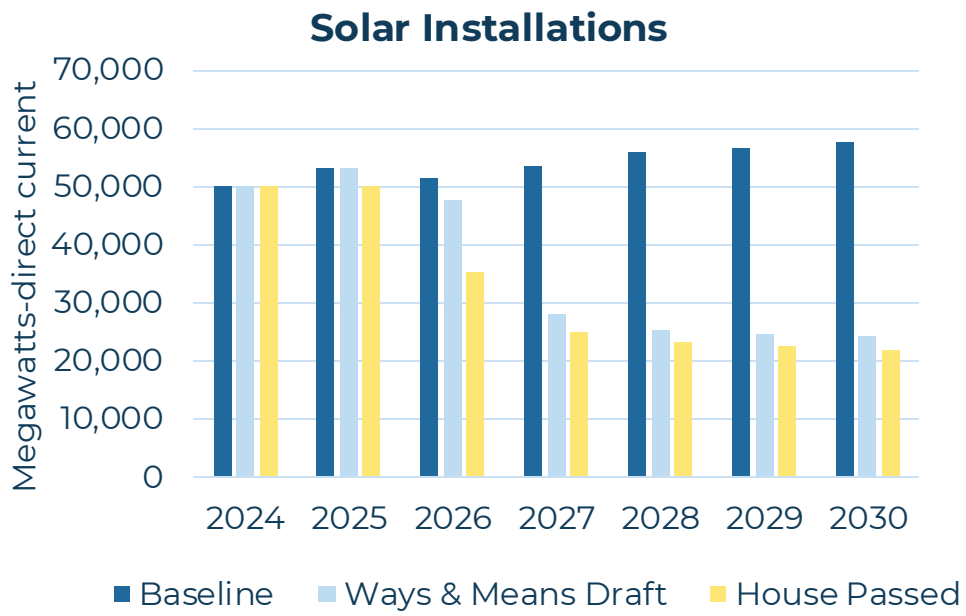
SEIA Solar Energy Industries Association®

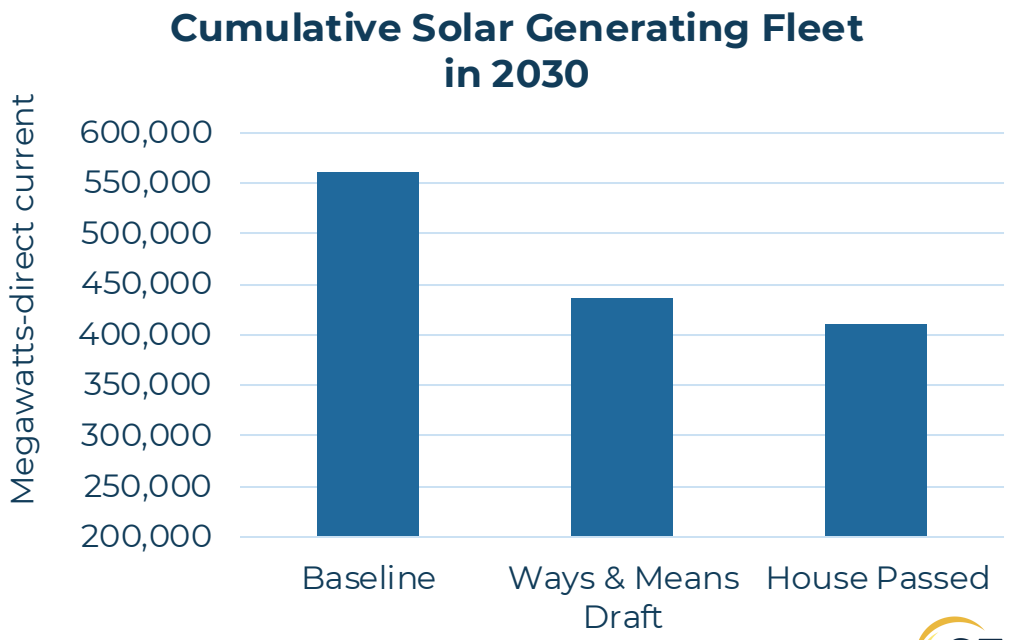
Impact of House Reconciliation Bill

Updated: 5/22/2025

House-Passed Reconciliation Bill Could Cost **150 GWdc** of Electricity Generating Capacity by 2030 from Solar Alone

