



Implications of the Solar ITC Extension for Electric Cooperatives

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Key Points:

- In December 2015, Congress passed a spending bill that included an extension of the 30 percent solar investment tax credit through 2019, followed by annual reductions until reaching 10 percent in 2022.
- The extension of the ITC will accelerate the pace of solar installations. Analysts are projecting that annual solar installations in the U.S. should reach 20,000 MW in 2020, nearly tripling the 7,200 MW placed in service in 2015.
- The proliferation of PV solar on the grid will continue to change traditional daily load curves, reducing net demand when PV power generation peaks during the middle of the day.
- The U.S. solar industry is fragmented into 50 individual state solar markets, and each state market will experience different growth rates for solar regardless of what incentives and programs are available at the federal level.
- Every electric coop needs to have a clear understanding of the incentives and policies that apply in its own state or territory.
- Collection and analysis of data concerning the costs and benefits associated with installing solar on the grid will become critical to future decision making for electric cooperatives.
- The projected growth in distributed solar creates an impetus for electric cooperatives to define the value proposition that community solar provides in terms of system performance and member relations.
- Electric cooperatives should remain true to the co-op spirit and continue to collaborate and share ideas to learn from the challenges faced in developing solar projects and integrating distributed solar into the grid.