!

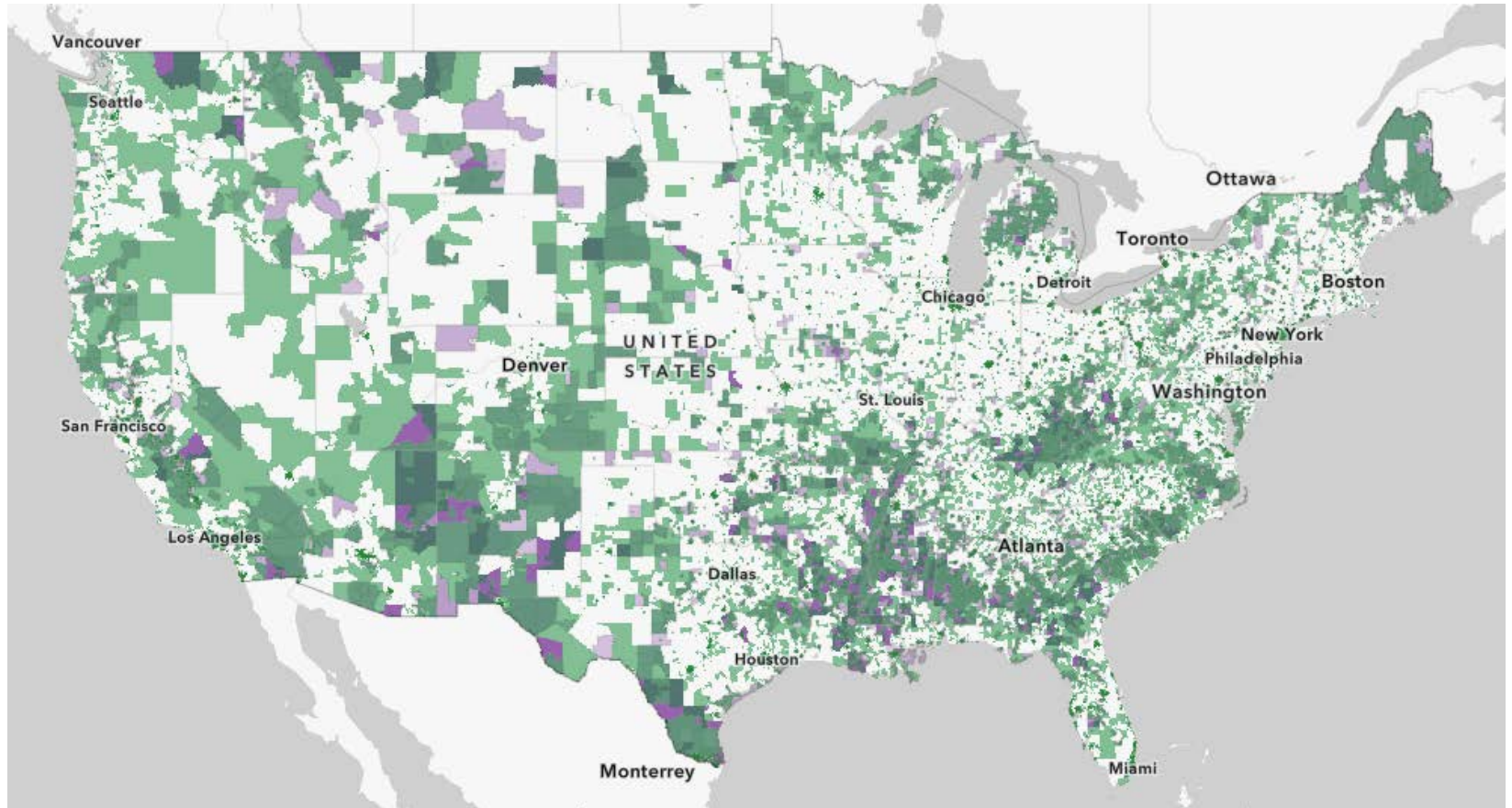
- “Direct Pay” for non tax paying entities
- Transferability

Energy Communities



<https://arcgis.netl.doe.gov/portal/apps/experiencebuilder/experience/?id=a2ce47d4721a477a8701bd0e08495e1d>

Low-Income Communities



<https://experience.arcgis.com/experience/12227d891a4d471497ac13f60fffd822/page/Page>

Inflation Reduction Act

- Some estimates that these tax credits are worth up to \$4.7T through 2050
 - Drives private investment – at least 1:1, many estimates are closer to 3:1
 - Employment
 - Environmental justice
 - US-based Manufacturing
 - Energy Independence

“Worth” = “Spending” in the calculus of
Washington DC budgeting

“Budget Reconciliation”

- Allows a bill containing only “budget” related items to pass through the Senate without chance of a filibuster – Thus it only needs a simple majority
 - Must be budget related
 - Must be “Deficient Neutral”
 - Any spending increases or tax cuts must be offset with the equivalent amounts on the other side of the ledger
 - 10 year time horizon

If you want to provide \$4T-\$5T in tax cuts you have to find \$4T-\$5T in extra revenues or in cuts to other programs!

Inflation Reduction Act Changes

- Very Likely IRA Changes
 - Sunset in 2027 or 2028
 - Requires Domestic Content for base credit
 - Eliminate low-income community adders
 - Eliminate Direct Pay
- Possible
 - Eliminate unemployment category for Energy Communities, potentially all energy community definitions
 - Eliminate Transferability
- Unlikely
 - Full repeal

Tariffs

- Very Chaotic!!
- China
 - Up to 60%
 - Cells, wafers, polysilicon
- Steel, Aluminum
 - 25% from any country
 - Eliminate Direct Pay
- Threatened
 - Copper
 - 25% for EU
- Uyghur Forced Labor Prevention Act
 - Already exists – enforcement is a little unclear but could become a big hammer

What can be done

- Grandfather Projects
 - “Begin Construction” before any changes
 - Likely means before 12/31/2025
- Rely on state level programs and incentives
- Inventory components
- This will help out in the next 2-3 years but after 2028-2030 it is very unclear how the industry will evolve

Inflation Reduction Act Changes

A Brattle report projects that 550 GW of new solar will be deployed in the U.S. through 2035 under existing federal clean energy tax credits, but that amount would be reduced to 242 GW if the tax credits were eliminated.

Projected wind deployment through 2035 would decline from 254 GW with tax credits to 116 GW without tax credits, while storage deployment would decline by 6% to 100 GW.