

Impact of the Ways and Means Committee Proposal: An Economic and Energy Boom Upended

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## Policies in House Ways and Means Proposal Could Cost **125 GWdc** of Solar Capacity by 2030

- At a time when there are no other viable options to meet growing demand for electricity.
- Eliminating 25D would cost 9.5 GW over 5 years on top of losses from other credit changes.



**Annual Solar Installations** 



#### **Cumulative Solar Generating Fleet in 2030**

## House Ways and Means Proposal Could Reduce Energy Infrastructure Investment by **\$220 Billion by 2030**

• Lack of sufficient energy will also hold back investment in energy-intensive industries, like manufacturing and AI.



### Solar Infrastructure Investment

Baseline Ways & Means Draft



## House Ways and Means Proposal Could Cost **292,000** Industry Jobs by 2028

- 86,000
   manufacturing jobs
   at risk compared to
   baseline in 2028.
- 206,000 construction, development, distribution, O&M, etc. jobs at risk compared to baseline in 2028.
- In 2026, the early termination of Section 25D costs 84,000 jobs.



Ways & Means Impact on American Solar Jobs

Construction, Development, Etc

Manufacturing



## Solar and Battery Manufacturing Renaissance at Risk

- Operating, under construction and announced factories face different levels of risk under Ways & Means draft.
- Systems using 25D typically use domestic panels and inverters.





### **U.S. Solar Panel Manufacturing**

## **287 Factories**, Mostly in Red States, At Risk of Closing or Never Coming Online

- Factory by factory analysis for factories that are operating, under construction or under development.
- 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.



# The U.S. needs 206.5 GW of additional energy capacity by 2030; only with solar and storage can we meet demand

- U.S. energy demand is growing rapidly. Over the next 5 years, U.S will need an additional 206.5 GW of additional capacity
- Solar and storage, with current policy conditions, is already in development and expected to make up 73% of capacity additions between 2025-2030.
- Current solar build out will allow the U.S. to meet and exceed its growing energy demand needs.
- Other forms of energy alone cannot meet U.S. demand. Solar and storage are necessary for the U.S. to prevent a devastating energy shortage and meet the rising energy demands of new homes, new businesses, and new datacenters.

### EIA Annual Energy Outlook 2025, Capacity needed to Meet Electricity Demand Growth





## Derailing Solar Gives China the Edge in Global AI Race

- Al datacenters use massive amounts of energy, and no other technology is ready to step in. Solar is the way.
- The House Ways and Means proposal could cost 145,000,000 megawatt-hours of solar generation
  - 3% of expected U.S. electricity demand in 2030
  - More electricity than Pennsylvania used in 2023





### Eliminating 25D Hurts Homeowners in Red States

- The Section 25D residential ITC helps families take control of their energy bills, gain resilience and independence with solar and batteries.
- This is primarily used by middle-class homeowners who tend to buy domestic.





## Removal of 25D alone will result in a minimum of 75,000 – 85,000 fewer jobs by 2026 and up to 250,000 by 2028

- Hitting the residential solar sector the hardest, removal of
   25D will cause lose of jobs in sales, installation, operations and maintenance, and manufacturing due to decrease in solar installations
- Installations that use 25D tend to buy domestic panels and inverters.







## 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.