- At a time when there are no other viable options to meet growing demand for electricity.
- Homeowners and companies that serve them would be impacted almost immediately upon enactment

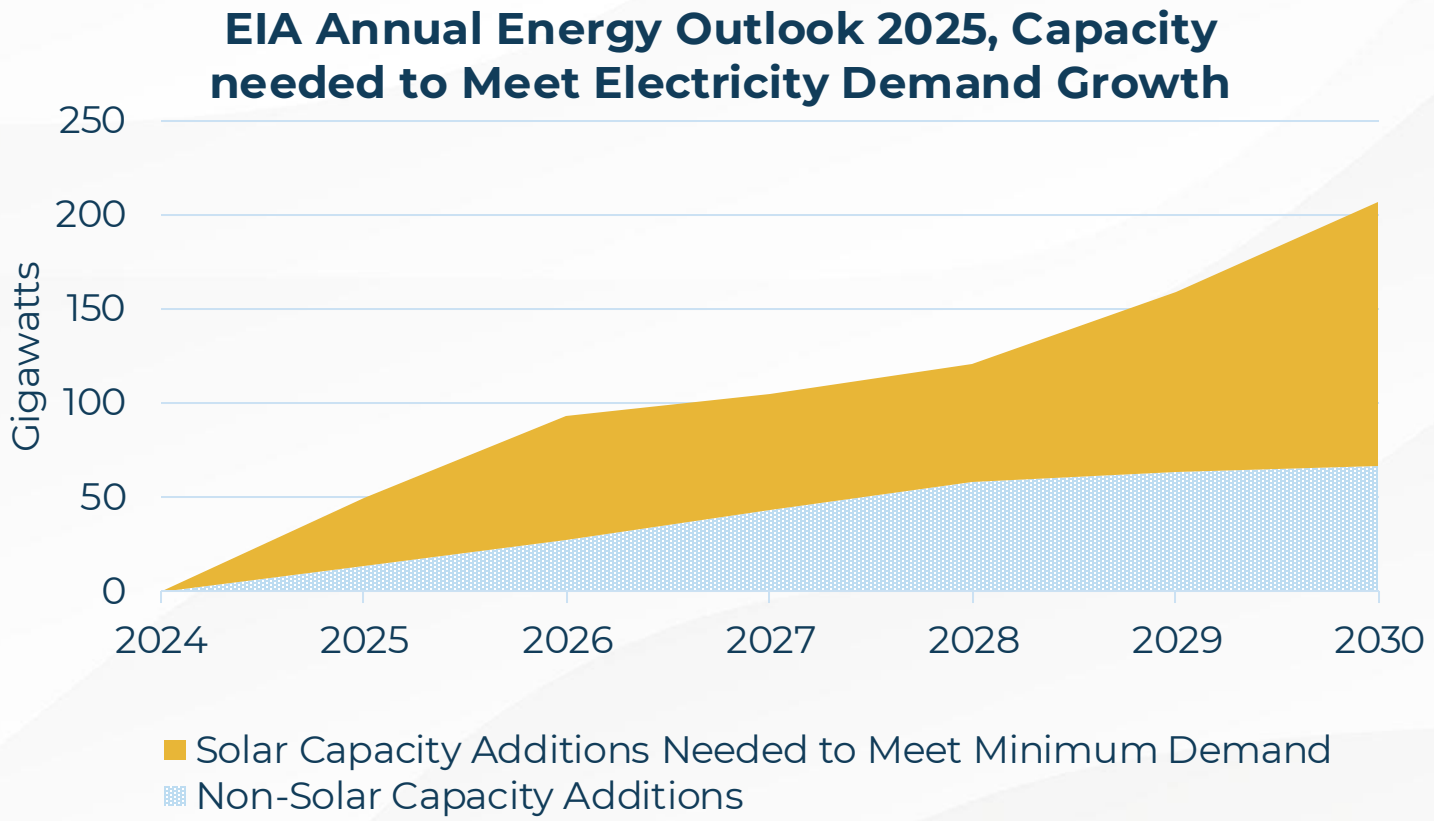




SEIA Solar Energy Industries Association®

Lack of Solar could create **150 GW of capacity shortage** by 2030

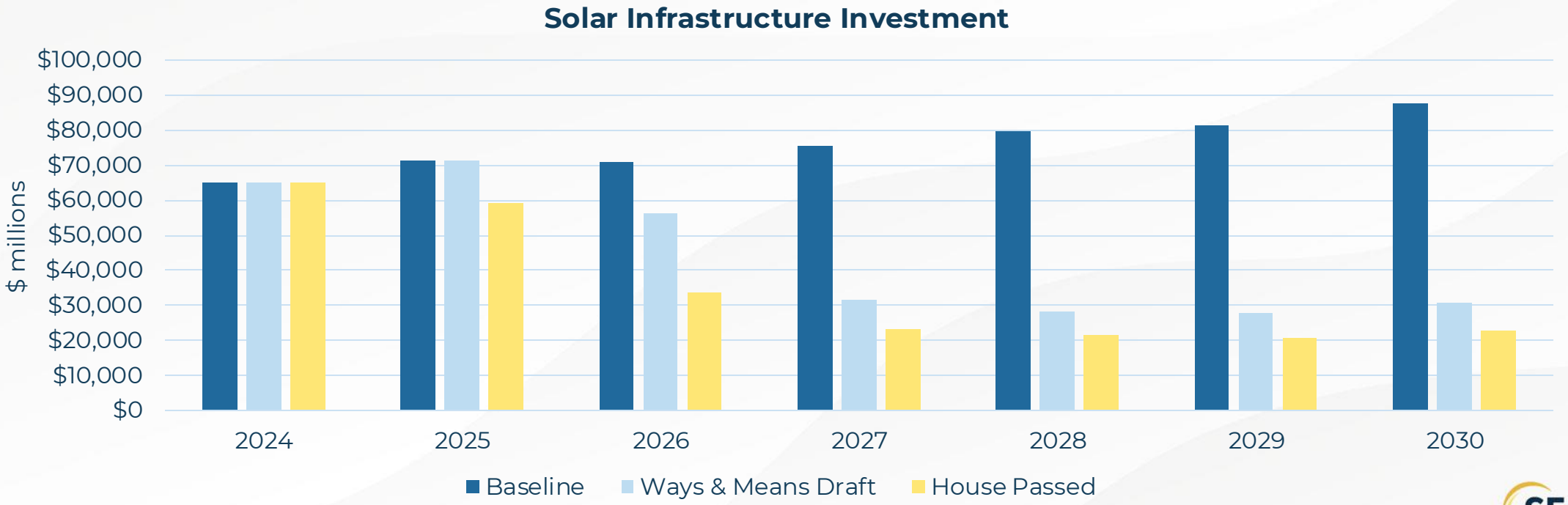
- Solar and storage (powered by solar) is expected to make up 73% of capacity additions 2025-2030.
- Current solar build out will allow the U.S. to meet its growing energy demand needs.
- If the U.S. fails to build out sufficient solar capacity, it will likely face energy capacity shortages within the next several years.



SEIA Solar Energy Industries Association®

House-Passed Bill Reduces Energy Infrastructure Investment by **$220-$285 Billion** by 2030

