Wood Mackenzie

SEIA Solar Energy Industries Association®

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US Solar Market Insight

Executive summary

2025 Year in review

About the report

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US Solar Market Insight® is a quarterly publication of Wood Mackenzie and the Solar Energy Industries Association (SEIA)®. Each quarter, we collect granular data on the US solar market from nearly 200 utilities, state agencies, installers, and manufacturers. This data provides the backbone of this US Solar Market Insight® report, in which we identify and analyze trends in US solar demand, manufacturing and pricing by state and market segment over the next five to 10 years. All forecasts are from Wood Mackenzie, Limited; SEIA does not predict future pricing, bid terms, costs, deployment, or supply. The report includes all 50 states, Washington, DC, and Puerto Rico. Detailed data and forecasts are contained within the full version of the report.

References and Contact

- **References, data, charts, and analysis from this executive summary should be attributed to "SEIA/ Wood Mackenzie US Solar Market Insight®."**
- **Media inquiries should be directed to Wood Mackenzie's PR team (WoodmacPR@woodmac.com) and Rachel Skaar (rskaar@seia.org) at SEIA.**
- **All figures are sourced from Wood Mackenzie. For more detail on methodology and sources, access the full report at www.woodmac.com/research/products/power-and-renewables/us-solar-market-insight/.**

Note on US Solar Market Insight report title: The report title is based on the quarter in which the report is released, not the most recent quarter of installation figures.

Contents

1. Key figures

- The US solar industry installed 43.2 gigawatts direct current (GW_{dc}) of capacity in 2025, a 14% decrease from 2024. The utility-scale sector shrank nearly 40% quarter-over-quarter in the fourth quarter. Revised tax credit timelines and safe harbor dynamics reduced the imperative to interconnect by year-end. They also increased the urgency to begin construction on new projects.
- Solar accounted for 54% of all new electricity-generating capacity added to the US grid in 2025. Combined, solar and storage made up 79% of new capacity in this timeframe. Throughout all of Wood Mackenzie's US power sector outlooks, solar capacity constitutes roughly half of new capacity added each year through 2060.
- 2025 was a monumental year for the US solar manufacturing industry. New cell capacity continued to expand, and wafer capacity came online for the first time since 2016. Module manufacturing grew more than 50% in 2025, with 65.5 GW of capacity online, up from 42.5 GW at the end of 2024. However, the actual production of these facilities remains considerably below domestic demand.
- In 2025, the residential segment installed 4,647 MW_{dc} of solar capacity, declining 2% compared to 2024. Although module shortages and delivery delays were a concern in the fourth quarter, many installers ultimately received the equipment they needed. However, 2025 volumes weren't higher leading up to the Section 25D expiration because there simply wasn't enough time to meaningfully ramp up sales and installations after the passage of the OBBBA.
- The commercial solar segment grew 6% in 2025, adding 2,345 MW_{dc} of new capacity. The pipeline of NEM 2.0 installations in California continued to come online. We expect it to decrease in 2026, but even in the fourth quarter, more than 70% of installations were still NEM 2.0 projects rather than NBT (net billing tariff) projects.
- The community solar segment installed 1,435 MW_{dc} in 2025, down 25% from 2024. Maine and New York saw slowdowns, and no new community solar programs generated growth.
- The utility-scale segment installed 34.7 GW_{dc} in 2025, a 16% decline compared to 2024. Nearly the same amount of capacity came online through the first three quarters of the year as did in 2024. But substantially fewer projects that were originally slated to come online in Q4 were energized. Due to the changes in tax credit deadlines, developers delayed commercial operation dates and focused on safe harboring their pipeline
- Our annual Year in Review report includes a 10-year outlook for every segment. We expect cumulative US solar capacity to nearly triple from 279 GW_{dc} installed at year-end 2025 to 769 GW_{dc} installed by 2036, with average annual capacity additions of more than 44 GW_{dc}. This represents an increase to our outlook since last quarter, as the near-term utility-scale project pipeline strengthened and energy demand expectations continued to rise.
- In the Year in review report, we also include our alternative scenarios (a high and low case). This year, these scenarios consider different estimates of safe harbor capacity, the outcomes of various tariff investigations, permitting actions for projects on public and private land, and different power demand trajectories, among other factors. While the US Treasury released interim guidance on the foreign entities of concern (FEOC) provisions enacted in the One Big Beautiful Bill Act (OBBBA), there are still several areas of uncertainty our forecast scenarios consider.

2. Introduction

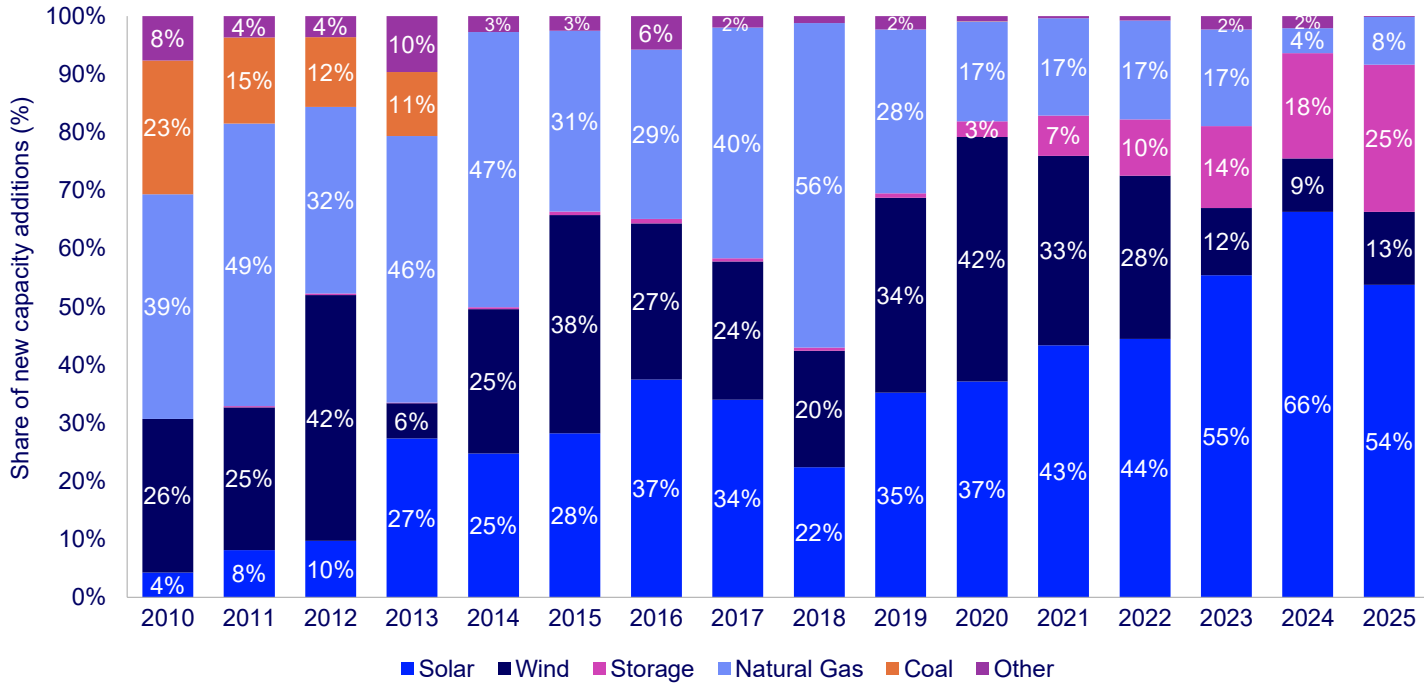
The US solar industry installed 43.2 gigawatts-direct current (GW_{dc}) of capacity in 2025, marking a 14% decline from 2024. Throughout 2025, the industry navigated unprecedented change, ranging from numerous trade actions to the reversal of renewable energy tax credit policy. Many projects stayed on track, but the market and policy uncertainty took a toll, leading to project delays and cancellations across all segments.

