MICHIGAN'S SOLAR INCENTIVES

CEA is Pro-Solar. Pro-Grid. Pro-Consumer.

Consumer Energy Alliance (CEA) strongly supports the continued use and deployment of solar power as part of an "all-of-the-above" energy policy that can help to provide families and small businesses with diverse, clean electricity options that not only help improve their environmental footprint but sustain our nation's energy security.

Advances in solar energy deployment and technology is changing the face of modern electricity generation. From rooftop to community to utility-scale projects, consumers across the country are realizing the incredible potential that solar brings to them in the form of clean, affordable, and reliable energy. To ensure that solar energy technology thrives, and that consumers are able to access it, federal, state, county, and even local governments have created incentives to encourage solar technology.

CEA recently commissioned ScottMadden Inc. to provide an update on its 2016 report that describes and quantifies the amount of incentives that consumers have access to in various states across the country. This comprehensive view of solar incentives should help lawmakers, policymakers, regulators, utilities, and consumers at the federal, state, and local level make informed decisions based on the most current information available to ensure the proliferation of solar technology, the continued efficiency of a robust electric grid, and increased access to clean, affordable, and reliable energy sources, for all American consumers.

Among the report's key findings:

- Existing incentives for residential solar photovoltaic systems (PV) are significant.
- Utility-scale solar installations are less expensive to install and are incentivized at lower rates per watt than rooftop solar PV systems.
- Third-party-owned solar PV owners receive the most significant incentives.
- Solar PV installation may shift costs to other customers through a program called net metering.
- Incentives for residential solar PV vary widely among the states
- A single 6,100-watt direct owned rooftop system in Michigan receives $17,993 in taxpayer and net metering incentives, or about $2.95 in incentives per watt, representing 91 percent of the actual cost of the system.
- A single 6,100-watt third party owned rooftop solar system in Michigan receives $21,701 in taxpayer and net metering incentives, or about $3.56 in incentives per watt, representing 130 percent of the actual cost of the system.

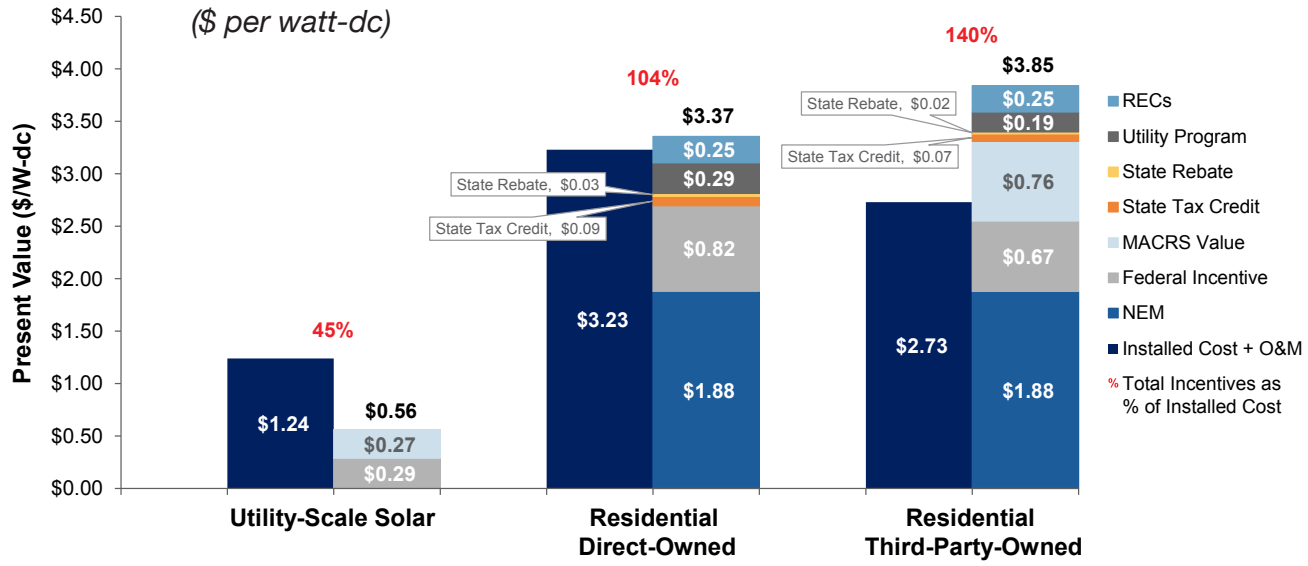
Direct Owned Incentives for Typical Rooftop Solar in Michigan (6.1kW)

	Incentive ($)	Incentive ($/W)	Percentage of Cost
Federal	$4,973	$.82	25%
NEM*	$13,020	$2.13	66%
Total	**$17,993**	**$2.95**	**91%**

Third-Party Owned Incentives for Typical Rooftop Solar in Michigan (6.1kW)

	Incentive ($)	Incentive ($/W)	Percentage of Cost
Federal	$4,098	$0.67	25%
NEM*	$13,019.67	$2.13	78%
MACRS*	$4,583.70	$0.75	27%
Total	**$21,701**	**$3.56**	**130%**

National Residential Solar Versus Utility-Scale Solar



***NEM** *(Net Energy Metering)*
MACRS *(Modified Accelerated Cost Recovery System)*

Incentives for Typical Installations across the Nation

	Incentive ($/W)	Incentive ($/W)	Subsidized Percentage
Utility-Scale Solar	$0.56	$1.24	45%
Owned Rooftop Solar (25 State Average)	$3.37	$3.23	104%
Leased Rooftop Solar (25 State Average)	$3.85	$2.73	140%

Conclusion

Solar electricity generation can improve our environment and reduce everyone's electricity bills, but only with the right set of policies. In Michigan, these policies must reflect the potential for solar to play an increasing role in the state's electricity portfolio and the need to maintain a robust electric grid for all utility consumers.

Understanding these conclusions and considerations – and making policy, law and investment decisions based upon them – will lay the foundation for a solar energy future in Michigan that is vibrant, clean, reliable, and provides affordable energy to all consumers. And that is certainly pro-solar, pro-grid, and pro-consumer.