

Dear House Energy and Digital Information Committee:

My name is Howie Michaelson and I am the founder and owner of Sun Catcher, which I started in 2006 after having worked for groSolar for 5 years. I am also one of the founding partners of Catamount Solar, having worked there from 2011 to 2016. Sun Catcher has been installing solar in people's homes and small businesses, mostly throughout central Vermont and the Upper Valley for 2 decades now.

I'd really like to be able to speak to you in person today but I'm overwhelmed with work right now which is an illustration of the problem Vermont's residential solar installers are facing.

With the abrupt cancellation of the federal residential tax credit, the industry is once again thrown onto the "solar coaster", this time with a very predictable ride. We are in the feast portion of the ride until the end of the year only to be followed by an extended famine we can see coming well in advance.

Vermont was an early leader in the necessary energy transition away from fossil fuels to more sustainable forms of energy production. Green Mountain Power was at the forefront of the utility industry, providing one of the earliest incentives for consumers to install renewable energy systems, eventually spurring the State to codify some of the earliest rebates for renewable systems in the country.

Fortunately, as the state wound down its incentive program, the federal government instituted the uncapped 30% federal tax credit for residential and commercial installations. The industry has faced dwindling state incentives and the threat of sunsetting the tax credit before, but until this year, has gotten a reprieve from the threat of losing the tax credit.

The renewable energy industry has grown from a small niche collection of offbeat entrepreneurs, into a significant industry playing a major role in the energy transition. Just as importantly, it has grown to provide well paying, highly satisfying work for a large segment of the workforce. With the abrupt ending of the federal tax credit, it is clear that there will likely be a dramatic decrease in adoption of renewable energy across Vermont as well as the rest of the country.

Right now, the industry is seeing huge demand for systems from Vermonters trying to get a system installed by year's end. This indicates that financial incentives are a major driver for adoption of residential renewables. Come next year, without some new significant incentive, the drop in demand will create a huge financial strain on the renewable industry. There will likely be a substantial decline in businesses and jobs. People who have been trained in the industry will, out of necessity, seek other areas of work potentially out of state, which will be a loss of talent which will not be quick to replace if and when there is an uptick in demand. This loss of talent will create another impediment to this necessary transition.

As mentioned, the industry has gone through many upward and downward pressures, making it difficult to maintain stable long-term business models. The cost of renewables has decreased dramatically over the past 20 years, and has been really coming into its own over the last several. However, the abrupt changes in policy and financial incentives makes for a very difficult playing field.

As the cost of systems continues to fall, the technology will someday soon out-compete other energy production technologies. It would be tragic if there wasn't a healthy industry ready to move forward quickly and efficiently due to the lack of support from either the federal or the state to help level the playing field, as the fossil fuel industry benefits greatly from tax incentives and other subsidies.

I urge you to consider ways to help more Vermonters go solar where they live and work. I know there are many more demands on Vermont's resources than Vermont can afford. I do believe, however, that supporting this transition in whatever way possible is a smart investment in the future economy and environment.

Sincerely,

Howie Michaelson, owner

Sun Catcher