The residential sector ended 2025 virtually flat compared to 2024. Installers rushed to complete projects before the Section 25D tax credit expired, but limited timing to complete sales and install projects, as well as some equipment shortages, limited the size of the surge. In contrast, commercial solar grew 6% year-over-year as California's pipeline of legacy net metering projects (NEM 2.0) continued to come online in 2025. Meanwhile, community solar declined by 25% compared to 2024. This decline was anticipated even before the major tax credit changes in OBBBA were passed – volumes in Maine and New York have declined as pipelines in these markets are built out with little to no planned new development.

Utility-scale solar installations declined by 16% in 2025. In the second half of the year, developers focused on safe harboring as much of their pipelines as possible. Uncertainties related to permitting and tax credit qualification caused delays for many projects.

Photovoltaic (PV) solar accounted for 54% of all new electricity-generating capacity additions in 2025. Despite a turbulent 2025, solar remains the dominant form of new electricity-generating capacity in the US.

New US electricity-generating capacity additions, 2010 – 2025



Source: Wood Mackenzie, capacity additions for the solar, wind, and storage technologies are sourced from Wood Mackenzie data while all other technologies are sourced from the US Energy Information Administration.

Like the Inflation Reduction Act in 2022, the One Big Beautiful Bill Act (OBBBA) altered the trajectory of the US solar industry in 2025

When President Trump signed the OBBBA into law on July 4, 2025, the solar industry experienced another significant policy shift, akin to that of the Inflation Reduction Act in 2022. The legislation accelerated the phaseout of multiple tax credits for solar projects. It also sets new deadlines: projects must either begin construction before July 4, 2026, or be placed into service by December 31, 2027, to qualify for full tax credits. Projects that meet the construction-start deadline have a four-

year safe harbor window. But for those starting after that date, the compressed timeline to 2027 has fundamentally changed project economics and development schedules across all sectors.

For the residential segment, the year-end expiration of the Section 25D tax credit for customer-owned solar caused a surge in sales and permitting activity. However, by mid-year, it was clear that solar equipment shortages and delivery delays would hamper this surge. We accurately predicted that annual installations would be roughly in line with 2024. Final capacity was 4,647 MW_{dc}, a 2% decline from the previous year.

For the commercial, community, and utility-scale sectors, passage of the OBBBA prompted developers to reexamine their pipelines. Developers with projects already positioned to meet construction-start requirements by the deadlines accelerated their timelines. (These deadlines were year-end 2025, before foreign entity of concern [FEOC] requirements, or July 2026 with FEOC requirements). This drove a surge in equipment procurement in the second half of 2025. Projects in earlier development stages faced difficult choices. Developers had to decide whether to push forward under tighter timelines or risk losing tax credit eligibility entirely.

In the utility-scale sector, these policy dynamics delayed several gigawatts of projects originally slated to come online in 2025. In the first three quarters of 2025, about the same amount of capacity came online as it did in the same time period the year before (roughly 25 GW). But in the fourth quarter, volumes fell by nearly 40% year-over-year. By the end of 2025, installations totaled just under 35 GW as many utility-scale projects were delayed into 2026 and 2027. The numerous policy shifts over the past year caused considerable uncertainty for the utility-scale segment. As developers shifted their focus towards safe harbor strategies, there was less urgency to bring late-stage projects online by year end. This weakened fourth quarter deployment but created a more robust near-term pipeline for 2026 and 2027.

Treasury guidance on FEOC requirements provides essential, but not full, clarity

The solar industry is still navigating change in the wake of the OBBBA. The new FEOC requirements for projects that meet construction-start requirements from January 1st through July 4th, 2026, have yet to be fully clarified.

On February 12, 2026, the Treasury Department and IRS released Notice 2026-15. It provided the first substantive guidance on the Prohibited Foreign Entity (PFE) provisions enacted under the OBBBA. These rules restrict supply chain sourcing and ownership for projects seeking clean electricity tax credits under Sections 45Y and 48E. They also affect the Section 45X advanced manufacturing production credit. Since the OBBBA passed, the lack of implementing guidance has been one of the largest sources of uncertainty in the market, constraining capital deployment and complicating project finance negotiations.

The new guidance provides meaningful clarity in several key areas. Most importantly, developers and manufacturers can satisfy supply chain tracing requirements if the components are listed in the existing domestic content safe harbor tables. They don't have to trace every subcomponent and raw material. This practical approach significantly reduces compliance challenges.

Manufacturers attempting to claim 45X tax credits for polysilicon, wafer, and cell production cannot use the domestic content safe harbor tables to calculate the eligible component Material Assistance Cost Ratio (MACR). However, they can use other methods to determine direct costs, including the certification safe harbor. The guidance also sets out three alternative supplier certification frameworks that are workable and can be provided directly by suppliers.

However, critical uncertainties remain. There is little in the guidance to clarify the more precise definitions of PFE involvement that would disqualify a project or manufactured product from receiving the tax credits. These are some of the most pressing items for the solar industry and Treasury has deferred them to future rulemaking. No timelines have been given, and since the construction-start deadline is July 2026, future guidance may come out too late for the industry to act upon it. We explicitly assume this outcome in our low case scenario.

Our high and low cases explore outcomes for further FEOC clarity, safe harboring, tariffs, permitting, and more

In this year's alternative scenarios for the US solar industry, we address the most pertinent policy and market uncertainties facing the industry. They include, but are not limited to:

- **FEOC Treasury guidance:** Our scenarios range from restrictive or late guidance that constrains domestic

manufacturing and supply chains (low case), to more immediate, favorable rules that minimize industry disruption (high case).

- **Safe harbor capacity:** There are numerous estimates in the industry of how much total capacity has been safe harbored to date. Our scenarios explore different outcomes of how effective developers have been at safe harboring projects in their pipeline. Developer success in safe-harboring pipelines ranges. Some have partial achievement, with economic pressure delaying some projects (low case). Other developers, beyond just Tier 1 players, are safe harboring more than 90% of their pipelines (high case).

- **Tariffs:** Our scenarios consider a range of outcomes for numerous pending trade actions. We considered different results for the Section 232 tariffs on polysilicon and its derivatives, as well as anticipated tariff rate quota (TRQ) levels. We also considered the Supreme Court's decision on IEEPA tariffs and the Solar 4 antidumping and countervailing duties (AD/CVD) case, which involves solar cells and modules from India, Indonesia, and Laos. Our base case forecast reflects the Supreme Court's February 20th decision on the IEEPA tariffs.

- **Federal permitting:** Federal permitting actions have greatly impacted utility-scale solar projects this year. As in past editions of this report, we assume varying levels of solar projects across federal and private lands get their permits processed and approved. We utilize our project-level solar pipeline data and overlay it with GIS mapping data. This gives us granular views of how various permitting assumptions influence growth in capacity.

