

2015

A GREAT YEAR FOR SOLAR

SEIA'S 2015
ACCOMPLISHMENTS
SET THE STAGE FOR
AN HISTORIC

2016

"It's been very rewarding to serve as Chairman of the Solar Energy Industries Trade Association during a record-shattering era for solar energy. SEIA has secured bi-partisan support for solar and promoted our industry's commitment to employing veterans, bolstering local economies and creating a better environment - and we can all be proud of the results. I look forward to many future successes as we work to provide more clean energy for all Americans."

– Nat Kreamer

Chairman of the Board, Solar Energy Industries Association



CEO MESSAGE



RHONE RESCH
President and Chief Executive Officer

DEAR MEMBERS

In 2015 the Solar Energy Industries Association continued to take the lead in delivering significant and meaningful results to advance issues impacting the solar industry. Our accomplishments in 2015 were massive, and the impact that passage of the investment tax credit will have on the industry's bottom line amounts to \$40 billion.

As many of you know, we had been working with Congress over the last couple of years to bring stability in federal policy for solar, and the extension of the ITC at the end of 2015 provides the industry with an 8-year glide path. It is a seminal accomplishment that is going to solidify solar as a significant part of our energy production in this country for generations to come.

We have come a long way in shaping solar into a serious source for America's energy needs, and we're on the road to a lifetime of progress.

By 2020, solar will quadruple in size to nearly 100 gigawatts (GW) of total capacity from just over 24 GW today. By then, more than \$150 billion will have been pumped into our economy, and we will more than double solar jobs to 420,000. Enough solar will have been installed to power 20 million American homes.

The [hard-fought victory](#) brought solar to the forefront of the conversation about American energy. Fortune Magazine called SEIA "a pretty powerful lobbying" organization. [The New York Times](#) reported that the ITC extension was "better than many executives and analysts had expected," adding that it increases the geographical diversity of solar.

As the nation looks to improve the resiliency, reliability and security of our electrical power grid, technologies that are scalable, carbon-free and cost-effective will lead the way. By 2020, solar generation will offset more than 100 million metric tons of carbon dioxide a year—equivalent to the annual emissions of 27 coal power plants.

Leading the charge to make America's infrastructure smarter brings massive opportunities to the industry, but it also means [challenges are ahead](#).

From ensuring that states make a smooth transition to solar power from coal, to protecting and expanding net energy metering policies and pressing renewable portfolio standards, we will be working every day to ensure Americans have the support they need to access solar. And billions of dollars are at stake.

There are no greater examples of the promise and the peril that exists than in California and Nevada. California approved a reasonable net metering policy that is going to allow for the growth of solar energy, while Nevada's PUC overreacted due to pressure by their incumbent utility and wrecked the economics of rooftop solar, effectively closing what had been a burgeoning state market.

Already we have achieved victories in the states. California and New York both approved 50 percent renewable portfolio standards and SEIA secured net energy metering cap increases in New York and New Jersey, and helped convince Colorado to make no changes to its traditional full retail NEM program, to name just a few.

On utility scale projects, we are focusing on opening and expanding new markets in the South, reducing soft costs, making sure land use policies are favorable to the robust development of solar and removing barriers to the growth of solar. There is no question that our work on the California RPS led directly to this highly favorable outcome and we pushed aggressively in New York.

SEIA's consumer protection efforts will be state of the art, giving customers the confidence they need to make a decision to invest in solar, and providing policymakers with confidence in our maturing industry.

And while we fight these battles in the states, we remain vigilant in Washington. That means [engaging with friends](#) and foes in the utility sector, making sure that the ITC and other federal policies are implemented properly at the agencies and keeping a close watch on Congress as it continues to deliberate energy policy.

Solar will make our nation proud and prosperous as a world leader in a new energy paradigm. [Now is the time to join with SEIA](#) to help us ensure that all the conditions are in place to see this exciting new era through.

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CHAPTER 1

SEIA's Coordinated ITC Campaign Delivers Long Term Extension and Reform

**They said it couldn't be done.
We said it could be.**



As 2015 began, lawmakers were overlooking solar energy as other industries advocated for the extension of tax provisions that either expired in 2014, or were set to expire in 2015. The solar Investment Tax Credit was on the backburner, with many lawmakers unconcerned or unaware of the impacts the December 2016 expiration would have on the solar industry.

We weren't having it. In the end we convinced Congress in December 2015 to extend of the ITC [for both commercial developers and homeowners] at 30 percent until 2019, followed by 26 percent in 2020, and 22 percent in 2021. The Section 48 ITC for commercial developers is maintained at the permanent 10% level from 2022 and beyond. Under the so called commence construction provision, solar developers can use the ITC for any job started in 2021, as long as they get the project online by the end of 2023. In addition, commercial developers can access the Section 48 ITC permanently at 10 percent. This legislation provides the solar industry with the long-term certainty on the ITC that will incentivize billions of dollars in new investments in solar.

The extension of the ITC beyond 2016 at the 30 percent level, and changing the eligibility standard from one of 'placed-in-service' to one of 'commence construction' has been SEIA's top priority on the federal level for half a decade.



Dear Members of Congress,

There is nothing like fighting a natural resource war against an enemy financed by petro-dollars to give you religion about renewable energy.

I am writing this letter because I know an extension of the solar investment tax credit (ITC) can create meaningful jobs for our veterans, boost America's economy, and provide energy security. This may eliminate the need for future wars over energy and save American taxpayers the trillions of dollars in war expenses. Stated simply, solar energy makes America safer, stronger, and more secure.

As a Navy officer, I served in the U.S. Special Forces in Afghanistan, where I was awarded the Bronze Star. Take it from me, I and many veterans are building the U.S. solar industry and going solar at home because we know that the more clean, affordable, domestic power we use, the safer and more resilient we make our nation. I am particularly proud of our industry's pledge to employ 50,000 veterans by 2020.

We can only achieve our jobs goal and deliver the many benefits solar power offers if Congress approves the ITC. The credit, which is set to expire soon, drove tens of billions of dollars of private investment and tax revenue for communities.

During that time the solar industry invested wisely and cut its costs by over 70 percent while adding 150,000 jobs and building more than 22 gigawatts of domestic power generation. The U.S. solar industry now supplies enough electricity to power 5 million American homes. Americans who get their power from solar today can save money immediately on their utility bills. Those savings are attracting hundreds of thousands of American homeowners and businesses to go solar.

The solar industry employs military veterans at a 39 percent higher rate than the total U.S. workforce. Solar companies are working with the military now to provide solar training to new veterans so they become "Solar Ready Vets." There is no question that extending the ITC and adding a provision to allow the tax credit to take effect at the commencement of construction can move our nation further on a number of truly important fronts.

Your support for legislation extending the solar investment tax credits (Section 48 and 25d) is essential to further reduce the cost of solar, increase our energy independence, and create and keep great jobs, especially for America's veterans.

Sincerely,

Nat Kreamer

Nat Kreamer
Chairman of the Board, Solar Energy Industries Association

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So how did we do it? This tremendous victory for the solar industry was a direct result of SEIA's integrated and well-coordinated campaign. SEIA staff and member companies followed a five-point plan approved by the SEIA Board of Directors and fully funded by the Board:



WASHINGTON, D.C. LOBBYING

In addition to our two lobby firms, SEIA hired former Senate Republican Leader Trent Lott and his team at Squire Patton and Boggs to give us greater access to Senate Republican offices. Through Sen. Lott, SEIA met with persuadable Republican Senators.



GRASSROOTS

SEIA activated coalitions of solar companies [both SEIA members and non-members] in key states and congressional districts to lobby Senators and Representatives in their home states/districts. The coalitions met with key Congressional power players such as Finance Chairman Orrin Hatch.

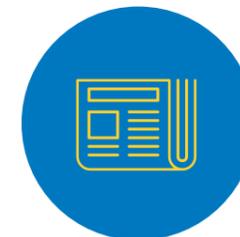
SEIA organized three SEIA Member Lobby Days focused on solar companies from various regions of the country. In addition, we put together two Board Member Lobby Days and a Solar CEO Fly-In in mid-December when the fate of the ITC hung in the balance.



POLITICAL ACTION

SEIA's Political Action Committee - SolarPAC - sponsored a dozen solar-only political fundraisers over the last two years for key Senators and Representatives from both parties.

The SolarPAC has greatly increased participation from SEIA member companies and is undertaking specific campaigns within select companies.



PUBLIC AFFAIRS

SEIA placed more than 100 opinion editorials in newspapers in key states and districts.

SEIA generated more than 35,000 emails into congressional offices in December.

SEIA created more than 3.7 Twitter impressions.