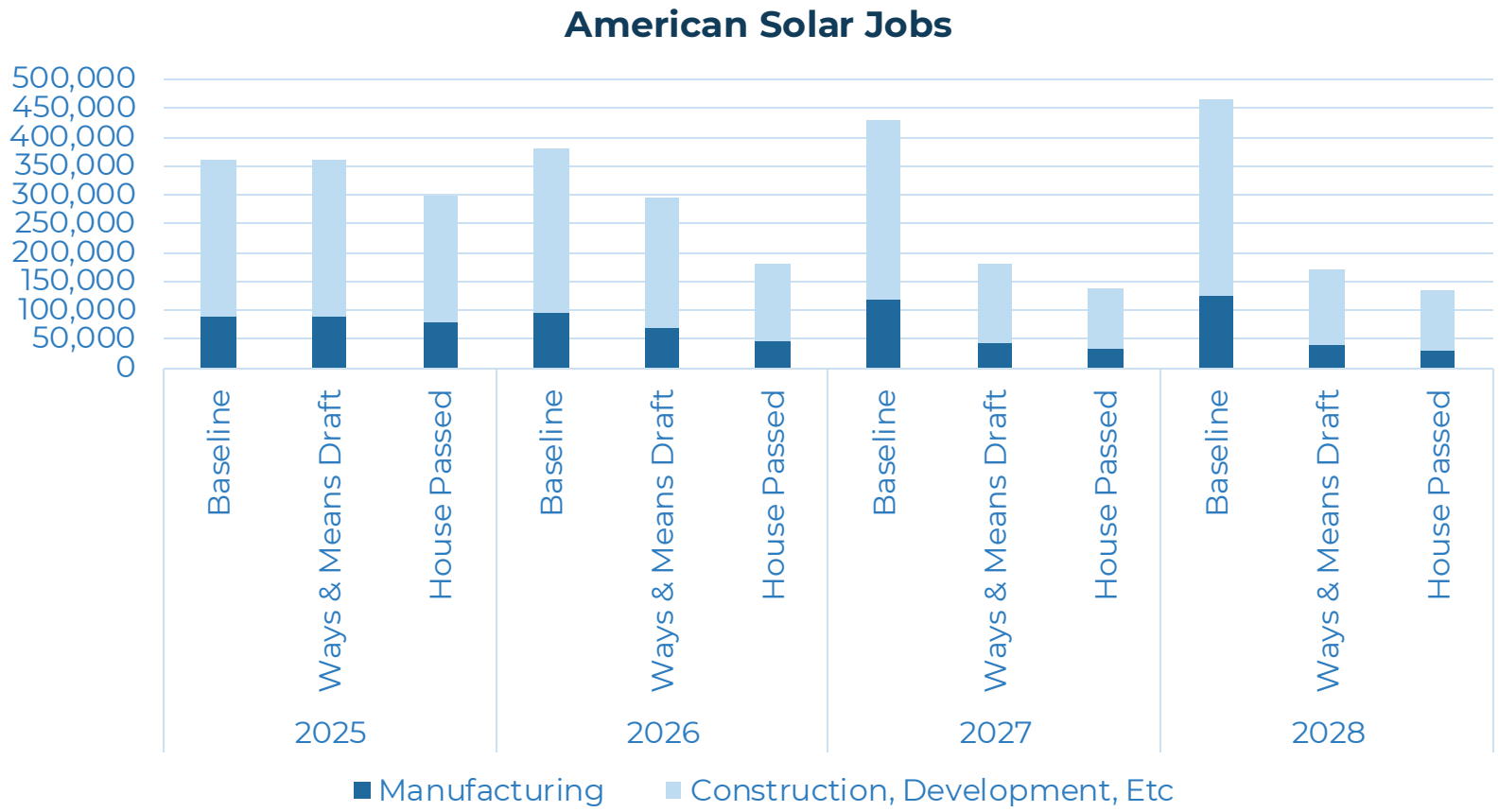
- Cutting and delaying solar and storage will hold back economy.
- Lack of sufficient energy will also hold back investment in energy-intensive industries, like manufacturing and AI.



