

Full Committee and Subcommittee on Green Jobs and the New Economy Joint Hearing: Solar Energy Technology and Clean Energy Jobs

Jeff Wolfe, CEO, groSolar

Testimony to the US Senate, Environment and Public Works Committee

I am Jeff Wolfe, co-founder and Chief Executive Officer of groSolar. I am also the elected Chair of the Photovoltaic Division of the Solar Energy Industries Association, founding Board Member of several renewable energy associations, and a Registered Professional Engineer with a Mechanical Engineering degree from Cornell University.

groSolar is one of the nation's largest residential solar installation companies, the largest 100% US owned distributor of solar electric systems, and an installer of large commercial solar electric systems. We were founded in 1998, in Vermont, and now directly operate in 12 states and the District of Columbia, and provide distribution services to most of the other states.

I came here today to speak about solar energy. Solar energy is one of those unusual technologies that can solve a bunch of problems at once. Since I started groSolar 11 years ago with my wife, the technology has been able to provide American-made energy, decrease our dependence on foreign oil, increase our national security, reduce pollution, and fight climate change. And while it is doing all those things, it is also creating jobs, good jobs. Each Megawatt of solar photovoltaic systems deployed annually in the US creates 25 jobs. And most of those jobs are impossible to send offshore, since they are on the ground and on the roof, installing and selling the systems. And it's simply hard to install solar panels in this country unless you are in this country.

As an example, while groSolar is small in terms of businesses in the US, groSolar's overall territory includes Direct Jobs in over a third of the states represented by members of this Committee. When added with Indirect jobs, groSolar has created jobs in California, Delaware, New Jersey, Maryland, Vermont, Minnesota, Rhode Island, New Mexico, Oregon, New York, Pennsylvania, Ohio, Idaho, Missouri, and Tennessee. Looking beyond groSolar, every state represented here has multiple solar energy companies in it. Solar is one renewable energy source that can provide jobs and economic benefit to every state in the Union.

It is a difficult time for small business in America. It is difficult to get credit and financing for projects and working capital. But with the incentives put in place under the American Reinvestment and Recovery Act and other recent legislation, we are not only retaining existing jobs, we and other solar companies are helping to create new jobs. The ARRA funding for state Energy Programs has injected new life into many states, and created solar programs where little existed before. The funding for public works projects also has created good business opportunities. And most importantly, the Federal Grant in lieu of the solar Investment Tax Credit has been fundamental in moving solar projects forward in 2009 and now in 2010. And while we create jobs, we are also securing our longer term future. Stable energy prices are an important element of economic stability, and solar provides long term stable prices.

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But we need to do more. The 10 Million Solar Roofs bill, recently introduced by Chairman Sanders, would help homeowners and small businesses stabilize their energy costs by defraying enough of the cost of a solar electric or solar hot water system to allow the business to fund the rest with cash flow similar to their electric bill, resulting in potential reductions in their energy costs. This type of program has been proven in CA with their Million Solar Roof program. Rolling it out nationwide will create jobs in every congressional district, create secure, reliable and clean distributed energy, and move us forward with the smart grid.

One of the successes of the California Million Solar Roofs program has been a reduction in the cost of solar. The installed cost is falling dramatically (over 35% in 2009 alone), and unlike fossil and nuclear technologies which have received large incentives for decades, solar actually foresees a time, in this decade, when we will require no subsidies from the federal government. The national 10 Million Solar Roof bill will allow scale to occur in solar in many locations. This will drive down the costs of installation, while at the same time stimulating demand, which drives up innovation, which again drives down prices.

It is a difficult time in the US economy. Homeowners and small businesses feel a particular hurt, as many of us 'did nothing wrong', but appear to be bearing the brunt of the burden for paying for the problems caused by large banks. There are several items which could assist this class of Americans while also creating immediate jobs.

- First and foremost is to extend the Federal grant option of the solar Investment Tax Credit. This program has been tremendously helpful in allowing small businesses to buy solar energy systems, at a time when getting bank financing for those projects would have been impossible. Since it appears that the banks still do not have sufficient tax capacity to meet the needs, extending this grant in lieu of tax credit for 2 years, through 2012, will continue to create solar jobs, **at no added cost to the government.**
- Second, we request that the tax credit for any solar installed on a residence be expanded to 50% of the cost of the eligible solar energy system. Homeowners are most in need of assistance to stabilize their monthly bills. This provides an economic benefit to a very broad range of working Americans, which continues to assist the homeowner for more than 25 years, stabilizing and reducing their energy bills helping the homeowner continue to make their mortgage payments.
- Third, and last, is to open up the ability to finance smaller projects as part of the proposed Green Energy Bank. Giving large banks the ability to lend has not created within them the desire to lend. Thus, we ask that the government step in and set up a lending organization. Strikingly, the existing programs that the Export / Import Bank is able to undertake for US

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solar companies selling product overseas, if made available for projects in the US, would do a lot to spur domestic manufacturing and job creation than any other program. These loan programs would be provided by domestic banks in normal times, but these are not normal times. Thus, some method to drive lending to the small business level is critical.

In summary, solar technology is ready now. It works in every state in our great country, and provides reliable, clean, and secure US made energy. More solar implementation will quickly create more US jobs. Implementation of a National 10 Million Solar Roofs bill, the no-cost tax changes I have discussed, and a solid ability for small businesses to borrow money would create jobs Americans need, and it would create many of them in 2010.

Thank you for your time and attention.