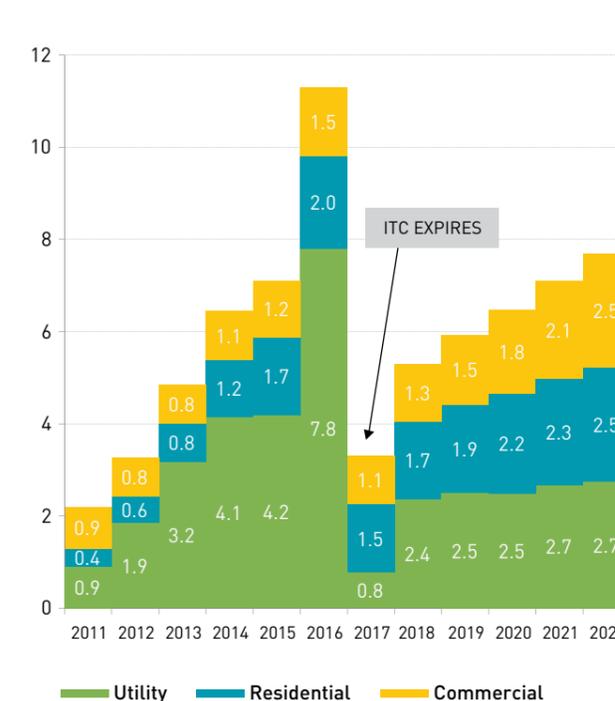


RESEARCH

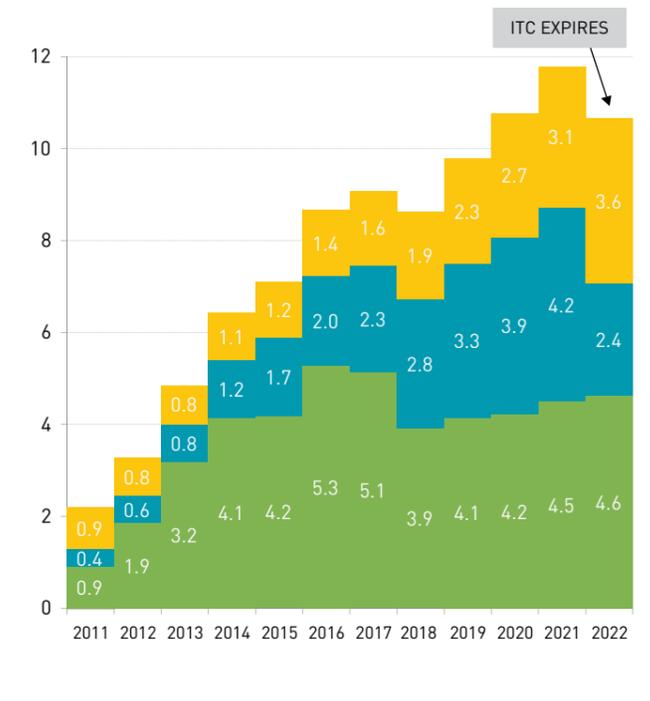
SEIA's research team worked with Bloomberg New Energy Finance to release a study showing the impact of a five-year extension of the ITC compared to expiration of the ITC in 2016. This provided a very powerful message to Congress on jobs created, MWs installed and dollars invested.

THE IMPACT OF THE ITC EXTENSION ON US SOLAR

POLICY AS USUAL – NEW BUILD (GW)



ITC EXTENSION – NEW BUILD (GW)



Utility Residential Commercial

Notes: 'ITC extension' scenario considers a 5-yr extension to both the personal and business investment tax credits, and 'commence construction' language added to the business credit.

Source: Bloomberg New Energy Finance, FIA 826, 860 and 861



THE PLAN: WASHINGTON, D.C. LOBBYING

Led by Christopher Mansour, Vice President of Federal Affairs, SEIA's ITC campaign plan focused on increasing and broadening the support for solar among congressional Republicans, particularly in the Senate. The combination of Trent Lott's involvement, increased grassroots activity by solar companies in important states such as North Carolina, Utah, Ohio, and Georgia, SolarPAC's stepped up efforts for key Senators, and the drumbeat of pro-solar news articles and opinion editorials in targeted states and districts greatly raised solar's positive profile with Republican Senators and Representatives.

SEIA's research study with Bloomberg New Energy Finance provided the hard data on jobs, investments, and megawatts on a state-by-state basis that we needed to drive the solar message.

The results were tangible. We started 2015 with almost universal support of Democrats in the Senate and House. But only one Senate Republican [Dean

Heller R-NV] and fewer than half a dozen House Republicans publicly expressed support for solar's legislative agenda.

By the end of 2015, more than 10 Republican Senators had either publicly expressed their support for the ITC or had privately indicated their support for solar to Republican Senate Leader Mitch McConnell and Finance Chairman Orrin Hatch. This broad support from almost a quarter of all Senate Republicans helped ease the path forward for the ITC extension in the end-of-year negotiations.

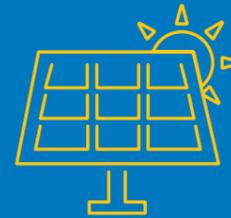
In the House, SEIA was able to generate support from five Republicans on the House Ways and Means Committee, supported by another 8 to 10 Republicans not on the tax-writing committee. In general, it is much more politically risky for House Republicans to support renewable energy given the partisan makeup of their districts. Just having a handful of House Republicans willing to talk to their leadership in support of solar helped reduce the possibility that the House would reject the Senate's efforts to extend the ITC.

WITH THE ITC EXTENSION, OVER THE NEXT 5 YEARS THE U.S. SOLAR INDUSTRY WILL:



INCREASE INVESTMENT

\$30 billion in private sector investment annually by 2020



EXPAND CAPACITY

By 2020, total solar capacity will **hit 100 GW**, a **3000 percent increase** in just a decade



CREATE JOBS

The ITC will **add 220,000 jobs** over the **next 5 years**, including 50,000 U.S. Military veterans



OFFSET EMISSIONS

100 Million metric tons of CO2 offset annually by 2021 – equivalent to **shutting down 27 coal-fired power plants**

ALL DATA SOURCED FROM SEIA AND GTM RESEARCH. FOR MORE INFORMATION, VISIT www.seia.org/ITCAnalysis

THE NET RESULT

The extension of the ITC will lead to sustained growth in the U.S. solar industry. By 2020, employment in the solar industry will double, from of 209,000 today to over 420,000. The industry will deploy an annual total of 20 GW in 2020, for a cumulative total of 100 GW. This

will represent more than 3.5 percent of total electric generation capacity in the U.S., up from 0.1 percent in 2010. In addition, the ITC extension will spur an estimated \$132 billion in additional investment in the U.S. economy between 2016 and 2020, roughly \$40 billion more than would have been invested without the ITC extension.

MEMBERSHIP IN SOLARPAC GREW TO **300 MEMBERS.**

IN 2015

SOLARPAC HOSTED SOLAR INDUSTRY FUNDRAISERS FOR **6 SENATORS** RAISING **\$130,000**



Photos (Left to Right): Senator Michael Bennet (D-CO), Senator Richard Burr (R-NC), Senator Cory Gardner (R-CO), Senator Dean Heller (D-NV), Senator Johnny Isakson (R-GA), Senator Chuck Schumer (D-NY), co-hosted an event for Representative Tom Reed (R-NY/23)

SolarPAC presents

LIGHTS ON THE ICE

WEDNESDAY, MARCH 2, 2016

Verizon Center, Washington, DC
 6:00 p.m. - Suite Doors Open
 7:00 p.m. - Washington Capitals v. Toronto Maple Leafs

FOR PAC-ELIGIBLE EMPLOYEES ONLY. SolarPAC is the political action committee for the solar industry. SolarPAC supports candidates for federal office who support pro-solar policies in Washington, DC.

SolarPAC – Building a Strong PAC to Secure Lasting Success for the Solar Industry.

The Solar Energy Industries Association Political Action Committee, SolarPAC, allows the solar industry to support federal candidates who are committed to expanding the use of solar technologies in the global marketplace and who will promote a legislative and regulatory climate favorable to our industry. Trade associations, like SEIA, cannot legally provide direct political support to candidates for office, making SolarPAC our industry's most important political resource, allowing members to join together to ensure continued growth for our industry.

Through members participation in SolarPAC, we are able to support candidates who support our issues and the important matters we care about. Elections can completely transform the policy debate and balance of power in Washington, D.C., making it more important than ever that we continue building relationships with policymakers and creating powerful results for SEIA members.

IN SUMMARY

The decisions made on Capitol Hill directly impact SEIA. While the solar energy industry continues to experience legislation that alters our fundamental values, we cannot forgo the opportunity to make our voice heard. SolarPAC, which is overseen by Suzanne Farris, is one of the most important tools we have to educate our leaders on issues critical to our industry in Washington and it's important to make an early impression.