SEIA Solar Energy Industries Association®

House Bill Could Cost **330,000 Industry Jobs** by 2028

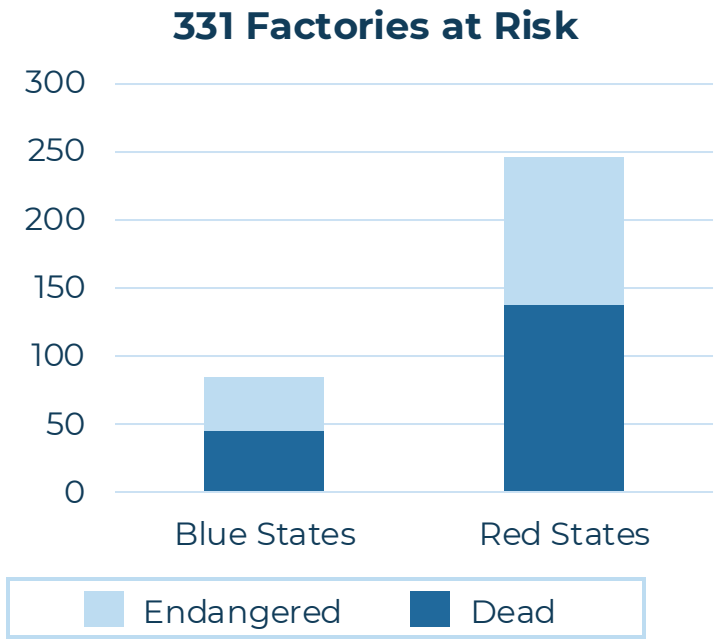
- 94,000 manufacturing jobs at risk compared to baseline in 2028.
- 236,000 construction, development, distribution, O&M, etc. jobs at risk compared to baseline in 2028.
- Provisions targeting residential rooftop solar could cost 62,000 jobs this year and almost 200,000 in 2026.

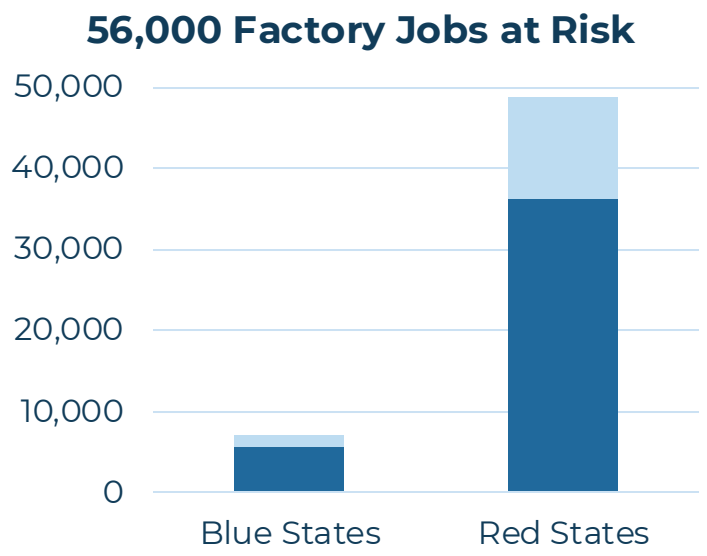


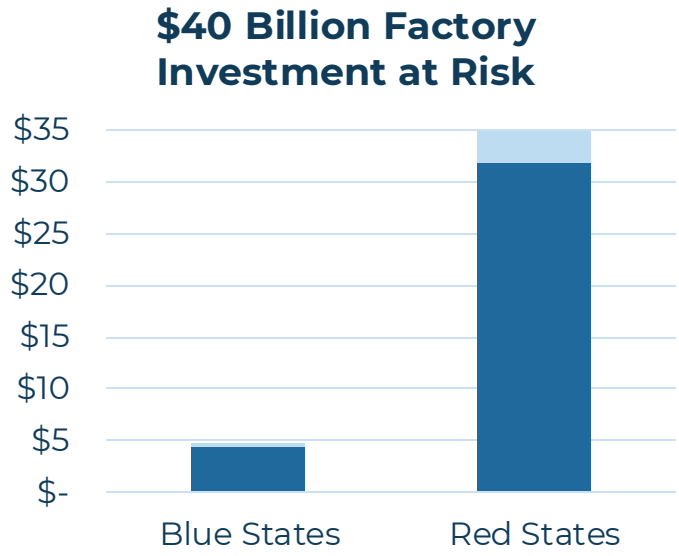
SEIA Solar Energy Industries Association®

331 Factories at Risk, Mostly in Red States

- Factory by factory analysis for factories that are operating, under construction or under development.
- Overall reduced domestic demand puts strains on all factories.
- Restrictions on materials, subcomponent, and component sourcing:
  - Applied to 45X directly threatens many factories.
  - Applied to 48E indirectly threatens even those factories that are not dependent on restricted inputs because customers will not be able to source all necessary project components to enable tax credit financing and documentation risk will be unacceptably high.