- **Power demand growth:** We've incorporated assumptions around power demand growth from Wood Mackenzie's North America Power research. Given the intensity of upcoming power demand needs from data centers and other large loads, this is an increasingly important factor to consider for future solar buildout. In the high case, power demand has a compound annual growth rate of 3.2% from 2026 to 2040, compared to only 2.1% in the low case.

For this year's scenarios, we assumed that renewable energy tax credits and the associated qualification timelines remain unchanged from the OBBBA. We also assumed that tax equity availability to monetize those tax credits was sufficient across our three scenarios. This year, other market and policy factors, particularly the ones listed above, are more top of mind for the industry. There are more details on our assumptions with segment-level detail in the full report.

Overall, our high case results in 56 GW_{dc} of solar installations (or 11%) above our base case between 2026 and 2036. And our low case results in 55 GW_{dc} of solar installations (also 11%) below our base case between 2026 and 2036.

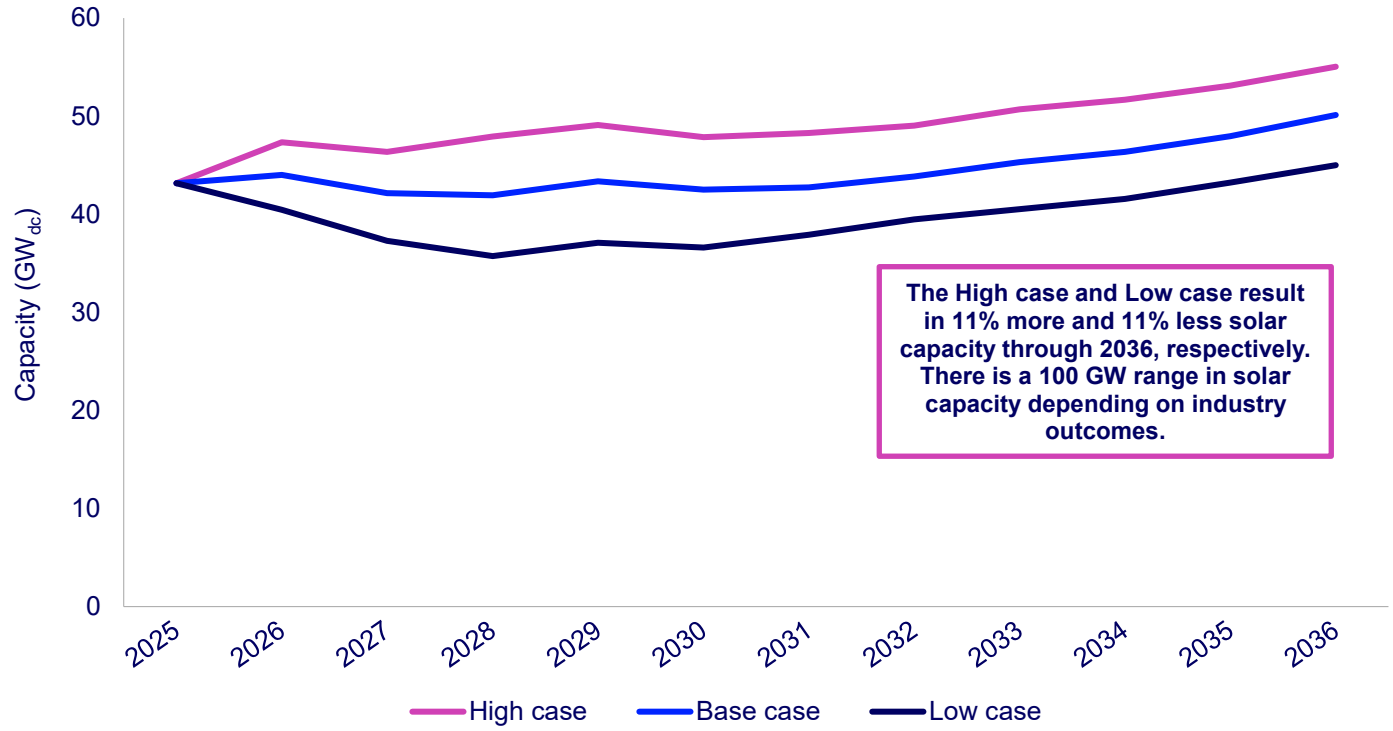
There is a larger swing in the distributed solar segments between our scenarios (23-28%) than in utility-scale solar (6-7%) across the decade. Distributed solar installation volumes are sensitive to changes in retail rates and policies that impact cost (tariffs and FEOC guidance). Utility-scale solar installations respond to the market factors above, but there is more inertia in utility-scale solar pipelines and critical market factors that manifest over the course of years (interconnection bottlenecks, electrical equipment supply chain constraints, etc.). The latter half of our utility-scale outlook is heavily impacted by differences in our power demand growth assumptions. In both the high and low cases, deployment volumes are influenced by regional-level reserve margins, dictated by our forecasts of data center buildout.

US solar fleet will nearly triple over the next decade

In our base case outlook, the US will install 490 GW_{dc} of capacity over the next 10 years to reach a total of 769 GW_{dc}. This is similar to our past outlooks, in which solar capacity nearly triples over the decade. It's clear that solar will continue to be the dominant source of new power capacity in the United States, even as gas generation (from both new and existing sources) continues to grow. Strong demand growth, combined with escalating costs of new gas plants, will allow solar to remain competitive, even without tax credits.