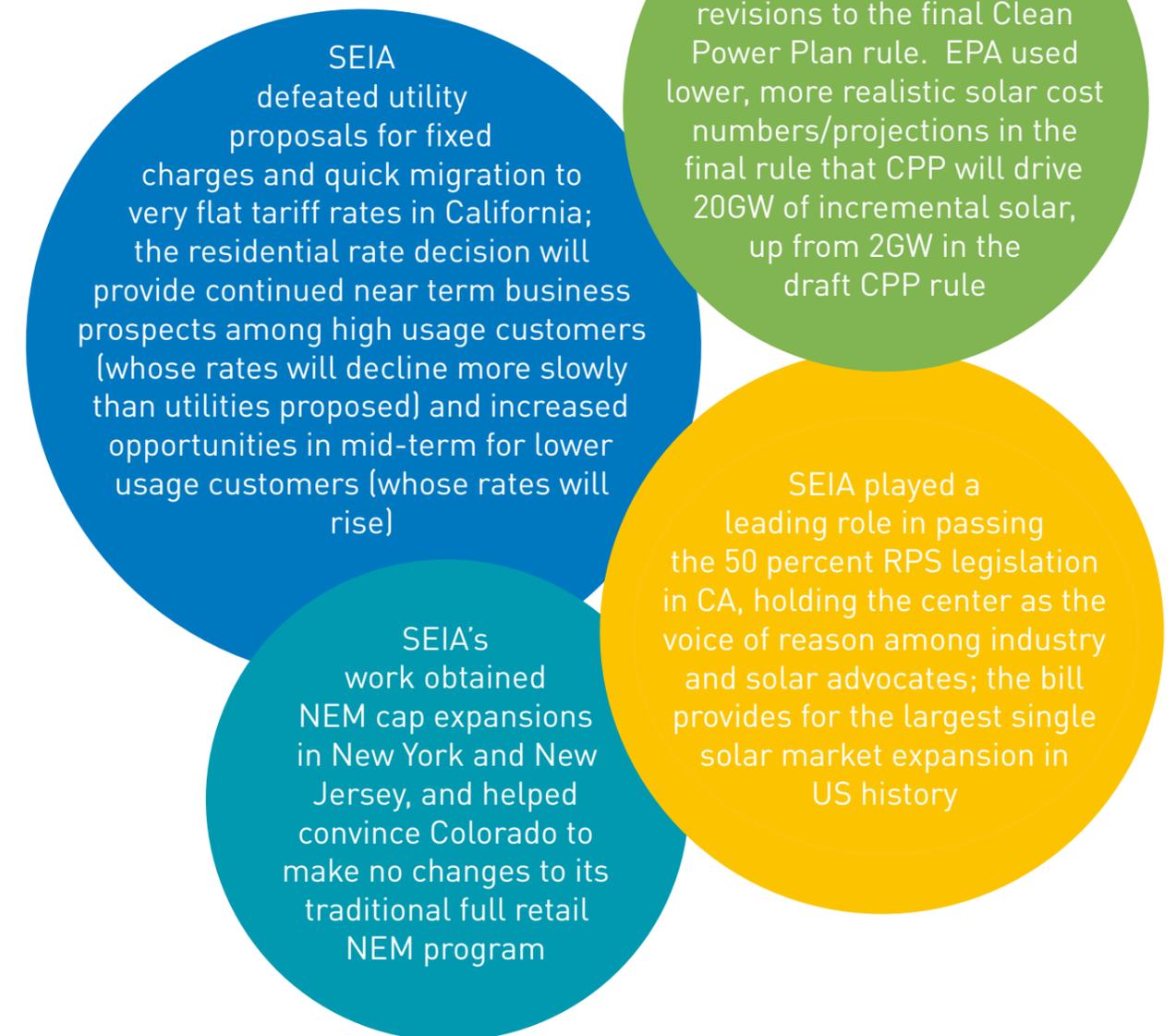
CHAPTER 2

State Solar Market Opportunities Expand in 2015, Along with Challenges



There is no question that in 2015 our state efforts demonstrated the value of a strong presence from the nation's primary solar trade group, and it is the area where the most peril exists for our industry in 2016.

AMONG OUR AREAS OF FOCUS IN STATE AFFAIRS:

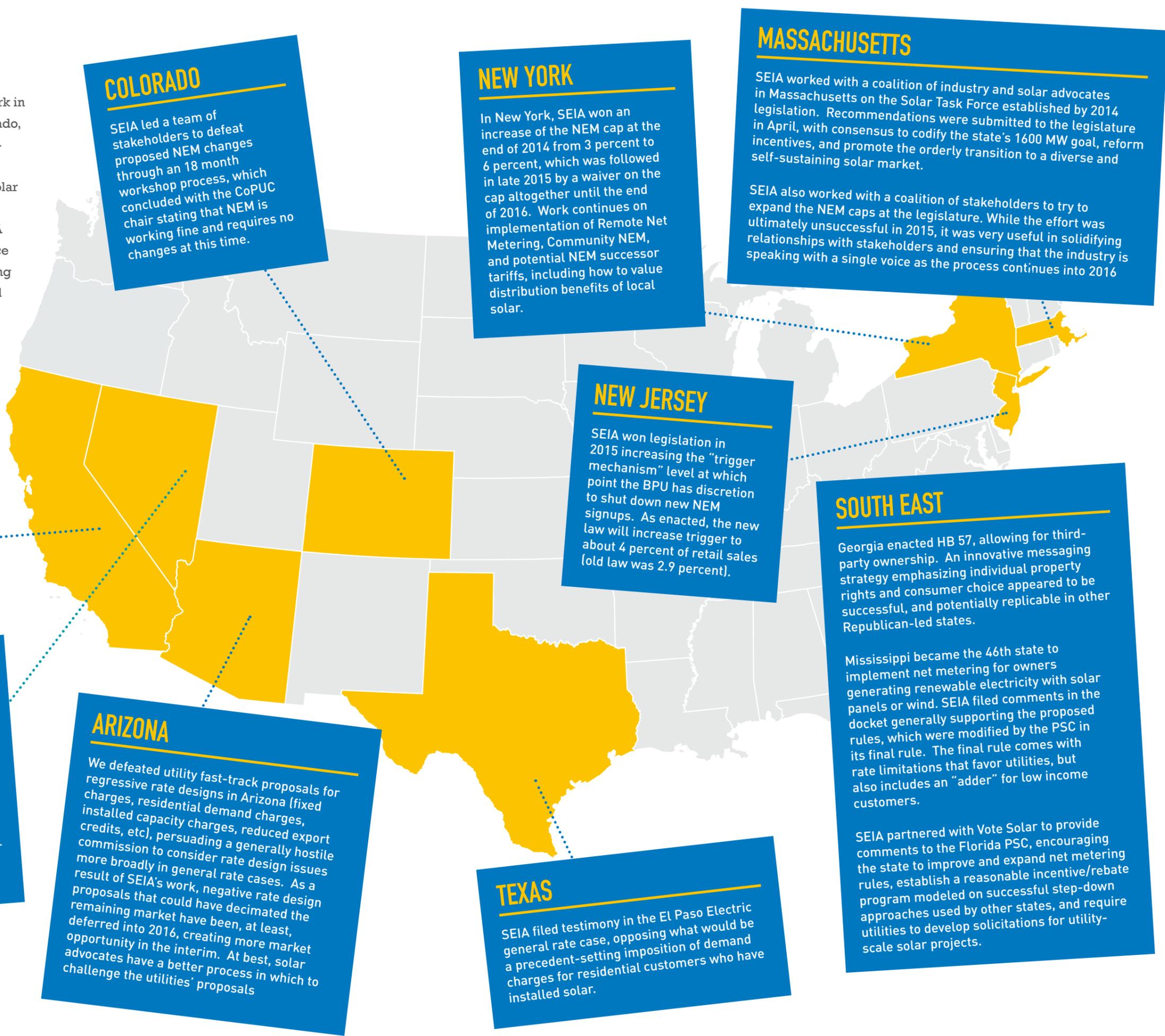


Despite our successes in 2015 – and in no small part in response to solar's dramatic successes over the past 5 years – challenges abound. Half of U.S. states have challenged the Clean Power Plan in court, where SEIA is leading the industry's defense. Utilities and state commissions in more than twenty states have, or will in 2016, consider rate change cases that could dramatically reduce solar's competitive position.

Sean Gallagher, SEIA's Vice President of State Affairs leads all of our efforts in the states. Potential changes that Sean's team is working toward include NEM reform, increases in fixed charges, imposition of residential demand charges, installed capacity charges and others. Two states, Hawaii and Nevada, have already moved away from NEM for new customers. California, Massachusetts, New York, and other states continue to struggle with rate reform that will be fair to utilities, customers, and the solar industry over the long term.

PRESERVE AND EXPAND NEM, INCLUDING THE CREATION OF SOLAR-FRIENDLY RATE DESIGNS

SEIA was active in 2015 in NEM and rate design work in states including California, Nevada, Arizona, Colorado, New York, New Jersey, and Massachusetts. Our fact-based approach has led to SEIA's recognition by policy makers as the moderate, credible voice of solar in AZ, NV, CA and elsewhere, producing significant victories for the industry and customers alike. SEIA strives to create a rate environment that will produce a sustainable industry over the long term, supporting state, national, and international climate goals, local renewable mandates, and the needs of customers, utilities, and our industry.



CALIFORNIA

SEIA joined forces with Vote Solar, and coordinated with our state affiliate and others, to defeat AZ-like NEM proposals from the CA IOUs. The Commission's decision maintains the essentials of NEM going forward.

NEVADA

SEIA helped win an interim extension to the NEM tariff in Nevada last fall, as the cap had been hit, and presented testimony to the PUCN, in the "NEM 2.0" case which was decided in December. SEIA has been outspoken in response to the PUCN's outrageous decision to terminate NEM for new customers and to pull the rug out from under existing solar customers. We continue to challenge the PUCN's failure to grandfather existing customers onto the pre-existing rates, and the new rate structure.

ARIZONA

We defeated utility fast-track proposals for regressive rate designs in Arizona (fixed charges, residential demand charges, installed capacity charges, reduced export credits, etc), persuading a generally hostile commission to consider rate design issues more broadly in general rate cases. As a result of SEIA's work, negative rate design proposals that could have decimated the remaining market have been, at least, deferred into 2016, creating more market opportunity in the interim. At best, solar advocates have a better process in which to challenge the utilities' proposals

COLORADO

SEIA led a team of stakeholders to defeat proposed NEM changes through an 18 month workshop process, which concluded with the CoPUC chair stating that NEM is working fine and requires no changes at this time.

NEW YORK

In New York, SEIA won an increase of the NEM cap at the end of 2014 from 3 percent to 6 percent, which was followed in late 2015 by a waiver on the cap altogether until the end of 2016. Work continues on implementation of Remote Net Metering, Community NEM, and potential NEM successor tariffs, including how to value distribution benefits of local solar.

NEW JERSEY

SEIA won legislation in 2015 increasing the "trigger mechanism" level at which point the BPU has discretion to shut down new NEM signups. As enacted, the new law will increase trigger to about 4 percent of retail sales (old law was 2.9 percent).

TEXAS

SEIA filed testimony in the El Paso Electric general rate case, opposing what would be a precedent-setting imposition of demand charges for residential customers who have installed solar.

MASSACHUSETTS

SEIA worked with a coalition of industry and solar advocates in Massachusetts on the Solar Task Force established by 2014 legislation. Recommendations were submitted to the legislature in April, with consensus to codify the state's 1600 MW goal, reform incentives, and promote the orderly transition to a diverse and self-sustaining solar market.

SEIA also worked with a coalition of stakeholders to try to expand the NEM caps at the legislature. While the effort was ultimately unsuccessful in 2015, it was very useful in solidifying relationships with stakeholders and ensuring that the industry is speaking with a single voice as the process continues into 2016

SOUTH EAST

Georgia enacted HB 57, allowing for third-party ownership. An innovative messaging strategy emphasizing individual property rights and consumer choice appeared to be successful, and potentially replicable in other Republican-led states.

Mississippi became the 46th state to implement net metering for owners generating renewable electricity with solar panels or wind. SEIA filed comments in the docket generally supporting the proposed rules, which were modified by the PSC in its final rule. The final rule comes with rate limitations that favor utilities, but also includes an "adder" for low income customers.