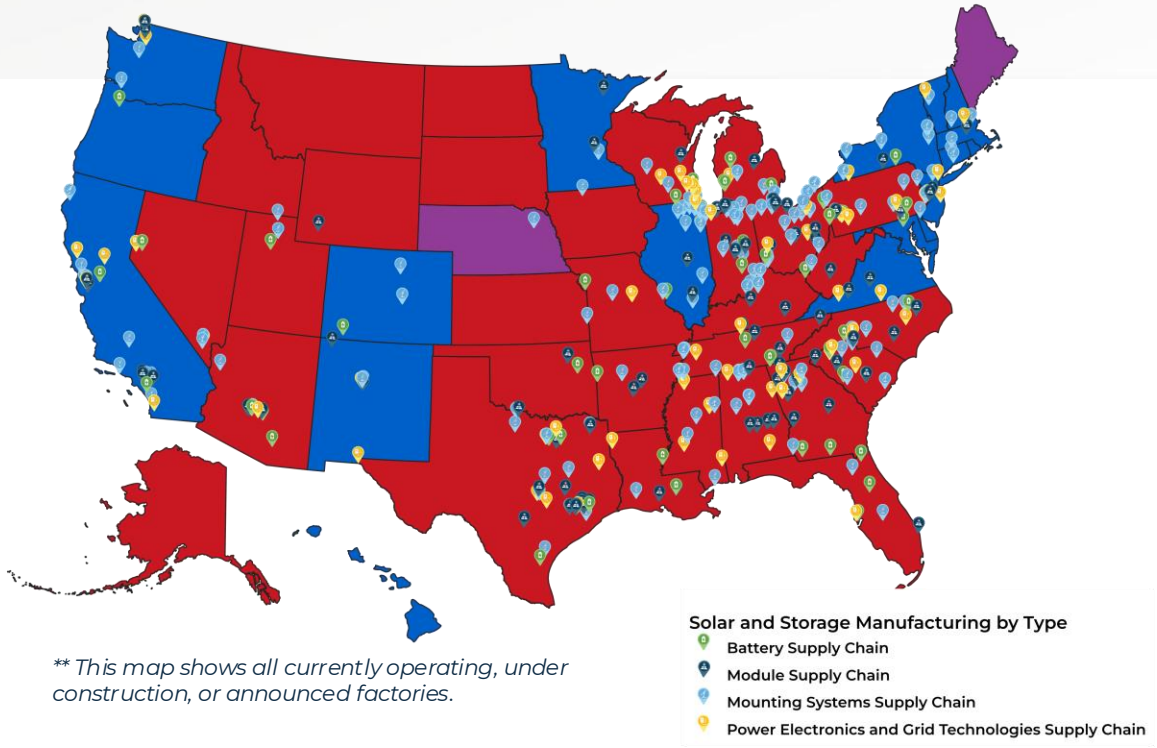




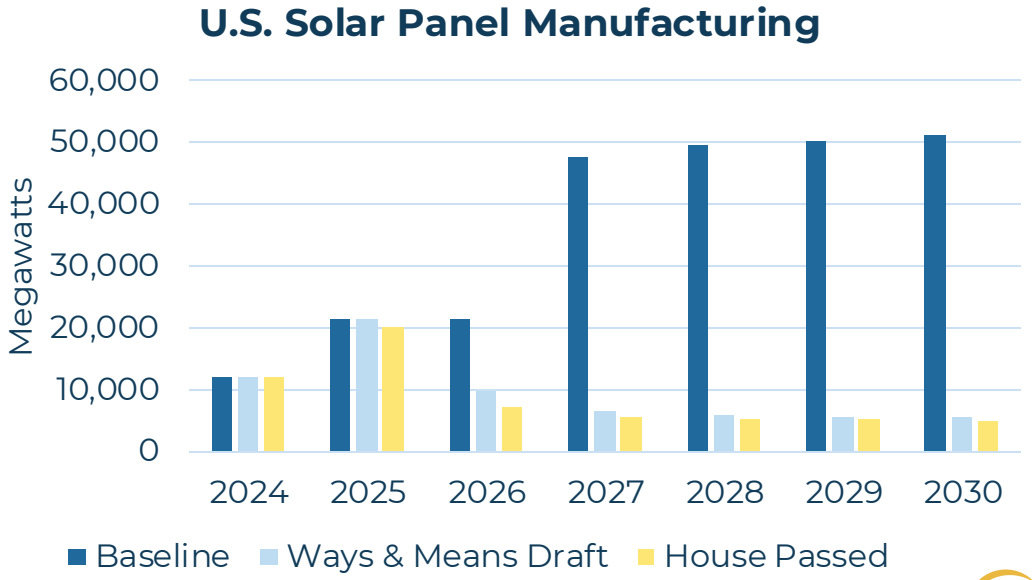
* Doesn't include job losses at factories that serve multiple industries.

