

# Inflation Reduction Act: A New Era for Solar & Storage and the US Solar Supply Chain

*Energy America shifts direction towards USA made solar modules to cater for IRA*

SAN FRANCISCO, CALIFORNIA, UNITED STATES, June 19, 2023 /EINPresswire.com/ -- The solar and storage industry will always think in terms of what happened before and after the [Inflation Reduction Act](#) (IRA) was enacted by the U.S. Congress, says group CEO for North America.

A host of incentives for solar and storage are included in the climate provisions of the IRA and have spurred excitement in the industry.

"We will always look at the history of our industry in two eras now that the Inflation Reduction Act has passed," says Jack Stone.

The IRA is widely expected to increase investments in solar and storage and improve project economics for developers and their end customers. Many observers also point to the fact that it will boost solar manufacturing in the U.S. That could mean additional module assembly as well as rebuilding the full solar value chain in the U.S.

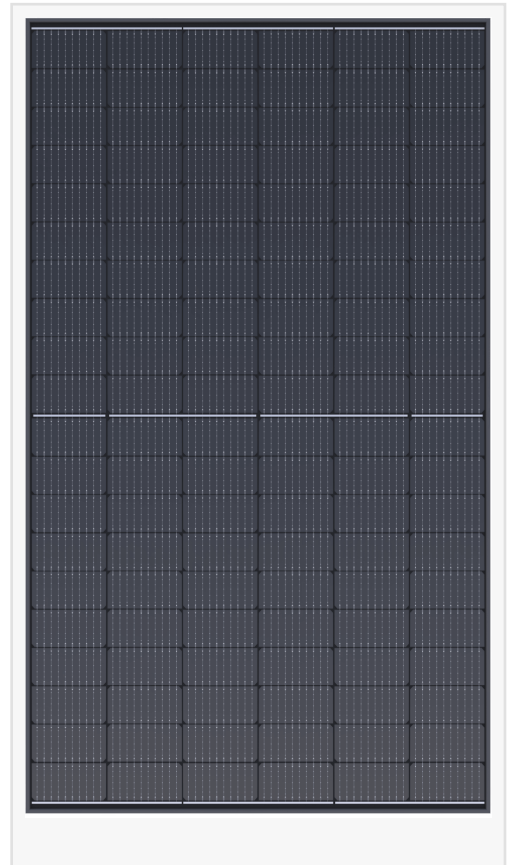
## Clean Energy Manufacturing Incentives

"The IRA contains some of the most ambitious clean energy manufacturing incentives enacted anywhere in the world," says Jack.

For its part, Energy America has a large assembly plant in California, Sacramento and has plans to expand its U.S. manufacturing capability across the supply chain to Texas.

## Energy America to Supply Eco-Friendly Materials for the Growing Solar Market

That supply chain will span from U.S. produced polysilicon all the way to fully assembled



modules. Energy America's governing body, Aramco Holdings has given green light for USA solar module production.

The manufacturing requirements in the IRA will “supercharge” clean energy manufacturing across the U.S., Jack says. “It is targeted on the exact pieces we want to manufacture in the U.S.-- solar cells, wafers, modules and other equipment that are critical to building solar power plants.”

### Game-Changing IRA Provisions

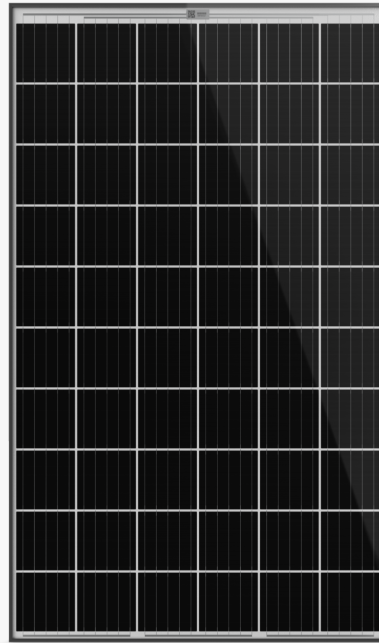
The climate provisions of the IRA include up to 50% in investment tax credits (ITC) for solar, provided solar developers meet certain requirements. Also game-changing is a provision allowing investors to sell tax credits to third parties, rather than getting involved in complicated partnerships.

“Complex tax equity structures are no longer required. You can transfer credits to other entities or receive them directly if you are a non-profit. This opens up new customers who previously had a hard time monetizing tax credits,” says Moskowitz. This will help increase the market across the country.

The IRA also extends the Production Tax Credit (PTC) to solar, giving developers the option of choosing between the ITC or PTC. And it expands the ITC to include standalone energy storage.

### Adders Boost the ITC Levels

Before the passage of the IRA, the ITC for solar was scheduled to drop from the 40% level of



ENERGY AMERICA SOLAR MODULE



EA-SOLAR FARM (CALIFORNIA)



2020 to 20% for projects started through the end of 2023. The IRA increased the ITC to 30% and offered additional adders. Sourcing components manufactured in the U.S. boosts the ITC from 30% to 40%. Additional adders are available for building solar and storage projects in under-resourced communities.

Energy America is now re-visiting projects in areas where the IRA may help tip the scales significantly, said Mathew Peters, project development executive for the Energy America Distributed Energy team.

### Something for Everyone in the IRA

The IRA has something for everyone in the solar and storage industry: manufacturers and developers and their customers, all of whom benefit from investing in clean energy in the “after the IRA” era.

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