

ScottMadden and CEA Examine Effects of Incentive Programs on Solar Market and Future Reexamination of Solar Policies

ATLANTA, GA – (June 14, 2018) – ScottMadden, Inc., one of North America’s leading energy consulting firms, was recently commissioned by [Consumer Energy Alliance \(CEA\)](#) to assist with its Solar Energy Future campaign, which provided a [2018 update](#) to its 2016 report, “[Incentivizing Solar Energy: An In-Depth Analysis of U.S. Solar Incentives.](#)”

“ScottMadden provided a comprehensive review and quantification of the federal, state, and utility program incentives available for residential rooftop solar system owners across multiple states. These incentives have greatly contributed to the expansion of solar power across the country by significantly reducing the net costs of installing solar photovoltaic (PV) systems,” said Rick Starkweather, a partner with ScottMadden.

The [new report](#) analyzes the cost of a typical solar facility in 25 states and details the federal, state, and local incentives available for residential solar PV systems. It found that:

1. **Existing incentives for residential PV are significant.** In all but five states, direct owners receive at least 75% of total system costs in total incentives under standard rate structures.
2. **Utility-scale solar installations are less expensive to install and are incentivized at lower rates per watt than rooftop solar PV systems.** Residential solar PV systems receive, on average, between 104% and 140% of total system costs in incentives. Utility-scale solar installations only receive about 45% of total system costs in incentives.
3. **Third-party owned solar PV owners receive the most significant incentives.** In contrast to direct-owned solar, third-party solar owners are able to generate additional tax benefits through accelerated depreciation.
4. **Solar PV installation may shift costs to other customers.** Some net metering programs, which pay residential PV solar customers full retail rates for their excess electricity production, may shift fixed utility infrastructure costs onto non-solar customers.
5. **Incentives for residential solar PV vary widely among the states.**

As solar technology continues to reshape modern electricity generation, the number of solar systems in the United States has grown rapidly. The [2018 analysis](#) found that in order to accelerate the installation of PV systems, local, state, and federal governments have provided several incentive programs for rooftop solar owners. In many states, total incentives are much greater than a solar system’s total costs.

The combination of these incentives, along with the substantial declining cost of installing PV systems over the past several years, has led to significant increases in the use of rooftop PV systems across the country. As a result, many states are re-examining the scope and methods surrounding their incentive programs, and they are now considering programs that rely more on a competitive marketplace to provide the economically optimal levels of rooftop solar adoption.

“Solar energy is an important and growing part of America’s diverse energy mix. We strongly support solar’s growth across the country, and we want to ensure that our nation’s solar policies continue to keep pace with the dynamic changes taking place in today’s markets, so that its continued growth is assured,” said Brydon Ross, vice president of state affairs for CEA. “Solar brings with it tremendous benefits for all consumers.”

Ross added, “Because of the rapid transformations in both the economics of solar PV systems and the policy dialogue over solar incentives in the states, we hope that CEA’s updated analysis will help policymakers by quantifying current incentives provided for solar PV systems. By supporting pro-solar, pro-grid, and pro-consumer policies, CEA hopes to continue to ensure the proliferation of solar technology, the efficiency of a robust electric grid, and increased access to clean, renewable, affordable, and reliable energy sources for all American consumers.”

To review the full results of this analysis and a copy of the report, please [click here](#). To read the executive summary, please [click here](#).

About Consumer Energy Alliance

Consumer Energy Alliance (CEA) brings together families, farmers, small businesses, distributors, producers and manufacturers to support America's energy future. With more than 500,000 members nationwide, our mission is to help ensure stable prices and energy security for households across the country. We believe energy development is something that touches everyone in our nation, and thus it is necessary for all of us to actively engage in the conversation about how we develop our diverse energy resources and energy's importance to the economy. Learn more at ConsumerEnergyAlliance.org.

About ScottMadden’s Energy Practice

We know energy from the ground up. Since 1983, we have been energy consultants. We have served more than 400 clients, including 20 of the top 20 energy utilities. We have performed more than 3,000 projects across every energy utility business unit and every function. We have helped our clients develop strategies, improve operations, reorganize companies, and implement initiatives. Our broad and deep energy utility expertise is not theoretical—it is experience based.

About ScottMadden, Inc.

ScottMadden is the management consulting firm that does what it takes to get it done right. Our practice areas include Energy, Clean Tech & Sustainability, Corporate & Shared Services, Grid Transformation, and Rates, Regulation, & Planning. We deliver a broad array of consulting services ranging from strategic planning through implementation across many industries, business units, and functions. To learn more, visit www.scottmadden.com | [Twitter](#) | [Facebook](#) | [LinkedIn](#).

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