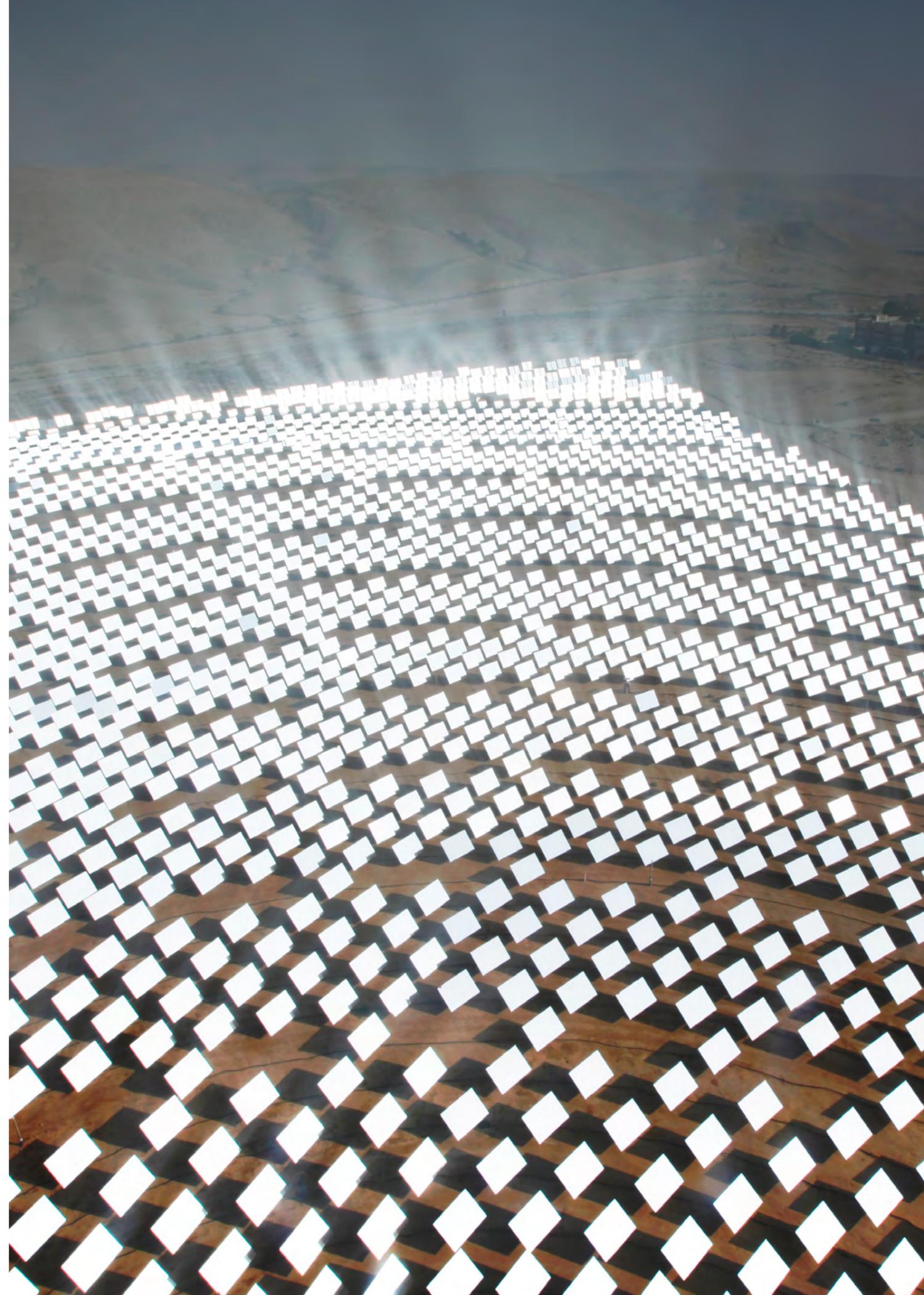
SEIA partnered with Vote Solar to provide comments to the Florida PSC, encouraging the state to improve and expand net metering rules, establish a reasonable incentive/rebate program modeled on successful step-down approaches used by other states, and require utilities to develop solicitations for utility-scale solar projects.

PRESERVE AND EXPAND STATE-ENABLED SOLAR PROCUREMENT

SEIA's work on RPS and related programs in 2015 included successfully defending key litigation in Colorado that could have throttled state RPS programs nationwide had it turned out differently, playing a key role in the dramatic RPS expansions in New York and California, and lending support to an array of state-sponsored procurement across the Southeast. We helped lay the groundwork for future RPS expansions by convincing the EPA to better recognize the contributions that solar can make to our decarbonized energy future in the final Clean Power Plan (CPP) rule – which projects an incremental 20 GW of solar development over the no-CPP case.

The year 2015 also saw increased outreach to a broader array of states. We provided materials like the [Handbook for States: Incorporating Renewable Energy into State Compliance Plans for EPA's Clean Power Plan](#), developed jointly with AWEA, to help make it easy for states to incorporate renewables into their CPP compliance plans. We initiated coverage of the Midwest through establishment of the Midwest Solar Coalition together with the Chicago-based Environmental Law & Policy Group. And we expanded our presence with the National Association of Regulatory Utility Commissioners (NARUC), sponsoring each of the three major NARUC events to increase our visibility, jointly sponsoring Clean Energy Receptions with our partner organizations, and holding two Solar Breakfasts, which were enthusiastically received by state Commissioners and other attendees.

**THE CLEAN POWER PLAN
WILL SPUR THOUSANDS OF
MEGAWATTS OF NEW
SOLAR DEPLOYMENT,
IN ADDITION TO THE 50,000
MW ALREADY PROJECTED TO
COME ONLINE BEFORE 2020**



SEIA IS OFFERING TARGETED SUPPORT TO NON-RPS MARKET OPPORTUNITIES

01

SEIA helped hold off NC legislation that would have reduced the economics of QF contracts.

02

Encouraged Michigan's IRP through which solar will be procured to comply with CPP.

03

SEIA supported Alabama's 500 MW solar program, which will facilitate the projects up to 80 MW in size over a 6 year period.

04

SEIA has promoted South Carolina RFPs for up to 83 MW of projects up to 10 MW, plus 5 MW of shared solar, and worked with local and national partners to submit a filing to the PSC encouraging improvement of interconnection rules and process.

05

In New Jersey, SEIA developed a consensus proposal which was adopted by a range of NJ solar advocates for SREC fix bill that will be proposed in 2016.

06

SEIA worked with TenneSEIA to provide extensive comments on TVA's IRP, modeled on our earlier CPP comments. The comments described, in part, how solar economics make a compelling case against conventional generation, particularly at utility scale. Result? TVA's IRP outlines a plan to procure 800 MW of solar by 2024 and 3,800 MW of solar by 2033. On October 29, 2015, TVA issued its first solicitation pursuant to the IRP, asking for proposals for a 20 year PPA on an 80 MW solar facility partially on Navy property.

07

We participated in Value of Solar workshop held by GA PSC in advance of GA Power's IRP which will take place in 2016, and could drive several hundred MW of new solar market opportunities, primarily for larger scale projects.

CLEAN POWER PLAN

01

SEIA provided better and more reliable cost information to EPA in its development of the Clean Power Plan rule, along with detailed comments regarding program design. EPA made major revisions to the final rule based on SEIA's comments. For example, they used lower, more realistic solar cost numbers, resulting in EPA projecting in the final rule that the CPP will drive 20GW of incremental solar, up from 2GW in the draft CPP rule.

02

SEIA is leading an industry coalition to defend the CPP rule in court from legal challenges.

03

Together with TSF, SEIA is developing CPP modeling for two states, Georgia and North Carolina, to help demonstrate to those states that solar can be a cost-effective means to meet the states' obligations under the CPP.

RPS

01

SEIA (and allies) were victorious in a Colorado court case challenging RPS law as unconstitutional, which could have chilled the market nationally for RPS programs and spurred challenges to other state programs. SEIA also participated with stakeholders to defend the RPS program at the Colorado legislature.

SPECIFIC HIGHLIGHTS

CHAPTER 3

SEIA Communications: A Multimedia Approach



It would be easy to assume that our communications efforts were devoted solely to passage of the investment tax credit.

And certainly the 100 op-eds we generated, the 35,000 letters our community sent to members of Congress urging them to extend the ITC, and the countless newspaper interviews we did on the topic, made a difference.

SEIA's hard-working communications team accomplished much more than that. Last year we earned prestigious awards for our work in social media, we drove a growing number of stories in prominent news outlets in the news media and we deployed a broader set of tools to extend SEIA's communications reach.

AMONG THE HIGHLIGHTS IN 2015:

We were mentioned in more than 9,800 media stories (a 30 percent increase over 2014) including in top national news outlets, and we published nearly 100 op-eds across the country advocating for the extension of the ITC

The communications team executed a multi-faceted campaign to encourage SEIA members and the general public to take action and ask their congressional representatives to include an ITC extension in year-end tax/spending legislation.

We gained national recognition as a top social media savvy association by Association TRENDS magazine and were honored with a prestigious national award for website activism from the Academy of Interactive and Visual Arts (AIVA).

In all of this, the goal has been to help SEIA achieve its 2015 priorities of expanding markets, improving access to financing, advancing education and outreach efforts, and improving organizational efficiency.

And there is no question that challenges lie ahead in 2016. We need look no further than Nevada to know that our communications program must be closely aligned with state efforts and it could involve some scraps with utilities. Our efforts will go toward protecting net energy metering and renewable portfolio standards, but we also can go on the offensive carving out a significant role for solar in

states' Clean Power Plan implementation.

Finally this year, we will work on consumer protection programs to make sure that consumers are getting a square deal when they do business with solar companies, and to ensure that states and the federal government know that we are handling this issue. There is a growing education and outreach component to these efforts that will involve substantial input from the communications team.