New American **Factories at Risk**

- Many new factories were expected to complete construction in 2025 and 2026.
- ITC and 45X restrictions could reduce domestic solar panel production by 51 GWdc in 2030…. 17 large factories worth of output!
  - In reality, many more factories would suffer reduced demand threatening their viability.
- Other factories, upstream and those that make other components also at risk.



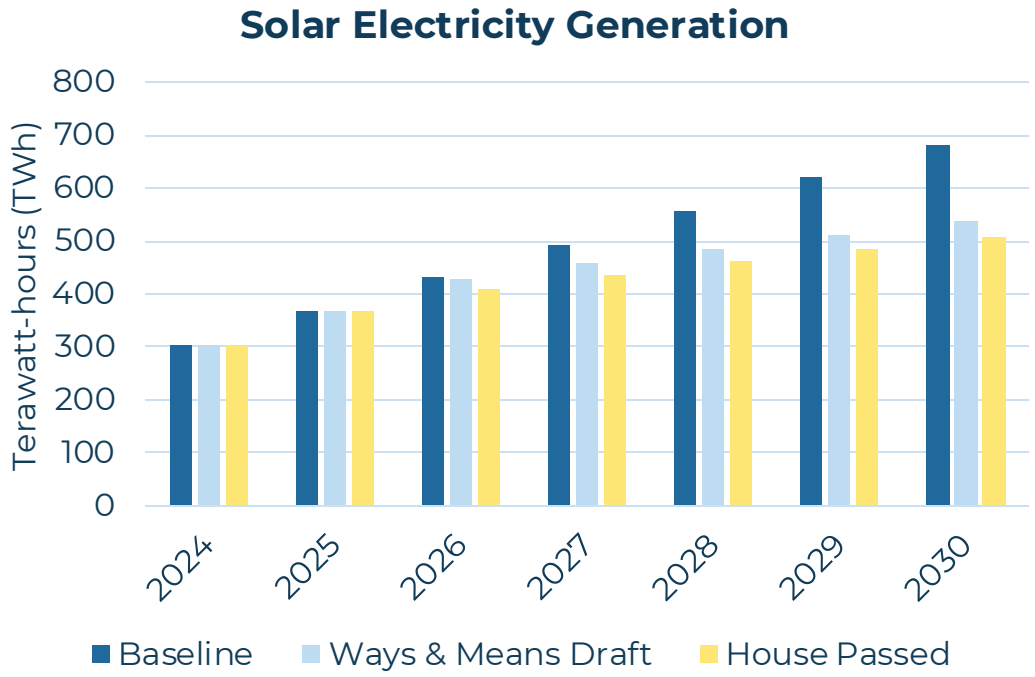
*** This map shows all currently operating, under construction, or announced factories.*