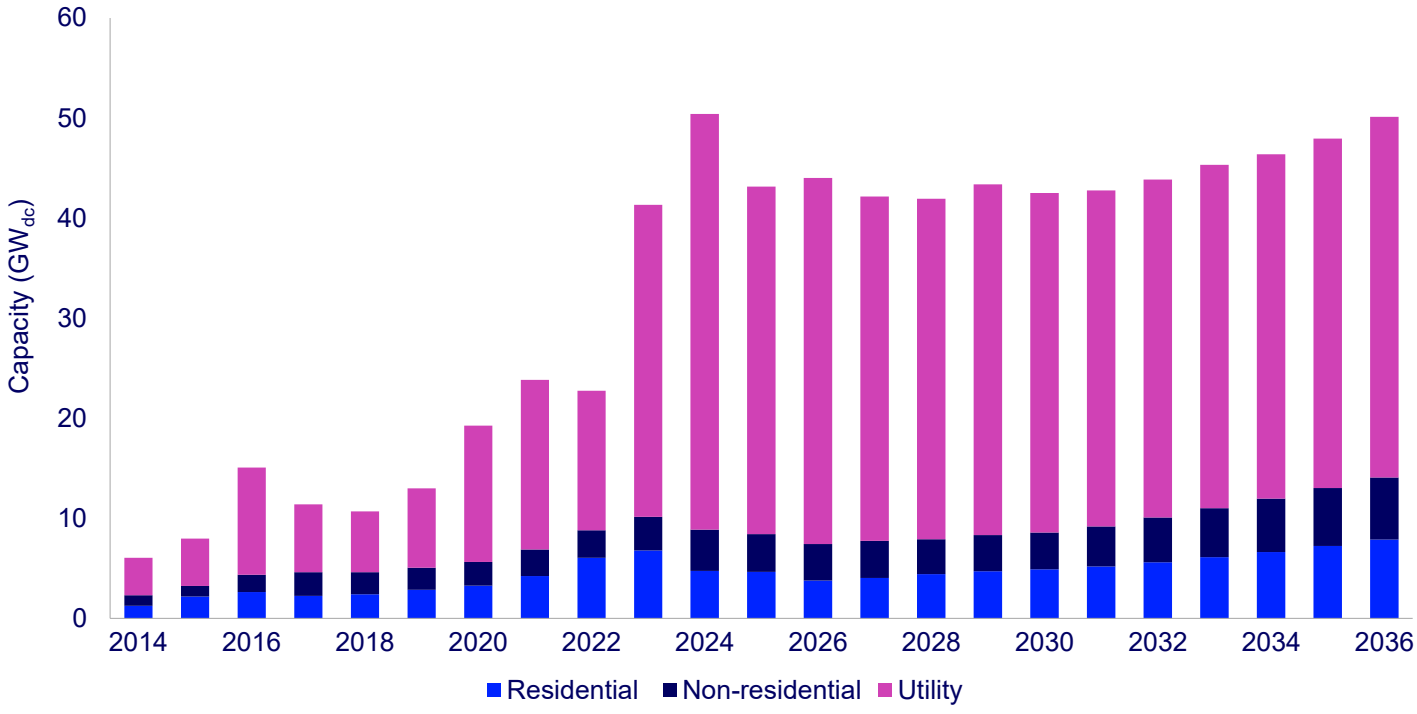
At the same time, policy and market bottlenecks are holding back solar growth in the US. Our base case represents an average annual growth rate of 1%. Wood Mackenzie's tracking of data centers and large loads that are either under construction or already committed to by utilities continues to expand (it is now upwards of 200 GW). If more of the outcomes described in this report's high case materialize, solar's importance in meeting new load growth could increase significantly, relieving supply constraints and stimulating further economic growth.

US solar PV installations by forecast scenario, 2025 - 2036



Source: Wood Mackenzie

US PV installation historical data and base case forecast, 2014-2036



Source: Wood Mackenzie

State solar PV installation rankings, 2025

	Rank			Installations (MW_{dc})		
State	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**
Texas	1	1	1	11,993	10,842	11,043
California	2	2	2	6,573	4,869	4,665
Indiana	15	10	3	679	1,632	2,996
Florida	3	3	4			
Arizona	5	6	5			
Illinois	13	4	6			
Ohio	7	5	7			
Utah	36	17	8			
Arkansas	17	9	9			
New York	8	7	10			
Kentucky	40	24	11			
Colorado	4	25	12			
Michigan	16	23	13			
Missouri	38	19	14			
New Mexico	23	11	15			
Virginia	6	13	16			
Maryland	33	29	17			
Pennsylvania	12	20	18			
Wisconsin	10	16	19			
Oklahoma	44	30	20			
Minnesota	29	22	21			
North Carolina	11	31	22			
Mississippi	27	14	23			
Louisiana	26	15	24			
South Carolina	32	39	25			
Connecticut	35	33	26			
Nevada	9	8	27			

Source: Wood Mackenzie

State solar PV installation rankings, 2025

	Rank			Installations (MW_{dc})		
State	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**
Puerto Rico	18	27	28			
New Jersey	19	28	29			
Tennessee	34	50	30			
Massachusetts	21	26	31			
Kansas	46	47	32			
Idaho	28	36	33			
Hawaii	25	32	34			
Georgia	14	12	35			
Maine	20	18	36			
Oregon	22	41	37			
Alabama	30	43	38			
Rhode Island	24	40	39			
Washington	41	35	40			
Iowa	43	21	41			
New Hampshire	42	42	42			
Washington DC	45	44	43			
Delaware	47	46	44			
Montana	31	45	45			
West Virginia	50	38	46			
Vermont	48	49	47			
Nebraska	37	48	48			
Wyoming	51	34	49			
Alaska	49	51	50			
South Dakota	39	37	51			
North Dakota	52	52	52			

Underlying data available in the full report

Source: Wood Mackenzie

3. Market segment outlooks

3.1. Residential PV

- **4,647 MW_{dc} installed in 2025, 1,301 MW_{dc} installed in Q4 2025**
- **Down 2% from 2024**

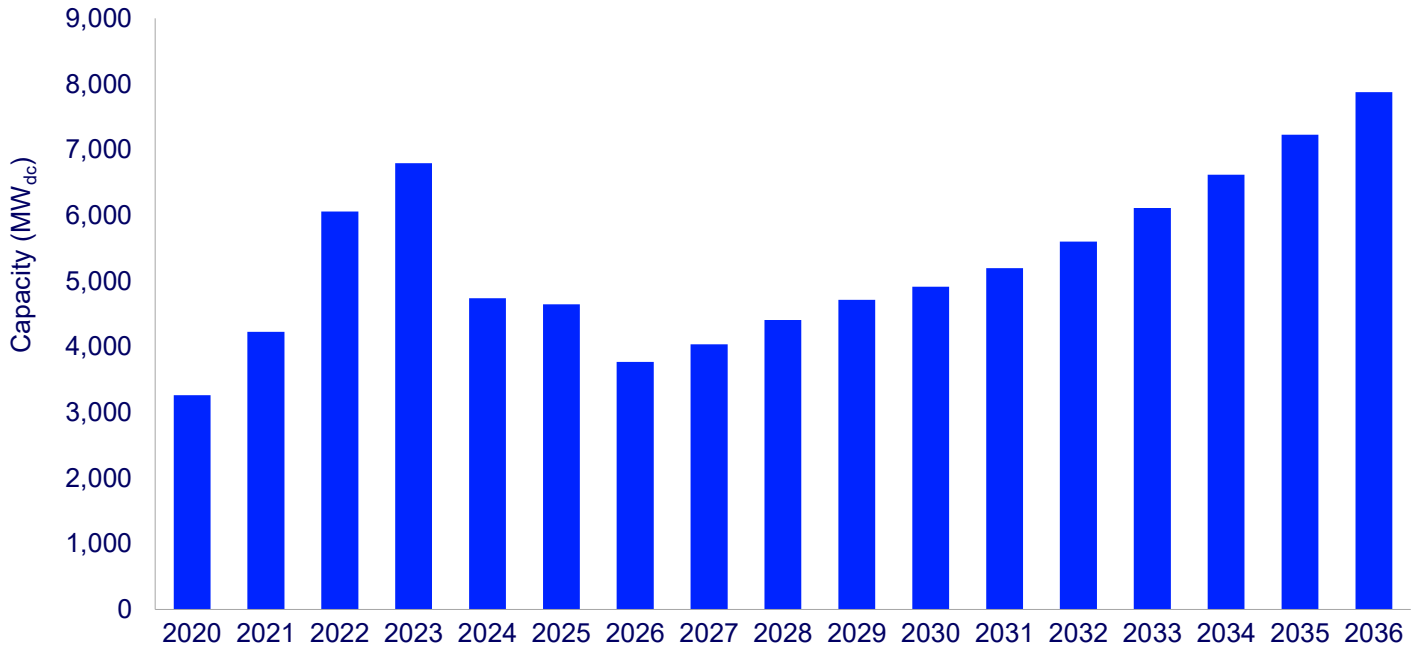
The Section 25D ITC deadline drove a residential solar installation rush, but annual capacity still fell 2%

The residential solar market in 2025 had two distinct periods. The first half saw economic and tax credit uncertainty, tariff concerns, and several major financier bankruptcies, resulting in some of the lowest quarterly installation volumes in years. After the passage of the OBBBA confirmed the elimination of the Section 25D customer-ownership investment tax credit (ITC), installers prioritized selling as many cash and loan-financed projects as possible. This push drove higher installation volumes in the second half of 2025, making Q4 the market's strongest quarter since 2023. However, the Section 25D year-end installation deadline limited this surge, and many installers could not complete installations for all interested customers.