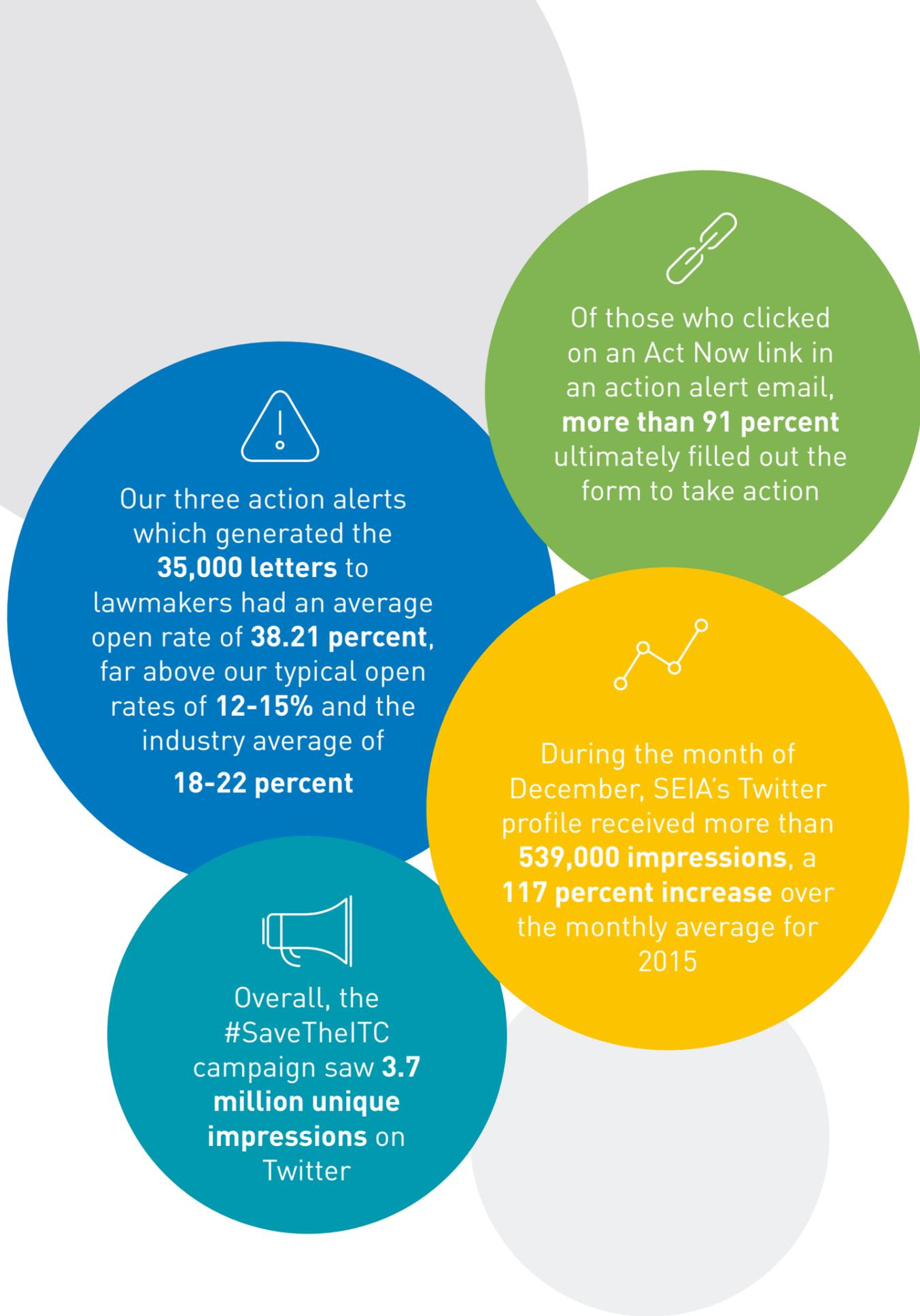
Below you will see some examples of how we employed communications tools to help achieve these objectives.

SEIA'S COMMUNICATIONS WORK TO SAVE THE ITC HAD A REAL IMPACT

SEIA was mentioned in articles in the Wall Street Journal, the Washington Post, Financial Times, Bloomberg, Reuters, Vice, the Houston Chronicle and the Hill. These stories specifically emphasized our role in getting the ITC through Congress and presented us with an opportunity to put this victory in context.

We did not stand on the sidelines in this fight. As mentioned, we generated more than 35,000 letters to members of Congress and more than 100 op-eds fighting for the ITC in papers across the country. We also bought targeted Facebook ads that hit Washington lawmakers, their staffers, influential people in the energy community and solar advocates pressing for passage of the ITC.

WE DID IT!



SOCIAL MEDIA PRESENCE WORTHY OF NATIONAL AWARDS

Across the board increases in website visits, Twitter followers, Facebook likes and emails advanced SEIA's message and increased recognition of SEIA's brand. This created a multi-media feedback loop where people came to us for information and reporters came to us for news.

Our website received 989,013 unique visitors, up 47 percent over 2014, and 2.7 million page views, up 44 percent over 2014. This occurred in part because we increased our organic search and referral traffic, the two key metrics for attracting new readers, by 65 percent and 44 percent respectively.

HITS ON PRIORITY SECTIONS

OF THE SEIA WEBSITE (OVER 2014):



ITC POLICY PAGE:
129,790 pageviews
UP 1,463%



SOLAR INDUSTRY DATA PAGE:
22,867 pageviews
UP 85% OVER 2014



SMI LANDING PAGE:
12,813 pageviews
UP 46% OVER 2014



ABOUT SOLAR ENERGY:
11,883 pageviews
125% INCREASE



TRAFFIC DRIVEN TO ENGAGING NETWORKS ACTION PAGES:
6,811 pageviews
323% INCREASE



BLOG READERSHIP:
17,387 pageviews
58% INCREASE & 21% INCREASE IN TIME SPENT ON PAGE

Our more than 100 blogs covered priority areas such as financing, market issues, the ITC and state battles over net energy metering and renewable portfolio standards. These blogs were published across industry news websites, including Renewable Energy World (9), EcoWatch (40), PHOTON (12), Morning Consult and the SEIA Solar Blog (40).

In 2015, we also grew our Twitter following from 31,000 to more than 47,000, more than doubled our Facebook following to 799,348 likes from 375,661, increased average organic daily Facebook reach from 18,638 to 21,426 and produced 12 videos (50 percent increase over 2014).

BEYOND THE ITC AND SOCIAL MEDIA, SEIA COMMUNICATIONS EFFORTS GAINED TRACTION.

As we continue to refine our newsletter, there is no question that we can build on our success. Readership has climbed from 10,000 in 2014 to over 13,000.

The newsletter gives us an opportunity to communicate with the entire solar community about the actions our industry is taking from an advocacy and communications standpoint. It also can be a source of revenue and a way to make sure that the solar industry, SEIA members and non-members alike are informed by us and that they see us as the reliable voice of the solar industry.

SEIA also led efforts that resulted in more than 26,000 individual emails being sent to state or federal representatives to support pro-solar policies. We also successfully carried out the second-annual Shout Out For Solar Day, generating 105 million impressions from nearly 20,000 tweets.

SEIA Communications successfully launched a multimedia campaign, #SolarIsNow, this year at Solar Power International. As part of the launch, we commissioned a [high-quality educational video](#) that was broadcast to more than 10,000 SPI attendees throughout the 4-day conference.



CHAPTER 4

Research Department Gives Ammunition to Policy Wins; Expands to Add Key Project Finance Capability

In many ways the research department has been the lifeblood of the organization, supplying critical information and data to the communications shop and our government affairs team. Our research products have informed consumer protection efforts, and come through with critical information and data for SEIA spokespeople to use in a variety of circumstances.

The lobbying effort that drove the passage of the ITC extension was dependent upon having the right tools on hand at the right time and for the right audience. SEIA's research department provided the critical information and analysis to help achieve passage of the ITC extension.

In addition, the research department has supplied data that showed up in thousands of stories in 2015.

AMONG THE MOST IMPORTANT ACCOMPLISHMENTS BY RESEARCH THIS YEAR WERE:

Expanding the National Solar Database (NSD), which has been essential to educating lawmakers, the media and other key audiences about the real impact of the solar industry.

Bringing in Bloomberg New Energy Finance at the exact right time to conduct a credible third-party study that demonstrated the importance of the ITC to the American economy.

Launching the Project Finance Department, bringing in new capabilities to the SEIA team and an important service for its members.



NSD SUPPLYING CRITICAL INFORMATION

Five years ago, we had the foresight to build a data tool that could provide advocates, media, government and internal membership teams with better information about the U.S. solar industry. Led by Vice President of Markets and Research Justin Baca, SEIA set out and built the National Solar Database (NSD) over the course of two years and has been maintaining and improving it each year since. Without that year-over-year investment in NSD, we likely would not have had the information we needed for the ITC campaign.

Using the NSD, we were able to create key data, most commonly used in fact sheets delivered to Congressional offices. The NSD helped us tailor information to specific congressional districts so our team could show members the companies that are in their districts, the number of people they employ and the industry impact on the local economy.

SEIA SUPPORTED STUDIES CRITICAL TO EDUCATION EFFORTS

The team expanded its reach by bringing in a respected, apolitical research firm in Bloomberg New Energy Finance (BNEF), with whom SEIA struck a smart deal to save money by pulling some of the key analysis tasks in-house. The BNEF report provided the most critical forecast on the benefits of an ITC extension, and was possible only due to the diligence of the research team working with BNEF staff to create as highly accurate a projection as possible of an ITC future.

The Congressional ITC push also included materials derived from *Solar Market Insight (SMI)* reports and databases, part of an even longer-standing product set created by a partnership of SEIA and GTM Research. Investment in SMI has paid dividends many times over, but perhaps never on so large a stage as in the ability to model or estimate solar economic and deployment benefits from various ITC extension policies.