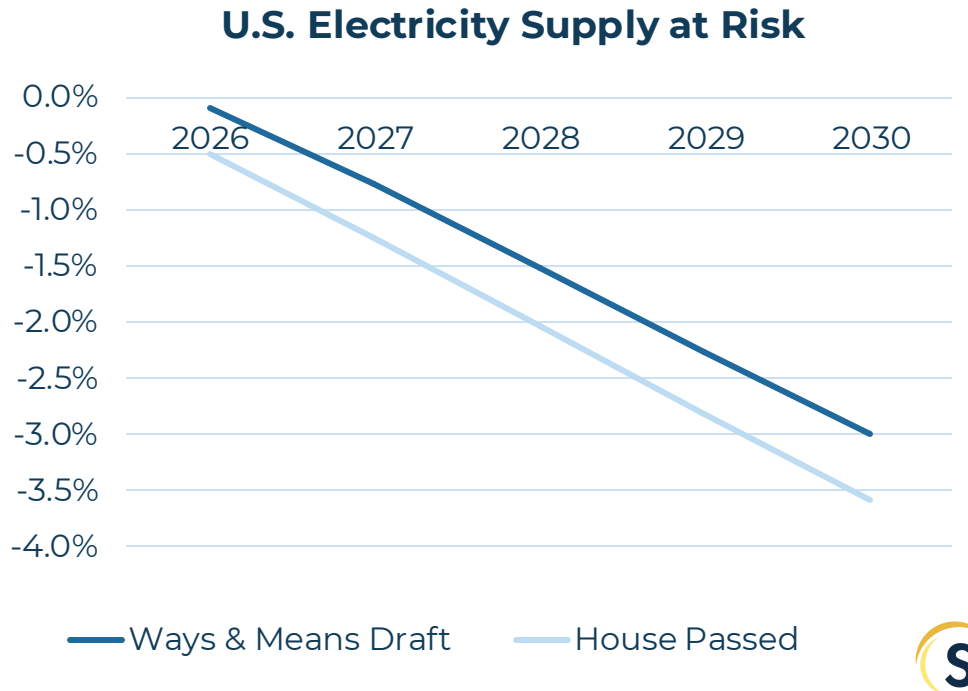


SEIA Solar Energy Industries Association®

Derailing Solar Could **Cost U.S. the AI Race**

- AI datacenters use massive amounts of energy, and no other technology is ready to step in. Solar is the way.
- Repeal could cost 173,000,000 megawatt-hours of generation
  - 3.6% of expected U.S. electricity demand in 2030
  - About as much electricity as Pennsylvania and Nevada (combined) used in 2023





SEIA Solar Energy Industries Association®

Major utilities are consistently listing Solar and Storage as resources needed to **keep the electric grid reliable and resilient** while demand grows

"Growth in DSM and distributed solar sufficiently offsets the increases in summer peak demand associated with economic expansion." – **Dominion Energy: Integrated Resource Plan 2024**

"In order to meet these needs economically, FPL is planning on the following actions during their 10 year reporting period of this document: Install 17,433 MW of cost-effective solar generation – these solar additions will generate reliable energy using no fuel which mitigates the commodity price risk to customers enhances fuel diversity and helps secure Florida's energy independence." – **Florida Power and Light Company: 2025-2034 Ten Year Power Plant Site Plan**

"Producing solar locally, where it is used, reduces congestion on the transmission grid and lowers prices. To better capture this benefit, the 2035 Plan defines local solar as any solar located within Austin Energy's load zone. This helps us prioritize resources that will reduce local reliability risk and load zone price separation."
– **Austin Energy: Resource, Generation and Climate Protection Plan to 2035**

Elimination of Federal Credits would **Raise Electricity Prices** for Households and Businesses, Across the U.S.

- Clean Energy Buyers Association (NERA/CEBA): 48E and 48Y repeal would lead to a national average 7% electricity price increase for households, and a 10% increase for businesses in 2026
  - Outsized price increases in the West and Midwest regions
- Resources for the Future (RFF): Regional electricity price increases reach up to $300-$400/year in the upper Plains states
- Edison Electric Institute (EEI): In Texas, repeal of federal credits and funding would increase average annual household energy costs (electricity and fuel) by over $90/year in 2030, and over $370/year in 2035
- Brattle Group: By 2035, loss of tax credits would result in $51 billion/year of additional customer electricity costs, across all customer classes

SEIA Solar Energy Industries Association®

Methodology

Deployment Scenarios

- SEIA analyzed draft bill language and evaluated year-by-year impacts to each market segment based on timelines in the bill. These drive estimates of deployment, employment, investment, generation, and manufacturing volumes.

Manufacturing/Factory Impacts

- Based on deployment impact and component, subcomponent, and mineral restrictions in the bill, SEIA evaluated prospects for ability to construct a project eligible for tax credits using domestic components. SEIA then evaluated costs for each type of component to determine competitiveness and evaluated factory viability based on overall demand levels resulting from restrictions.

SEIA Solar Energy Industries Association®