Ultimately, total installed capacity for 2025 reached 4,647 MW_{dc}, a 2% decrease from 2024. While installations in the second half of 2025 grew 5% year-over-year, the weak first half was difficult to overcome. California, Puerto Rico, and Florida led the residential solar installed capacity rankings in 2025. While California and Florida both experienced year-over-year declines in capacity, Puerto Rico posted a record year by more than 25%.

We have slightly downgraded our five-year residential solar base case outlook compared to last quarter. Based on installer and financier expectations, as well as updated permitting and pipeline data, we now anticipate a steeper market contraction of 19% in 2026 following the Section 25D expiration. Continued third-party ownership (TPO) project eligibility for the ITC and bonus adders will help cushion the decline and support recovery beginning in 2027. Safe harboring activity at the end of 2025 and before July 2026 will support TPO ITC qualification through mid-2030. Longer term, retail rate inflation, falling equipment costs, grid resiliency concerns, and expanding grid services opportunities will continue to drive residential solar market adoption even without tax credits. In our base case forecast, the segment will add more than 60 GW_{dc} between 2026 and 2036.

Residential solar installations and base case forecast, 2020-2036



Source: Wood Mackenzie

3.2. Commercial PV

- **2,345 MW_{dc} installed in 2025, 619 MW_{dc} installed in Q4 2025**
- **Up 6% from 2024**

Note on market segmentation: Commercial solar encompasses distributed solar projects with commercial, industrial, agricultural, school, government, or nonprofit offtakers, including remotely net-metered projects. This excludes community solar (covered in the following section).

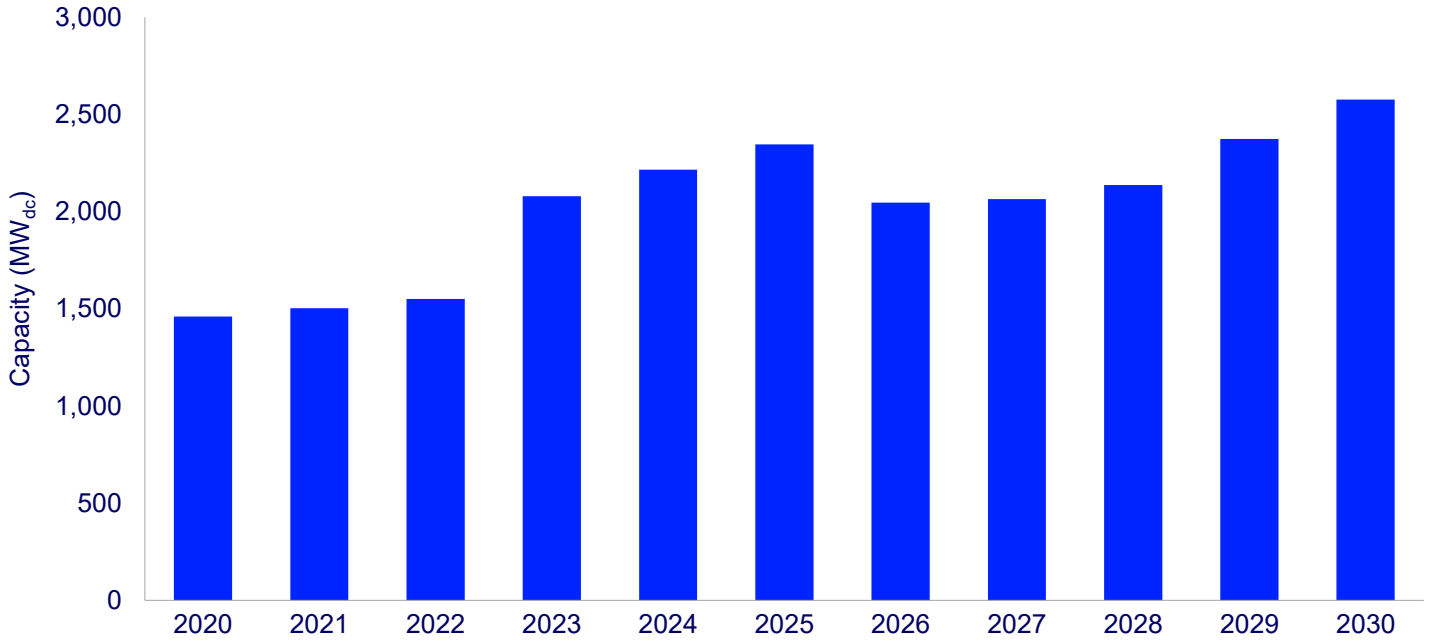
2025 is another record year for commercial solar, marking the peak of California's NEM 2.0 installations

Commercial solar saw another record year in 2025, adding 2.3 GW_{dc} of new capacity—up 6% from 2024. California continued to dominate the market, accounting for 39% of national installations and posting 28% year-over-year growth. Interest from corporate buyers and real estate investors further supported nationwide expansion. At the same time, developers remained focused on established state markets and on strengthening client relationships, as interconnection delays continued to complicate project delivery.

The commercial segment grew 11% quarter-over-quarter in Q4 2025, driven largely by a wave of NEM 2.0 projects coming online in California. The state contributed 195 MW_{dc} of new capacity that quarter, representing 31% of total U.S. commercial solar installations. For all of 2025, most commercial capacity came from California, Illinois, and New York, with states such as Massachusetts, Pennsylvania, and Texas also posting strong installation volumes. This growth was supported by robust state incentives and cost savings, enabled by attractive project economics.

We expect a 13% contraction in 2026 as developers complete the buildout of remaining NEM 2.0 projects in California and shift to smaller projects under the Net Billing Tariff (NBT). Because many developers safe-harbored equipment ahead of the FEOC deadline and have until mid-2030 to complete those projects, growth between 2026 and 2027 is expected to remain modest—around 1%. Over the long term, we expect growth to resume at a steady but slower pace, driven by projects with safe-harbored equipment coming online and rising retail rates that continue to support the economics of commercial solar. Our 2028–2030 forecast assumes that projects in mature markets will be financially viable even without ITC incentives. Overall, we forecast average annual growth of around 2% over the next five years.

Commercial solar installations and base case forecast, 2020-2030



Source: Wood Mackenzie

3.3. Community solar PV

- **1,435 MW_{dc} installed in 2025, 546 MW_{dc} installed in Q4 2025**
- **Down 25% from 2024**

Note on market segmentation: Community solar projects are part of formal programs where multiple residential and non-residential customers can subscribe to the power produced by a local solar project and receive credits on their utility bills.

