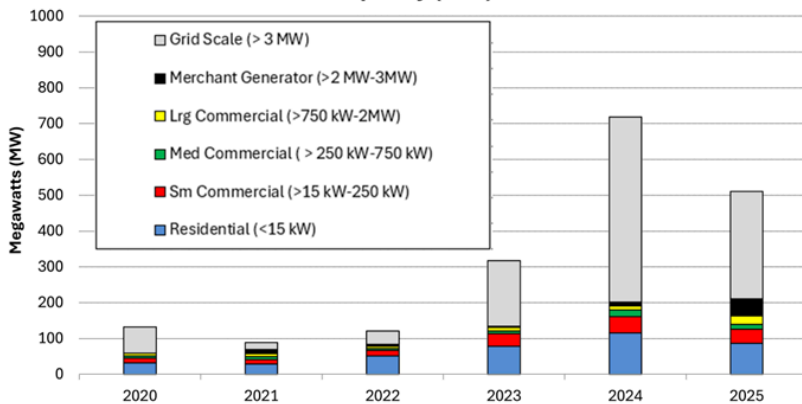


# Pennsylvania: Use It or Lose It

## The Potential to Accelerate Solar in Pennsylvania in 2026

PA's solar capacity has grown **6 times** since 2019, to **2.24 GW** in 2025, due to **falling solar costs, IRA tax credits, &** increases of as much as 50% in inflation-adjusted electricity prices since early 2021. With booming demand & risks of more price hikes, brownouts, and outages, PA needs to maintain solar electricity's momentum

Annual Solar PV Capacity (MW) Installed in PA



Source: Keystone Research Center based on PA PUC AEPS Qualified Facilities Data provided by Ron Celentano. <https://pennaeps.com/reports/>.

### Selected Case Examples

(See the full report for details & other cases)

- 1.3 MW of solar took Philly's Greenfield Manufacturing from paying \$50k/year electric bill to receiving \$97k—a payback of 5 years.
- Phoenixville School District in Schuylkill County will offset all electricity usage for 2 schools, with a 6-8 year payback thanks to the ITC and a Solar For Schools grant.

### Policy Recommendations

1. Take action to **maximize the drawdown** of IRA tax credits
  - Give priority to projects in PJM-utility queues that can meet the deadlines
  - Require utilities to interconnect faster
  - Owners and developers move quickly on new projects & get expert help (Table 1 in the full report provides resources to find expert help)
  - Gov. Shapiro should create a "Governor's Action Team" to coordinate PA team effort to get projects over the finish line
2. Restore **original IRA deadlines**  
*Enact PA Leg. to Boost Solar After Credits*
3. Update Pennsylvania's Alternative Energy Portfolio Standards
4. Legalize community solar
5. Enact Solar on Warehouses & net metering that provides good rates for solar on preferred sites
6. Legalize balcony (plug in) solar

### Federal Tax Credits for Solar and Their Status

The Inflation Reduction Act (IRA) extended base **Investment Tax Credits (ITC)** of 30% for solar (& other renewable) projects & boosted credits to **up to 70%** of project costs with bonuses. The IRA made schools, municipalities, and nonprofits eligible for credits through "elective pay." PA has **already drawn down over \$500 million** in credits for solar. The One Big Beautiful Bill Act (OBBBA) cut short deadlines to get credits but commercial and industrial projects can still qualify.

- Projects must be under construction by **July 4, 2026** to get 4 years + to become operational or
- Become operational by **December 31<sup>st</sup> 2027**

### What projects still have time to qualify?

1. Residential projects owned by companies that lease a roof
2. Commercial projects (0.15 kilowatts to 3 megawatts (MW) that already applied for interconnection

Check out the [resource page](#) with the [full report](#), [press coverage](#), and [more](#)



**Keystone Research Center**

If half of Pa's solar capacity in PJM & utility queues get a 30% tax credit, that brings in **\$2.5 billion** in tax credits, **\$8 billion** in total investment & **quadruples PA's solar capacity.**