TOP 10 SOLAR STATES

STATE RANKING BASED ON THE AMOUNT OF SOLAR ELECTRIC CAPACITY INSTALLED IN 2014



CALIFORNIA

California installed more solar in 2014 than the entire country did from 1970 to 2011

4316MW 1,049,000



MASSACHUSETTS

From 2013-2016, more than 900 MW of fossil fuel plants will come offline in Massachusetts, while nearly 1,100 MW of solar is installed

308.2MW 50,000



NEW YORK

New York installed as much solar in 2014 as it did in the last three years combined

147.4MW 25,000



NEW MEXICO

In 2014, New Mexico doubled the amount of solar installed there during 2013

88.2MW 20,000



NORTH CAROLINA

North Carolina has more solar capacity than all the other southeast states combined

396.6MW 43,000



ARIZONA

Arizona is one of four states in which all utility-scale electric generating capacity installed in 2014 came from solar

246.6MW 35,000



TEXAS

Texas installed a state record 129 MW in 2014 – with double that total expected in 2015

128.9MW 14,000



NEVADA

Nevada leads the nation in solar jobs per capita

339.3MW 52,000



NEW JERSEY

Over 8,000 solar installations were completed in New Jersey in 2014—a new state record

239.8MW 38,000



HAWAII

As of 2014, nearly 1 in 8 homes in Hawaii have installed solar

106.9MW 16,000

= equivalent of the number of homes supplied by solar energy.

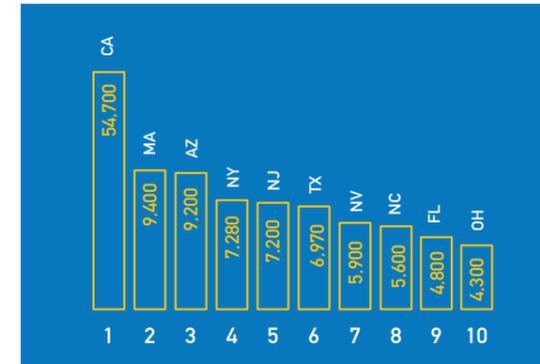
Get solar data from the SEIA/GTM Solar market insight report
Learn more at SEIA.org/smi

TOP 10 SOLAR STATES

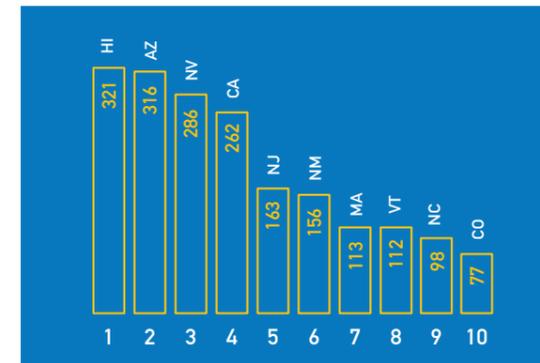
REMIXED



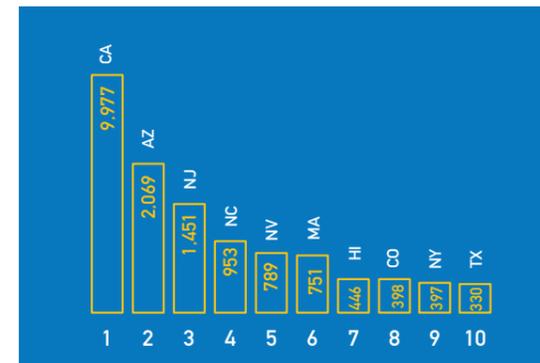
SOLAR JOBS:



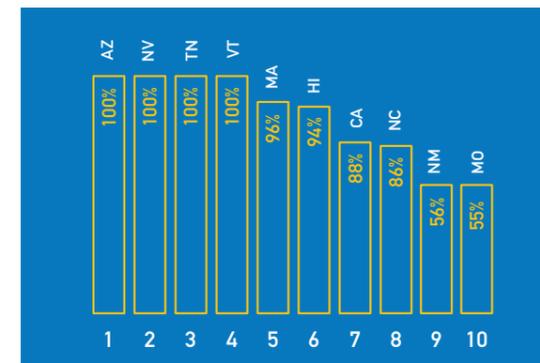
SOLAR CAPACITY PER CAPITA (watts/person):



CUMULATIVE SOLAR CAPACITY INSTALLED (MW)



% OF NEW ELECTRICAL CAPACITY FROM SOLAR



PROJECT FINANCE DEPARTMENT LAUNCHED IN 2015

The research department also gained a significant, parallel capability in 2015 with the creation of a new department area: project finance and capital markets. With a lack of experience among SEIA staff in project finance and capital markets, and a top SEIA Board priority to “Improve Financing,” [specifically “Increase availability and reduce cost of financing”] SEIA seized an opportunity by hiring Michael Mendelsohn from the National Renewable Energy Laboratory (NREL) where he headed the Solar Access to Public Capital (SAPC) effort.

Mr. Mendelsohn’s experience in public and private capital make him a perfect fit as Senior Director of Project Finance & Capital Markets to promote SEIA’s top goal. In fact, SAPC’s mission could easily be applied to SEIA’s own aims: “SAPC is an assembly of over 200 leading organizations in the fields of solar deployment, finance, counsel, and analysis. The group’s efforts are directed toward opening the capital markets to the solar asset class and building investor confidence in solar-backed investments.” (NREL).

In just a few months with SEIA, Mr. Mendelsohn jumpstarted SEIA’s new finance efforts, positioning the organization to look beyond and alongside the ITC for additional funding sources and structures. SEIA relaunched its previously dormant Project Finance Committee while launching an even broader SEIA Solar Finance Initiative (SFI), comprised of a larger set of stakeholders than just our members, with the intent to make SEIA the convening powerhouse to find the best ideas on how to lower cost of capital for solar projects.

Combined, these efforts have created a new department for 2016: Research & Project Finance.

RESEARCH

01

Completed ad-hoc research on ITC extension scenarios (deployment and jobs) for less than \$30,000 (\$170,000 under budget allocated) by negotiating deal with BNEF and completing the jobs analysis in-house. The deal with BNEF was also structured to provide a member benefit that helped close a few new members.

02

Published four quarterly Solar Market Insight reports with GTM Research that each gained significant media attention. SMI is now the main source for tracking the growth of the U.S. solar market for media, industry and policymakers alike.

03

Published the fourth edition of the Solar Means Business report, showing the use of solar across America by trusted household corporate names, bolstering all policy arguments.

04

Provided federal affairs and state affairs departments with up-to-date state and district factsheets to support advocacy, directly supporting SEIA's policy priorities.

05

Pushed the Energy Information Administration to stop omitting generation from distributed generation PV in its "Electric Power Monthly" and other research pieces, thanks to the demonstration of how this information could be collected. This helps show a stronger solar industry, which benefits each of our policy priority fights.

06

Published a Solar in Sports report to help connect solar to the mainstream for the media, millions of sports fans and policymakers, in support of our policy pushes.

07

Assisted The Solar Foundation in production of state-level jobs estimates for the 2014 National Solar Jobs Census and assisted with data collection for the 2015 National Solar Jobs Census. These materials were invaluable in informing the ITC campaign as well as state policy pushes for SEIA's top priorities.

08

Developed bid and awarded funding by DOE for participation in SB-Data Funding Opportunity Announcement (FOA) where SEIA will assist organization of the industry to facilitate consistency in system performance monitoring and reporting and other data initiatives. This will assist Policy Priority #1, while bringing \$200,000 to SEIA from federal award.

PROJECT FINANCE & CAPITAL MARKETS

01

Developed a series of workshops with Department of Energy (DOE) focused on comprehending and overcoming barriers to solar deployment at commercial and industrial sites in support of Policy Priority #1 – Improve Financing.

02

In support of Policy Priority #1 – Improve Financing, launched the SEIA Finance Initiative, designed to open new markets and sources of investment for solar expansion, and to bring entities outside of the solar industry (e.g., commercial real estate) to the table to find common solutions and business opportunities.

03

Planned two conference events for February 2016 in NYC– the annual SEIA Finance and Tax Seminar and Solar Goes Corporate, a new event designed to build and advertise success among Fortune 500 companies in procuring, deploying or investing in solar.

04

Re-launched the SEIA Project Finance Committee designed to engage existing and new members in value added finance tasks such as an Intercreditor Agreement (to facilitate consistent practice of solar project payments among mortgage and title industries during stressed scenarios) and to develop a series of targeted educational write-ups for specific audiences, in support of Policy Priority #1 – Improve Financing.

AMONG OUR
ACCOMPLISHMENTS

CHAPTER 5

SEIA Launches New Consumer Protection Campaign: Defends Against Attacks While Avoiding Red Tape

As solar use increases across residential and small commercial markets in all fifty states, so does the need for increased consumer protection. The solar industry is now installing hundreds of thousands of systems annually compared with a small fraction of that figure a decade ago.

Despite solar's promise, many homeowners lack full understanding of characteristics as well as choices in ownership and finance models and that can lead to misunderstandings. The sheer number of systems being installed in residential and small commercial markets raises the likelihood of a greater number of consumer complaints.

During the second half of 2014, the legal department at SEIA, led by General Counsel Tom Kimbis, noted an uptick in the number of negative advertisements and press stories criticizing solar based on consumer protection issues: from allegations of false advertising or deceptive sales practices to systems that "don't work" or under-deliver on promises. In late 2014, SEIA confirmed that ALEC, EEI and others had chosen consumer protection as a way of attacking distributed generation solar—spilling over to the entirety of the solar market.

In early 2015, based on inclusion of consumer protection late in the policy priority process during Fall 2014, we launched the Consumer Protection Committee (CPC), made up of board level companies' general counsels and consumer-facing representatives. The goal? Voluntary self-regulation for the industry. Participation was very high across the year showing the strong level of interest among SEIA board companies who interface with end-use consumers in the residential or small commercial segments.



The CPC is designed to identify and prioritize consumer protection issues, develop new tools and solution sets, educate the public and industry on critical issues, and engage with federal, state and local policymakers and regulatory officials.

