



Impact of Tax Policies on the Commercial Application of Renewable Energy Technology

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Statement before the Subcommittee on Investigations and Oversight and Subcommittee on Energy and Environment

April 19, 2012

My name is Steve Erby. I am the Vice President of Monolith Solar Associates.

I would like to thank Representative Harris and Representative Broun for inviting us to speak to you on the impact of the US Treasury 1603 Program as it applies to our solar business.

Based in Rensselaer, NY, Monolith installs and leases small commercial solar systems ranging in size from 25,000 to 150,000 watts. We install in schools, churches, community centers, fire stations and small businesses.

Mark Fobare and I started this adventure in my den in 2009, expanding to the kitchen and then to the garage before purchasing and refurbishing a previously-abandoned building near the Rensselaer Train Station. Because of the conservative climate of banking, we were forced to bootstrap, working morning, noon and night, maxing out our personal credit cards to start this business. We now have 21 full time employees and a variety of subcontractors. All in, we have installed 37 systems since August 2010 and have a contracted pipeline of 127 systems, nearly 9 MWs of product. We are proof that the 1603 Program works and we are all proud of what we have done.

Without the 1603 Program, none of this would have happened and we will not be able to continue.

Monolith applies for the 1603 Program for each system. As a start-up business, we do not qualify for the ITC; we do not have the passive income to offset the Investment Tax Credit. Most of our potential prospective customers do not qualify either.

The benefits derived from the Program:

1. Our small business has grown from 2 to 21 employees in eighteen months and will double in size at the current pace.
2. We established our business in a designated economic development zone in the City of Rensselaer.
3. We have created additional jobs employing contractors, sub-contractors, engineers, accountants and other professionals.



4. We are driving down the cost of doing business, for the small business.

One of our recent installations was a sale to a small, TV/Appliance business: Towne TV in Schenectady. Despite being a 56-year old business, due to the current economy they were unable to take advantage of an ITC. The 1603 rebate allowed us to install solar for them, lowering their operating costs, generating cash flow for other uses and generally spinning up the economic machine for them and the solar industry.

We have generated quite a buzz, attending many community functions, educating students, businesses and customers about solar and the energy economy. Municipal leaders have embraced solar as a way of reducing taxpayer burden and providing leadership to an improved renewable energy infrastructure. Mechanicville, East Greenbush, Sand Lake, Niskayuna, Schenectady and Rensselaer have contracted for installation on all of their municipal buildings.

This industry needs the 1603 Program and preferably the reintroduction of the 1603 rebate to create jobs, foster a strong value chain and grow our business. There are too many small businesses and organizations who are unable to take advantage of the ITC, as a credit.

We are not an isolated success; there are hundreds of other companies that in various degrees have benefited from the 1603 Program.

The engine of growth in this economy is small business, supporting a strong middle class.

As we worked to create these opportunities in our local community, we met John, the father of eight children, who was obligated to leave his job to temporarily care for a premature baby. His wife kept the better paying job. The baby improved, but the family income suffered. John looked for work for a year, but could not find gainful employment in a difficult economy, until he joined Monolith. He's now one of our best employees and we are fortunate to have him.

We believe that solar can be the engine for middle class and small community growth and economic security. Growth must be nurtured by incentives, such as the 1603 Program, that allows this industry and market to mature.

On behalf of all the employees of Monolith Solar, and small companies like ours across the country, I urge you to reinstate, and expand the 1603 Rebate Program.

Thank you for your attention.