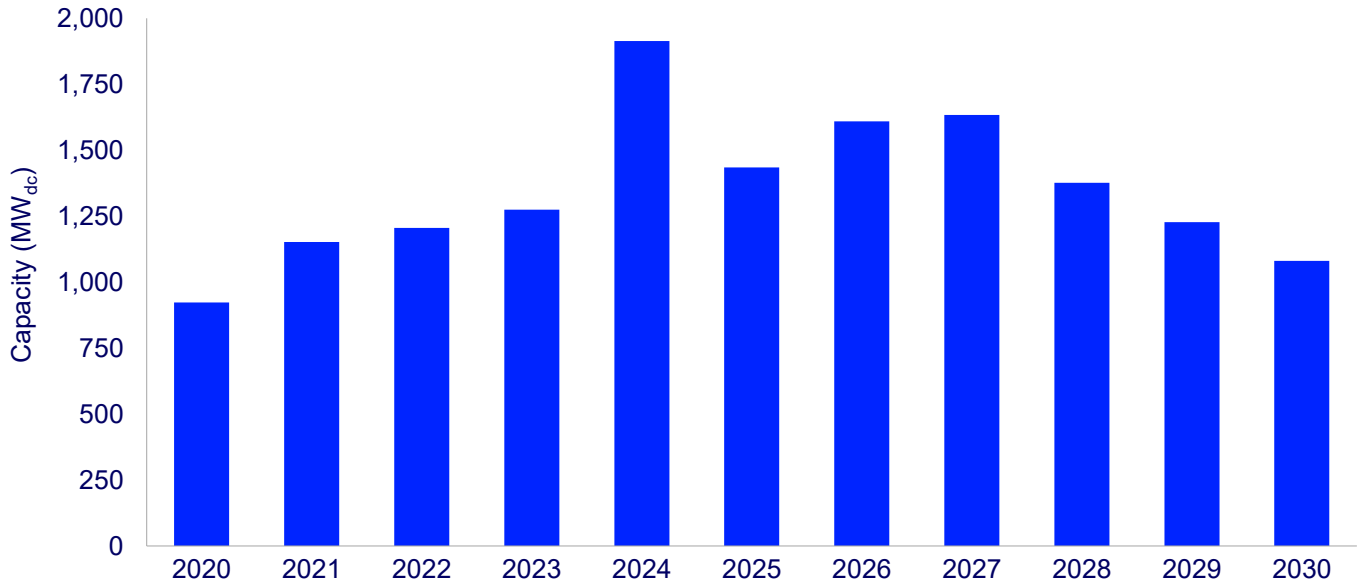
The community solar segment officially breaks 10 GW_{dc}, with 1.4 GW_{dc} installed in 2025

Community solar installations reached 1,435 MW_{dc} in 2025, a 25% decrease from the record levels of 2024. Most growth came from New York and Illinois, which added 624 MW_{dc} and 349 MW_{dc} of new capacity, respectively, representing 68% of national volumes. New York remained the leading market in 2025, despite a 20% year-over-year decline. Slowing growth in New York, and a staggering 87% contraction in Maine, drove the national decline. Cumulative community solar installations now total 10.1 GW_{dc}, surpassing the 10 GW_{dc} milestone in Q4 2025.

Beyond New York and Illinois, other state markets continued to build momentum last year. Installations in New Jersey under the Community Solar Energy Program (CSEP) increased 31% year-over-year, totaling 46 MW_{dc}. In Maryland, annual installations set a new record, totaling 76 MW_{dc}, a 13% increase year-over-year. We expect national installed capacity to increase 12% in 2026 compared to 2025, driven by steady growth in the top markets outside New York as well as the continued build-out of pipeline capacity in emerging markets, including New Mexico, Virginia, and Delaware.

Overall, we expect the national community solar market to contract by an average of 5% annually through 2030. Top community solar developers worked to safe harbor equipment before the December 31, 2025 deadline to secure the ITC before needing to comply with complex FEOC requirements. These projects may come online until the end of 2029, supporting near-term growth. The current development pipeline remains strong, estimated at over 9 GW_{dc}. However, new project origination opportunities continue to decline, and growth prospects for community solar beyond the ITC's expiration remain uncertain. Our five-year outlook includes only state markets with active, legislation-enabled programs, allowing for potential upside to our forecast if new legislation passes this year. Cumulative capacity is on track to break 15 GW_{dc} by 2029.

Community solar installations and base case forecast, 2020-2030



Source: Wood Mackenzie

3.4. Utility PV

- **34.7 GW_{dc} installed in 2025, 9.9 GW_{dc} installed in Q4 2025**
- **Down 16% from 2024**

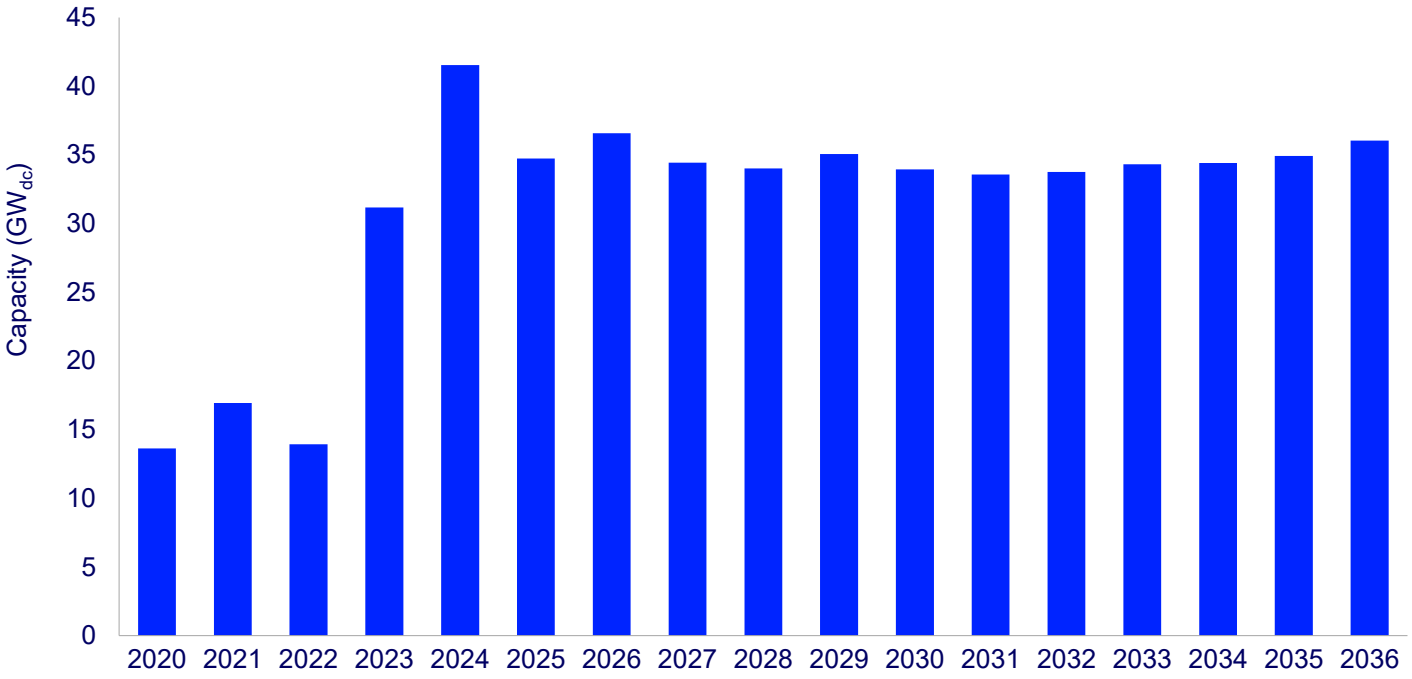
2025 installations declined by 16% but contracting activity remained stable