It was an incredibly productive year for a new campaign, with consumer protection issues only growing in concern into 2016 and beyond. Consumer protection will be a part of SEIA for years to come both because it is the right thing to do and because if we do not do it, others will do it for us.

THE RATIONALE FOR CONSUMER PROTECTION AT SEIA CAN BE UNDERSTOOD THROUGH THESE PRINCIPLES:

01 Putting consumers first by increasing their understanding of solar transactions, including solar's characteristics, ownership models, and financing options.

02 Avoiding unnecessary red tape and regulation directed specifically at solar – such as solar specific consumer protection laws – when laws and regulations are already in place in all fifty states and at the federal level to punish “bad actors” and discourage illegal behavior.

- Industry self-regulation helps avoid this additional legal regulation which would drive up the cost of solar, curbing its competitiveness.

- Stopping regulatory campaigns before they start led by federal or state authorities or Congress to contain solar “bad behavior.” In fact, the few “bad actors” can best be stopped through industry self-regulation working in conjunction with existing local, state and federal authorities.

03 Better consumer financial products are created by implementing higher standards of consumer protection. This increases access to low cost capital, a high priority for SEIA, by enabling higher quality products that can be bundled or securitized due to higher standards.

CONSUMER PROTECTION

01

Launched full-scale voluntary self-regulation campaign.

02

Developed first ever voluntary code of conduct for the solar industry, approved by the Board of Directors, and binding on all SEIA members: the SEIA Solar Business Code (“Code”).

03

Developed dispute resolution and enforcement process based on best practices of most established industries.

04

Met with the Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB) and Federal Communications Commission (FCC), the three main federal regulatory entities focused on solar industry consumer protection.

05

Created Dispute Resolution Panels under the SEIA Ethics Committee comprised of individuals nominated or self-nominated to serve. These are established to create “juries of peers” to act fairly, avoid conflicts of interest and steer clear of antitrust concerns, while holding industry members accountable to the Code.

06

Held educational webinars including how to comply with consumer law, understanding advertising laws in the solar context, and compliance with the Code.

07

Identified issues of concern to federal regulators and responded – e.g. speaking with the FCC, holding an informative teleconference between the FCC and SEIA CPC companies, and issuing an alert to our membership and full industry on federal telemarketing rules of concern to FCC.

08

Completed several drafts of a Residential Lease Disclosure Form intended to be voluntarily included in residential lease transactions to help consumers better understand key lease terms and to choose among multiple bids.

09

Proposed an entire scheme for self-regulation to the NY REV process to substitute for the proposed regulations issued by the State in summer 2015.

10

Worked to educate the California, New York, Georgia, New Jersey and other PUCs about the work SEIA was undertaking, resulting in states posting SEIA consumer protection materials on their .gov websites.

11

Released SEIA’s first Residential Consumer Guide to Solar Power.

12

Adopted disclosure forms for lease and PPA products originally developed by NREL/SAPC and approved them for SEIA use in conjunction with the Code.

AMONG OUR ACCOMPLISHMENTS

CHAPTER 6

SEIA's Strong Operations Provide a Stable Foundation for Its Program Priorities



Last year marked a year of transition and success for the operations group.

SEIA's operations group, spearheaded by Mike Smith, Vice President of Finance and Operations, is comprised of the finance, information technology (IT), office administration, membership and meetings and events departments of the Association.

We started the year with a clean financial audit and ended the year with an increase of more than 20 percent in membership dues revenue. In between, the group assumed new roles, implemented new policies and procedures, and empowered the Association to achieve many of its most notable accomplishments.

SEIA'S FINANCIAL HOUSE IS IN GOOD ORDER

Maintaining an environment of fiscal health and transparency is fundamental to ensuring the stability of any association.

During 2015, SEIA reestablished a culture of timely and accurate financial reporting that helped SEIA leadership better understand the Association's current financial position and provided the information necessary to make key programmatic decisions. Despite the significant investments that the Association made in ensuring we met our policy priorities in 2015, like extending the ITC, SEIA enters 2016 fiscally sound and with a plan to grow and thrive. Notable accomplishments include:

- 01** Completed the 2014 independent financial audit without adjustment and without any advisor comments and earned a clean audit opinion.
- 02** Hired a new VP of Finance and Operations who is both a certified public accountant (CPA) and certified association executive (CAE).
- 03** Implemented additional internal controls over cash receipts and cash disbursements.
- 04** Launched a new monthly reporting package including an executive dashboard with key performance indicators (KPI).
- 05** Actively managed cash flow to limit debt dependence and improve overall liquidity.

SEIA LEVERAGES TECHNOLOGY TO MAXIMIZE IMPACT

Organizing and maintaining a user-friendly, reliable and thoughtfully-designed information technology (IT) infrastructure is critical for a 21st century trade association.

SEIA places an emphasis on leveraging technology to deliver value to our members and our industry. We don't simply look to implement new technology for new technology's sake, but instead proactively seek out those new systems, platforms and services that are cost effective and will empower our staff to perform their jobs at the highest level. During 2015 we:

- 01** Continued to shift applications and resources to the cloud to improve access and security.
- 02** Implemented Windows 10 throughout the Association and held staff training on resources like SharePoint and OneDrive.
- 03** Successfully conducted an office move that resulted in our staff never losing email and all other systems being down for less than three hours.
- 04** Provided desktop support for nearly 40 staff in more than 6 states.
- 05** Continued our computer rotation program purchasing more laptops for staff and enabling greater remote connectivity.
- 05** Created a fully-functional video studio within SEIA's offices to ease the creation and editing of video content.
- 06** Passed the IT infrastructure component of our independent audit without comment.

SEIA REDUCES OVERHEAD TO INCREASE THE RETURN ON MEMBERSHIP DUES

In the fall of 2015, SEIA moved its offices six blocks within the nation's capital.

In doing so, SEIA was able to maintain a highly professional D.C. presence, while simultaneously shrinking our footprint and reducing our office operating costs by more than \$700k per year. These savings were invested directly back into our policy priorities – providing an even greater return on investment to our members. This renegotiated lease is emblematic of our office administration priorities – aggressively seek out cost savings and overhead reductions so that every available dollar can be invested directly into our missions, our members and the industry. In addition to the office move, the administrative group also delivered value by:

- 01** Renegotiating a number of agreements (copiers, phones, etc) to reduce costs and limit future liabilities.
- 02** Launching several new employee benefits at little to no cost to the Association, but providing additional benefit alternatives to our dedicated staff.
- 03** Revamping our semi-annual performance review process so that staff are given timely and actionable feedback on job performance.
- 04** Rebid SEIA's various insurance coverages to align coverage with current operation and reduce costs.

NEW MEMBERSHIP TEAM HITS STRIDE AND GROWS MEMBERSHIP MORE THAN 20 PERCENT

The membership team was realigned during 2014 to create a department where membership retention and growth were aided through improved systems and processes.

This transition continued into 2015 with additional staff changes and reorganization. Finally, in June of 2015, the current membership team was assembled and at capacity to target and achieve the bold goals they have laid out for themselves. The results have been highly encouraging, and SEIA is positioned to continue the growth trend through 2016.

- 01** Year-Over-Year membership dues revenue increased by more than 20 percent in 2015 as the result of both new members and improved member retention.
- 02** Produced growth in all three areas; new members, upgraded members and member retention.
- 03** SEIA brought on 4 new Board of Director members in 2015
- 04** Continued to enhance and utilize Salesforce system to track member prospects through the organization
- 05** Launched a new, Board-approved dues structure for 2016.

SEIA'S VALUE-ADDED EVENTS REMAIN A KEY MEMBER BENEFIT

SEIA produces both in-person and web-based events to provide content and value to our members and the industry at large.

In 2015, through our partnership with the Solar Electric Power Association (SEPA) and our jointly-owned affiliate Solar Energy Trade Shows (SETS), the Solar Power International (SPI) brand grew in its reach and impact. SEIA also grew its own offerings of seminars and webinars to highlight key topics and provide timely information to our members. The expansion realized during 2015 will be accelerated in 2016 with an increase in both SPI-branded events and SEIA-only seminars and webinars. A few highlights from 2015 include:

- 01** SETS launched two new SPI regional events and the total number of regional events planned for 2016 is six.
- 02** In total, SPI events revenue exceeded budget by 20 percent - helped by a highly successful SPI2015 in Anaheim and SETS' ability to control costs.
- 03** After some transition, SEIA's meeting and events team has been bolstered with new staff and plans for 4-6 SEIA-only seminars in 2016.
- 04** Redesigned SEIA's booth at SPI to provide greater member interaction – at a cost of approximately 20 percent of the original budget.
- 05** Upgraded our webinar platform resulting in greater opportunity to create, record, store and share web-based educational content.

IN SUMMARY

All of these accomplishments within the operations group serve the same purpose – provide the best, cost-conscious support structure possible to enable our program staff to deliver value to our members. We were able to deliver on this objective in unprecedented ways in 2015 and we are well positioned to make additional positive strides forward in the year ahead.

APPENDIX 1

Trade and Codes and Standards Were Other Areas of Focus for SEIA in 2015

TRADE

01 This year, we continued to encourage the U.S. and Chinese governments to build upon SEIA's work in developing a framework for a negotiated solution to the U.S.-China trade conflict. We understand that the U.S. and China are actively engaged in negotiations. Indeed, a high-level delegation from China's Ministry of Commerce was in DC recently and met with USTR to discuss potential options for a negotiated solution.

02 We also kept the industry closely apprised on the results of the ongoing annual reviews of the U.S. antidumping and countervailing duty orders, intel which provided essential for members making module purchasing decisions.

03 We also succeeded in getting a variety of solar products included in the list of products covered by the proposed WTO Environmental Goods Agreement, which is currently being negotiated by the largest economies in the world.

04 On the issue of local content, while the decision has not yet been released to the public, we understand that the WTO Dispute Settlement Body has ruled against India's local content measures, which is the result we sought. We expect India to challenge this decision at the WTO Appellate Body and will continue to monitor these proceedings.

