

**Testimony of Gregory Wetstone
President and Chief Executive Officer
The American Council on Renewable Energy (ACORE)
before
The Energy and Commerce Subcommittee on Energy
on
“Reviving our Economy: COVID-19’s Impact on the Energy Sector”
Tuesday, June 16, 2020**

Chairman Rush, Ranking Member Upton, Chairman Pallone and Members of the Subcommittee, thank you for the invitation to testify on the impact that COVID-19 is having on the energy sector.

My name is Greg Wetstone. I’m the President and Chief Executive Officer of the American Council on Renewable Energy. At the outset, I want to commend the members of the Subcommittee – and the Congress as a whole – for the steps you have already taken to support the economy and our fellow Americans during the COVID-19 crisis. And while I am mindful of the unprecedented context in which we find ourselves for this virtual hearing, I am grateful for the opportunity to join you, Secretary Moniz and Rich Powell today on this very important topic for the renewable energy industry, its workers and the millions of customers we proudly serve.

Renewable energy has made up more than half of all new U.S. power generation capacity over the past decade¹ and now represents 19% of the nation’s electricity resource mix.² With more than \$430 billion in private sector investment since 2009,³ including over \$56 billion in 2019 alone,⁴ renewable energy is an important source of economic growth and job creation. Our sector employs nearly 550,000 Americans and has workers in every state of the country.⁵

The booming growth in the renewable energy sector has been enabled by steep cost declines due to technological improvements and growing economies of scale, increasing demand from consumers and businesses intent on driving the transition to pollution-free renewable power, and supportive policy at the federal and state levels.

We were on track for 2020 to continue and build on this growth with additional job creation and accelerated investment in communities across the nation, but COVID-19 has been a game changer. Shelter-in-place requirements, supply chain disruptions, delays in permitting, inspection and construction, and a constrained tax equity market have combined to exact a sobering toll.

¹ The Business Council for Sustainable Energy, *2020 Sustainable Energy in America Factbook*.

² U.S. Energy Information Administration, *Annual Energy Outlook 2020*.

³ BloombergNEF

⁴ *Ibid.*

⁵ National Association of State Energy Officials and Energy Futures Initiative, *2020 U.S. Energy and Employment Report*.

Based on analysis of federal unemployment data by BW Research and released yesterday by ACORE and Environmental Entrepreneurs, the clean energy sector – which includes sub-sectors like energy efficiency and clean transportation, as well as renewable power – lost more than 620,000 jobs over the months of March, April, and May, equating to a clean energy unemployment rate of over 18%.⁶ The unemployed include nearly 100,000 renewable energy workers — meaning almost 20% of the renewable energy workforce lost their jobs over the past three months.⁷ The BW Research analysis found that clean energy job losses continued in May, albeit at a slower rate than April. An additional 27,035 clean energy workers filed unemployment claims in May, including 4,272 renewable workers.⁸ These findings are consistent with and complement estimates from the American Wind Energy Association that COVID-19 has put 25 GW of wind development and \$43 billion of investment and payments to rural communities at risk,⁹ as well as projections by the Solar Energy Industries Association that 32% less distributed solar will be installed this year due to the COVID crisis.¹⁰

In light of these impacts, what can Congress do? Most immediately, the renewable sector is in need of commonsense emergency relief so that it can continue to access the policy tools Congress has already provided. Treasury Secretary Mnuchin’s recent decision to provide an extra year of safe harbor continuity for 2016 and 2017 renewable projects is very helpful in that regard.¹¹ The most important steps Congress can take right now to build on the new Treasury guidance and help the renewable sector overcome COVID-19 impacts are to provide temporary refundability for renewable tax credits facing an increasingly constrained tax equity market, and to delay the scheduled phasedown of the Production Tax Credit (PTC) and the Investment Tax Credit (ITC) in recognition of COVID-19’s widespread impacts on renewable development this year.

Beyond the need for immediate emergency relief, there are lessons to be learned from Congress’ last policy response during the Great Recession. The policy commitments and long-term investments made during that time laid the groundwork for the tremendous progress the renewable sector has made over the past decade. When Congress shifts its focus to longer-term recovery legislation, a comprehensive alignment of the federal tax code, smart policy directives and robust R&D investment would enable the renewable sector to expand its contribution to the nation’s economic growth and serve as an effective climate solution over the long haul. I have included more detailed descriptions of specific policy options the Subcommittee and Congress can consider in the Appendix of my written testimony.

Thank you again for the opportunity to testify today. I look forward to your questions.

⁶ BW Research Partnership, *Clean Energy Employment Initial Impacts from COVID-19 Economic Crisis*, May 2020

⁷ *Ibid.*

⁸ *Ibid.*

⁹ American Wind Energy Association, *American Wind Energy Association Releases COVID-19 Outlook*, March 19, 2020.

¹⁰ Solar Energy Industries Association, *U.S. Solar Market Sets Q1 Record As Pandemic Mutes Q2 Outlook*, June 11, 2020.

¹¹ Internal Revenue Service, *Notice 2020-41*, May 27, 2020.

APPENDIX

- 1. Renewable Sector Emergency Relief Requests** – To read a March 19, 2020 letter to Congress outlining the renewable sector’s unified COVID-19 emergency relief requests, please click [here](https://acore.org/wp-content/uploads/2020/03/Renewable-Energy-Sector-Letter-to-Congress-on-the-COVID-19-Pandemic_March-19-2020.pdf). (https://acore.org/wp-content/uploads/2020/03/Renewable-Energy-Sector-Letter-to-Congress-on-the-COVID-19-Pandemic_March-19-2020.pdf).
- 2. Clean Energy Stimulus Tax Requests** – To read a March 19, 2020 letter to Congress outlining a list of stimulus tax requests (in addition to the emergency relief requests above) from the Clean Energy Tax Coalition, please click [here](https://acore.org/wp-content/uploads/2020/03/Stimulus-Letter-Clean-Energy-3-19-20.pdf). (https://acore.org/wp-content/uploads/2020/03/Stimulus-Letter-Clean-Energy-3-19-20.pdf).
- 3. Comprehensive Climate Policy** – To read ACORE’s January 2020 white paper entitled *Advancing America’s Climate Leadership: Policy Options That Most Effectively Put Renewable Energy to Work*, please click [here](https://acore.org/wp-content/uploads/2020/01/Advancing-Americas-Climate-Leadership_ACORE_01_9_2020.pdf). (https://acore.org/wp-content/uploads/2020/01/Advancing-Americas-Climate-Leadership_ACORE_01_9_2020.pdf)
- 4. Macro Grid Initiative** – To learn more about ACORE’s Macro Grid Initiative, please click [here](https://acore.org/macro-grid-initiative/). (https://acore.org/macro-grid-initiative/)
- 5. Federal R&D** – To read an April 9, 2020 letter to Congress outlining the renewable sector’s unified FY 2021 Appropriations requests, please click [here](#).

For more information about ACORE, its mission, or any of the policy recommendations contained in the resources above, please don’t hesitate to reach out to ACORE Chief Operating Officer Bill Parsons at parsons@acore.org.