The utility-scale solar market installed 34.7 GW_{dc} in Q4 2025, a 16% year-over-year decline, despite steady momentum earlier in the year. Installations through the first three quarters tracked 2024 levels at roughly 25 GW_{dc}. The slowdown was concentrated entirely in Q4, which fell 40% year-over-year. This late-year decline likely reflects timing and execution dynamics, not a deterioration in demand. Policy uncertainty following the passage of OBBBA, combined with renewed tariff concerns, contributed to delayed construction decisions rather than project cancellations. Strong post-IRA installation activity in 2023 and 2024, followed by the passage of OBBBA, led to a natural slowdown in 2025 as developers reevaluated their pipeline and many pushed online dates into the 2026–2028 window. Installation volume declines were concentrated in large markets such as Florida, Nevada, New Mexico, and Ohio, further amplifying the national slowdown.

However, forward-looking indicators point to an underlying resilience. Although Q4 contracted volumes declined 11% year-over-year, full-year volumes were down just 1% compared to 2024, signaling stable buyer demand. Transaction volumes for projects reaching financial closing increased 26% year-over-year, and solar projects securing signed interconnection agreements also rose by 16% relative to 2024, demonstrating continued pipeline maturation and improved grid progress. Because both financial closings and executed interconnection agreements are leading indicators of construction activity, their growth positions the market for stronger delivery in 2026 and beyond.

Stronger forward-looking signals and longer construction timelines for projects slated for 2025 have increased our confidence in the near-term trajectory. Our five-year utility-scale outlook has increased by 11%, reflecting improved visibility into delayed online dates across the project pipeline and incorporation of safe-harbored capacity that has shifted into the 2026-2029 window. The updated outlook has an average annual build of around 35 GW_{dc} through 2030. We also increased our post-2030 forecast by 5% to account for additional data center demand-driven growth. Over the full 10-year outlook, we expect the utility-scale solar segment to install 381 GW_{dc} of new capacity.

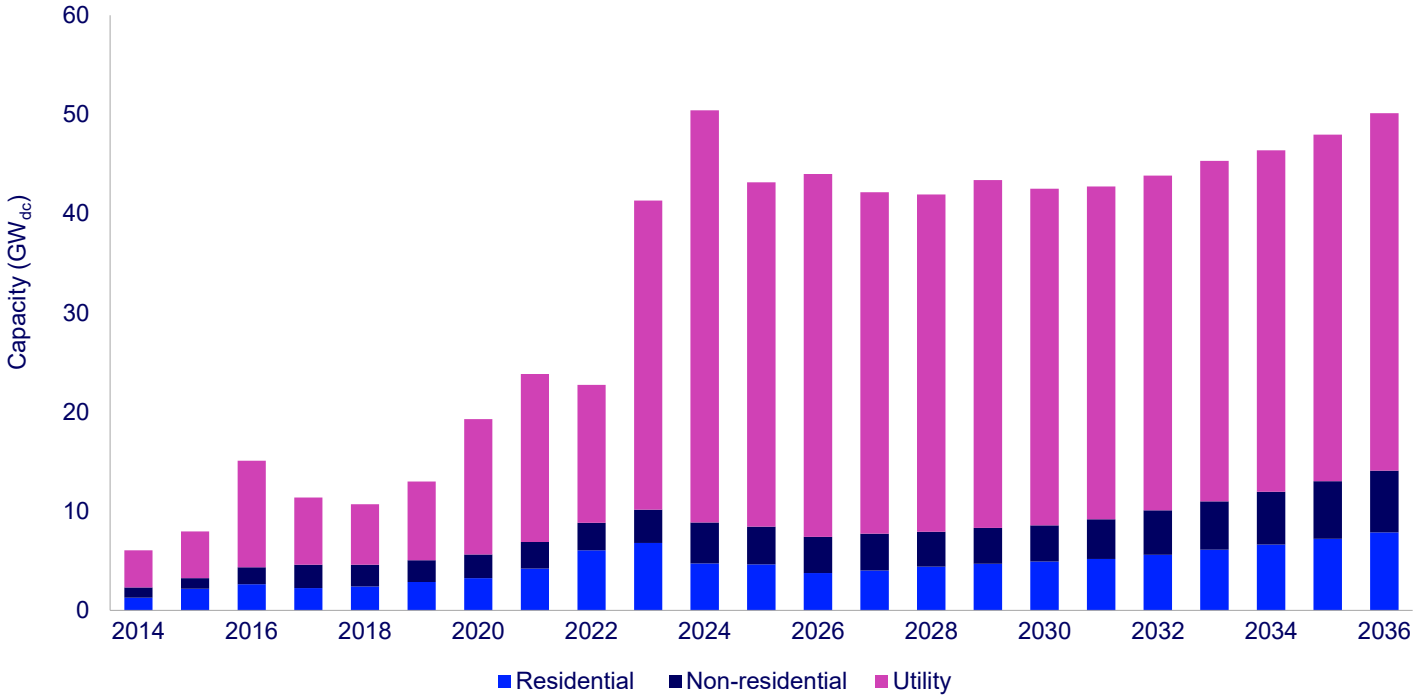
Utility-scale installations and base case forecast, 2020-2036