CODES & STANDARDS

01 We continued to raise our national profile on codes and standards issues, particularly with respect to the National Electrical Code, the focus of our codes and standards work in 2015. At the beginning of the year, we submitted 80 separate NEC code change proposals. Over the course of 2015, through our participation at two in-person hearings and multiple in-person stakeholder meetings, we succeeded in getting 79 of these proposals adopted.

02 The one proposal where we faced opposition focused on module-level rapid shutdown. Although we were not able to block the fire service's proposal for a module-level rapid shutdown proposal, we did succeed in the adoption of an alternative option to module-level controls based on the development of a new rapid shutdown standard. We are now turning our attention to the expedient development of this new standard. Our success on the rapid shutdown issue was partly the result of a SEIA study conducted by DNV GL, which was funded by a \$65,000 co-investment from First Solar, NRG, SolarCity, SMA, and Sunpower.

03 The Corporate Social Responsibility Committee also made significant progress toward the development of a framework for a national PV recycling initiative led by SEIA. We also succeeded in getting the State of California to hold off on developing a state mandated PV recycling program, with the assumption that a SEIA-led national initiative was forthcoming.

APPENDIX 2

Additional Government Affairs Accomplishments

SEIA SHAPES DEBATE ON TAX REFORM EFFORTS

Both the Senate and the House tax-writing committees took initial steps in 2015 to advance comprehensive tax reform legislation.

SEIA participated in these efforts in order to protect tax provisions important to the solar industry [ITC and MACRS] and advance new provisions to help solar continue to grow in the U.S. (extend ITC, make the commence construction change, and allow renewable energy companies to use Master Limited Partnerships-MLPs).

The Senate Finance Committee took a more public approach to tax reform. Finance Chairman Hatch and Ranking Democrat Ron Wyden set up five working groups focused on various parts of the federal tax code. SEIA presented before the Working Group on Community Development and Infrastructure (chaired by Senators Heller and Bennet). Much of the discussion centered around how to incentivize energy production in a 'technology neutral' manner that did not favor one form of energy production over any others.

On a separate track, Finance Democrats developed their own version of a technology neutral energy tax plan. Initially, the Democratic plan included

only a 20 percent ITC that was not available to homeowners who put solar on their houses or for the installation of solar heating and cooling systems. After further negotiation, SEIA managed to get the Senate Democrats to agree to a 30 percent ITC, and later they agreed to allow homeowners to take the new version of the ITC. In a Republican-controlled Congress, the Democratic Senate energy plan faces a difficult path to enactment. But it serves to keep solar and renewable energy part of the upcoming comprehensive tax reform debate in the Congress.

In the House, the Ways and Means Committee took a much more behind-the-scenes approach to considering tax reform, with Member retreats and staff discussions and drafting efforts. Nothing was released publicly. The last comprehensive tax proposal in the House was introduced by then Ways and Means Chairman Dave Camp in Dec. 2014. Camp's proposal would have terminated the ITC at the end of 2016, including the 'permanent' 10 percent ITC for developers in Section 48. Other House Republicans led by Rep. Pompeo introduced legislation to terminate all renewable energy tax credits.

SEIA PROTECTS SOLAR IN CONGRESSIONAL ENERGY POLICY LEGISLATION

Both the Senate and House considered energy policy legislation in 2015. The last comprehensive energy policy bill was enacted in 2007. In a Republican-controlled Congress, SEIA's main concern was to

avoid enactment of any anti-solar provisions in a final energy bill, particularly through amendments to The Public Utility Regulatory Policies Act (PURPA).

In the run-up to the Senate Energy and Natural Resources Committee's consideration of the bipartisan, bill drafted by Chairwoman Murkowski and Ranking Democrat Cantwell, SEIA staff and lobbyists met with both Majority and Minority staffers of the SENR committee, as well as every Democratic SENR Members' staffers and most of the Republican Senators' staffers. As a result of SEIA's educational efforts, no anti-solar PURPA amendments were added to the bill when the Committee voted on July 21st. SEIA worked with several Senators who offered pro-solar amendments (Heller's renewable energy permitting on public lands, Hirono's long term contracting authority for civilian federal agencies, Carper/Inhofe adding 'thermal' to the

federal building renewable energy requirement), but none made it into the "committee-approved" bill. (Independent Senator Angus King's pro-DG solar amendment, which SolarCity worked on, was added as an amendment.)

The House Energy and Commerce Committee started with a bipartisan process, but that broke down during committee consideration and on the House Floor. The bill that passed the House last December did so with predominately Republican votes. The House-passed energy bill does include SEIA's amendment on adding 'thermal' to the federal building renewable energy requirement. Also added on the House Floor was an amendment by Rep. Castor (D-FL) which encourages the development of community solar. Overall, however, the House bill contains little to promote solar deployment.

APPENDIX 3

Additional State Accomplishments

SEIA's work at the state level in 2015 produced dramatically expanded market opportunities.

Over the last year, and going forward, our work focused on two primary areas: Expanding and defending markets is the first and second is making sure states adopt policies that allow for a strong solar market.

WE DEFENDED AND EXPANDED MARKETS:

- 01** We saw two new major Renewable Portfolio Standards enacted, in California and New York, that mandate that 50 percent of the states' electricity must come from renewable sources by 2030.
- 02** On the distributed generation side, Net Energy Metering (NEM) policies were expanded and solidified in a number of states, including California, New York, and Colorado.
- 03** Unfortunately we got a very bad ruling in Nevada, and we will need your support to fight this battle in 2016.

IN THE AREA OF STATE MARKET POLICIES:

- 01** In California, which remains about 50 percent of the national market, SEIA led a coalition to ensure that residential rate design reform continues to allow

solar to be a solid economic choice for both high-use customers, whose rates will decline more slowly than the utilities had proposed, and low use customers, whose rates will increase, providing opportunities to save by going solar.

- 02** We continue working in states like New York and Colorado to make sure that incentive programs work for the industry, and have joined with partners to propose a new, workable incentive program in Florida.

- 03** We lost an effort to extend North Carolina's state investment tax credit.

Often of course these buckets overlap, as is the case in Massachusetts, where SEIA drove a coalition of solar industry groups and solar advocates to join together to advocate for program reforms that would, if enacted by the Legislature, expand NEM caps while decreasing solar incentive payments to ensure a sustainable market.

PRESERVE AND EXPAND STATE INCENTIVE PROGRAMS IN ACCORDANCE WITH THE SPC RECOMMENDATIONS.

- 01** In New York, SEIA has led efforts to reform and revise the MW block incentive program; as currently structured the program has not driven project development to the extent desired by the state.

02 Also in New York, SEIA persuaded the legislature and Governor to clarify sales tax law, paving the way for continued deployment of solar leases and PPAs.

03 In Massachusetts, SEIA worked to achieve consensus among the Net Metering Task Force on the need for and direction of reform to the state's SREC program, which must be implemented by the state Legislature.

04 In Nevada, SEIA participated in regulatory dockets to improve the implementation of the SolarGenerations rebate program.

05 In Florida, SEIA partnered with Vote Solar to encourage the PSC to adopt a step down program design structure for incentive levels in order to promote cost-effective deployment and market transformation principles. To allow for increased participation in solar thermal, innovative financing, such as leasing or similar arrangements, should be made available as part of any incentive program.

INDUSTRY LEADERSHIP & MULTI-YEAR INITIATIVES

SEIA works every day to leverage our membership's influence and funds by partnering with select organizations operating on the ground to deliver high quality work products, both in our high priority states and in other states across the country. Prime among these partners are our impressive [state affiliates](#), who work in over 15 states. In 2015, SEIA expanded our outreach to and work with the state affiliates. In Tennessee for example, SEIA contributed expertise developed through our work with the EPA on the Clean Power Plan to TenneSEIA's planned comments on TVA's Integrated Resource Plan, dramatically strengthening the product and helping to persuade TVA to adopt an aggressive solar procurement plan over the next 15 years. In California, we allocated certain regulatory responsibilities among CalSEIA and SEIA, expanding the reach of both organizations.

But our collaboration extends beyond the state affiliates. In 2015 SEIA worked with the Environmental Law & Policy Center, a leading Midwest NGO, to establish the Midwest Solar Coalition, a network for sharing information among solar companies and advocates across the region. In California, Florida, and elsewhere, SEIA made joint regulatory filings and shared regulatory costs with our good friends at Vote Solar.

Others with whom we worked in 2015 to make SEIA membership dollars go further:

01 State affiliates in Colorado, New York, Georgia, Florida, New Jersey, Missouri, Oregon, Louisiana, and Virginia

02 National and Regional partners including:

- Advanced Energy Economy
- Northeast Clean Energy Council
- Southern Alliance for Clean Energy
- Fresh Energy (MN)
- Interstate Renewable Energy Council
- Rocky Mountain Institute
- National Renewable Energy Lab

In addition to working with allied organizations, SEIA worked hard in 2015 to increase the visibility of solar issues. We increased our presence at NARUC, both in terms of sponsorship and participation, jointly sponsoring Clean Energy Receptions with our partner organizations, and holding two Solar Breakfasts, which were enthusiastically received by state Commissioners and other attendees. As we increased our participation we saw NARUC giving more attention to solar-related issues. Panel sessions and speeches at NARUC's November 2015 Annual Meeting in Austin, Texas, focused almost entirely on Clean Power Plan implementation and state rate design. In late 2015, NARUC agreed to hold a panel

at their February 2016 Winter Meeting featuring SEIA's Consumer Protection efforts.

Similarly, SEIA has increased its participation among the regional "mini-NARUCs" and Governors' organizations, emphasizing the west in 2015 with sponsorship of the Western Governors' Association and the Western Conference of Public Service Commissioners.

Finally, in late 2015 SEIA received word that long running efforts to broaden the mission of the [Governor's Wind Energy Coalition](#) had paid off, with the Governors' announcing that the organization would heretofore be called the Governor's Wind & Solar Energy Coalition.



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