Source: Wood Mackenzie

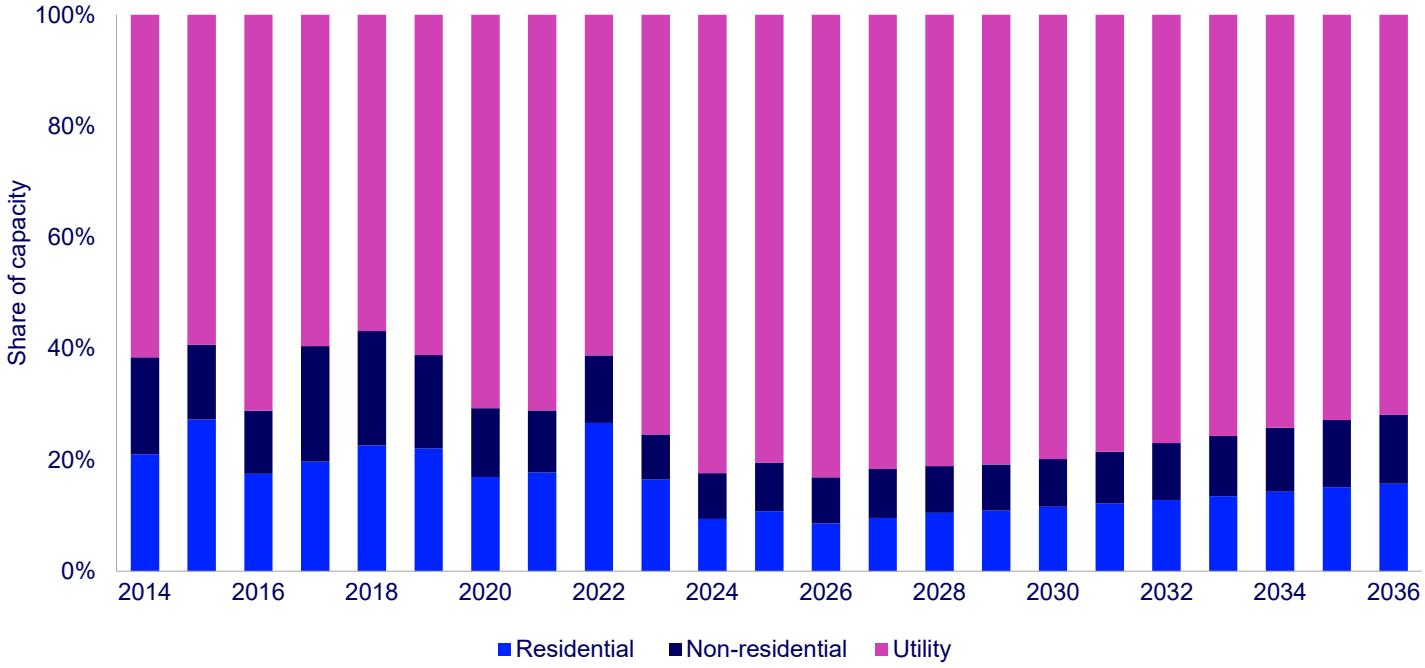
4. US solar PV forecasts

US PV installation historical data and forecast, 2014-2036



Source: Wood Mackenzie

US PV share of capacity (historical and forecast), 2014-2036



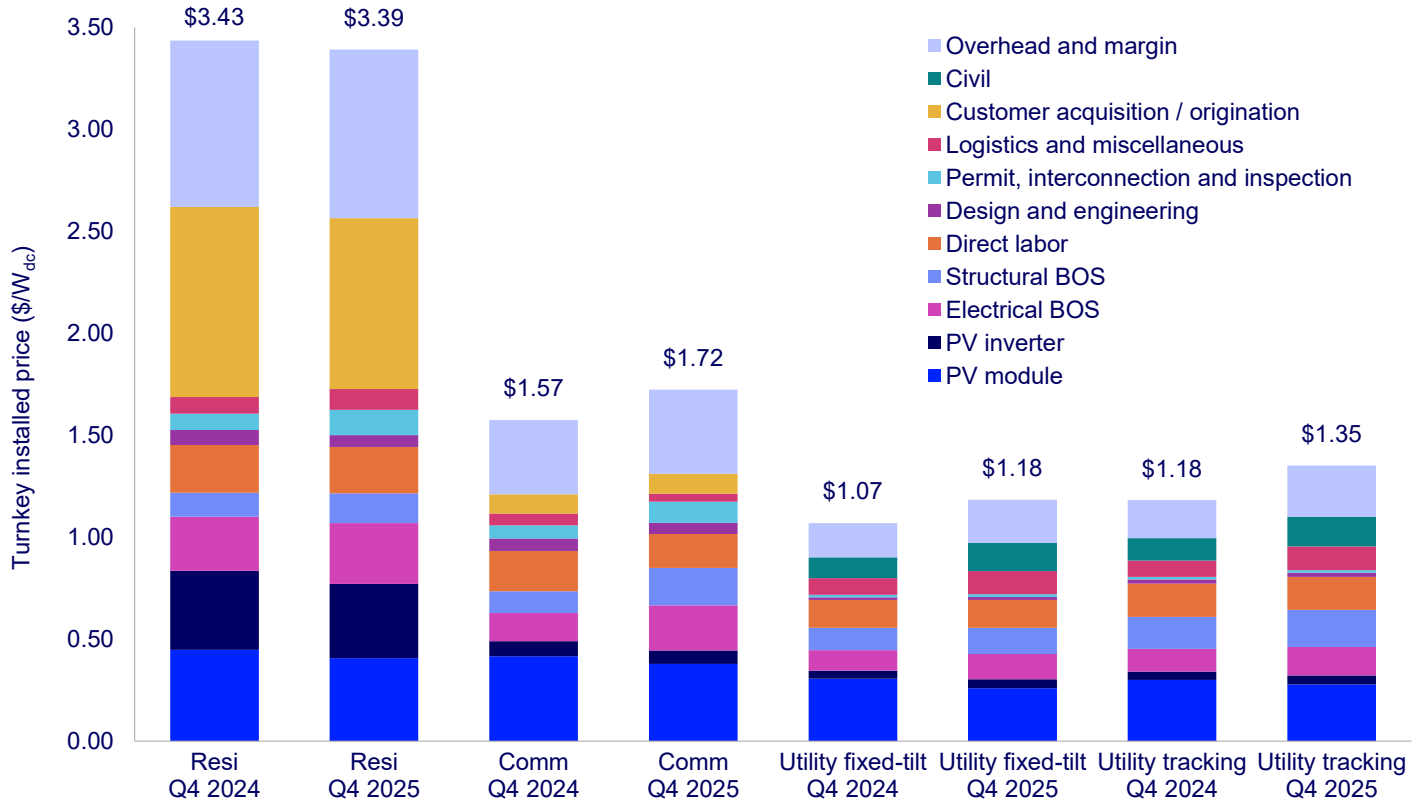
Source: Wood Mackenzie; Note that non-residential solar is broken out into commercial solar and community solar in the full data accompanying the US Solar Market Insight 2025 Year in review full report.

5. National solar PV system pricing

- **Residential system pricing is down 1% year-over-year**
- **Commercial system pricing is up 10% year-over-year**
- **Utility-scale system pricing is up 11% for fixed-tilt and 14% for single-axis tracking year-over-year**

Wood Mackenzie employs a bottoms-up modeling methodology to capture, track and report national average PV system pricing by segment for systems installed each quarter. The methodology is based on the tracked wholesale pricing of major solar components and data collected from industry interviews. Wood Mackenzie's Supply Chain data and models are leveraged to enhance and bolster our pricing outlooks**. New this quarter: we no longer break out taxes as a separate line item as those are now incorporated in the equipment category estimates. These changes have been made to the current system prices as well as historical 2024 prices.**

Modeled US national average system prices by market segment, Q4 2024 and Q4 2025



Source: Wood Mackenzie

System prices are up across all segments except residential, where pricing declined by 1% year-over-year. Residential system pricing averaged $3.39/$W_{dc}$ in Q4 2025. Module prices fell 10% year-over-year as domestic prices declined, and global supply chains expanded to new regions like Indonesia, Laos and Ethiopia. Customer acquisition costs also declined as the expiration of the Section 25D tax credit drove up sales activity. Average system price for the commercial segment came in at $1.72/$W_{dc}$, up 10% year-over-year compared to Q4 2024. Domestic raw metal prices such as steel, copper and aluminum increased by 35% after Section 232 tariffs increased to 50%. As a result, electrical and structural equipment costs surged by 60% in Q4 2025 compared to Q4 2024.

Utility-scale fixed-tilt and single-axis tracker system costs climbed to $1.18/$W_{dc}$ and $1.35/$W_{dc}$, increasing by 11% and 14%, respectively, year-over-year in Q4 2025. Electrical and structural costs increased by an average of 20% year-over-year, driven by import tariffs. Further compounding the rise was a 35% year-over-year increase in EPC overhead and margin as developers pay premiums to secure EPCs to meet safe-harbor and tax credit deadlines after the passage of OBBBA.

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