

Ohm Analytics

Updated Forecast under OBBB

Residential Solar and Storage

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OBBB Summary – Key Residential Considerations

25D

- Eligible systems need to be installed and paid for by Dec 31, 2025 (with PTO potentially following into Q1-26)

48E: PV

- Leases / PPAs eligible if placed in service before Dec 31, 2027. Safe harbor opportunity for systems that begin construction (5% test) within 12 months of passage and placed in service within four years (through 2030)

48E: Storage

- ESS to access the full 30% 48E tax credit through 2033 for leases and PPAs

FEOC

- Prohibited Foreign Entities (PFE) / Foreign Entity of Concern (FEOC) cannot claim the tax credit and 48E eligibility requires systems to have a minimum percentage of non-FEOC manufactured costs for projects beginning construction in 2026 or later

Executive Order

- EO (post-OBBB enactment) directs the Treasury to promptly issue more restrictive guidelines that could limit access to tax credits — with a focus on limiting the ability to safe harbor and for systems using foreign components

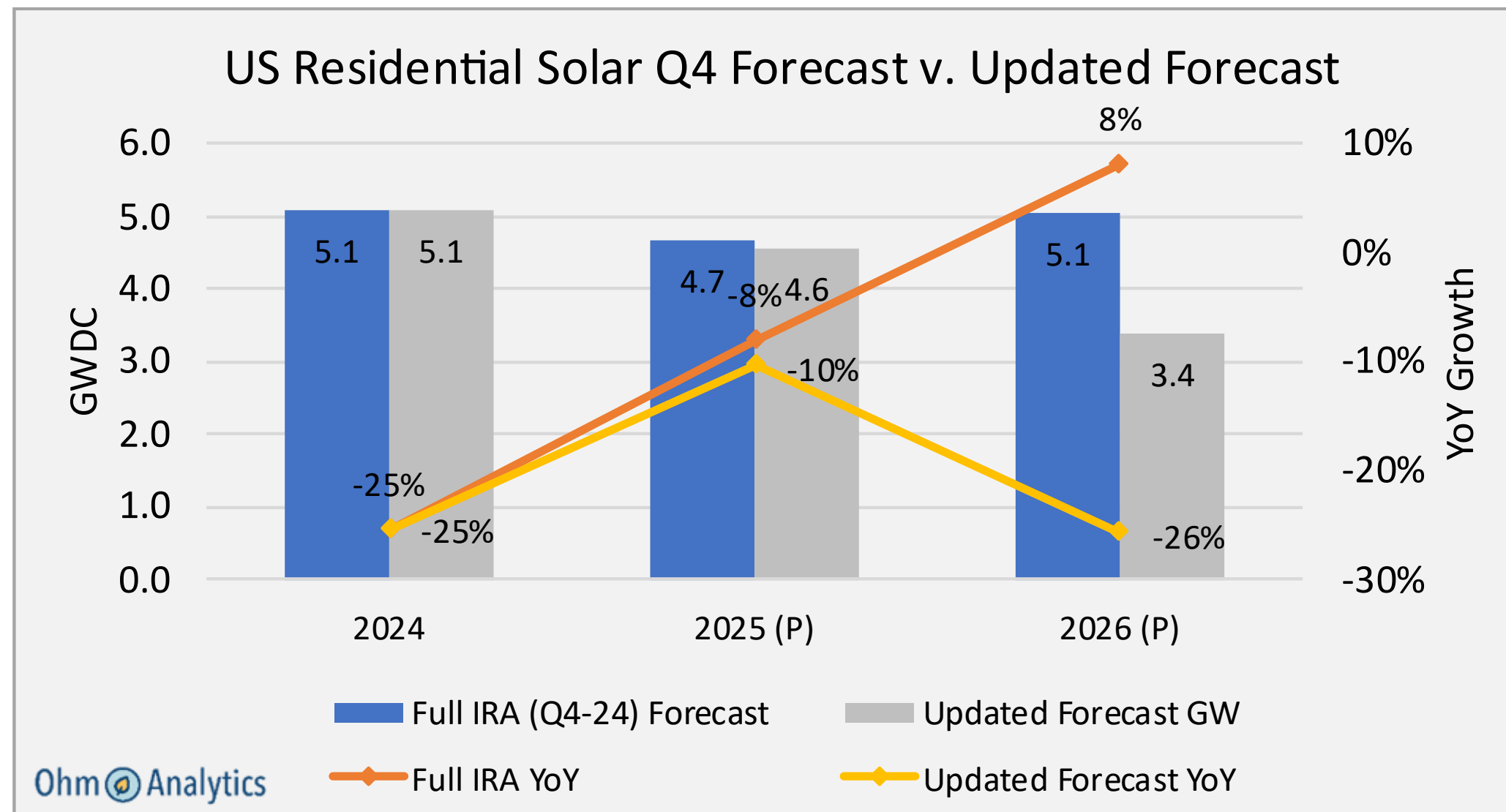
Executive Summary – Residential OBBD Impact

- Revised 2025/26 forecast and 5-year outlook based on OBBD as signed *and does not include potential impact of pending EO*
 - 5-year outlook will be refined once Treasury releases guidance as directed by EO (expected mid-August)
- 2025 forecasted at 4.6 GW (-10% YoY) vs. 4.7 GW (-8% YoY) published previously with full IRA prior to Liberation Day tariffs
 - 25D pull forward realized in Q4-25 (+17% QoQ vs. +2% prior) will offset atypical seasonal slowing in Ohm leading indicators in April and May due to tariff impacts on consumer sentiment highlighted in recent Ohm Monthly Flash reports
- 2026 with 25D removed forecasted at -26% YoY with 3.4 GW installed capacity (vs. 5.1 GW and +8% growth with full IRA)
 - Customer ownership (loan/cash) down -58% and indexed to low energy states as economics without ITC impacts price sensitive markets
 - TPO up 14% driven by the migration of a subpopulation of the loan/cash market to TPO (per channel feedback published in May report)
 - Financing mix shifts up from 45% TPO in 2025 to 69% range in 2026 with TPO representing 2.3 GW of total market
- 5-year CAGR ('26-'30, baseline '25) is 6%, down from 11% prior (full IRA) with 2030 landing at 6.1 GW (2022 was 6.2 GW)
 - Out years offset 2026 decline with 2027 at +19% and mid-teen YoY growth rate maintained from 2028-2030
 - Growth driven by improved project economics with utility rate increases forecasted at >4% per annum with simultaneous reduction in PPW as the industry passes on efficiency gains and CAC reductions to consumers in line with ITC phase out
- Storage is projected to grow +37% in 2025 to 3.7 GWh with 2026 down -11% (3.3 GWh)
 - Storage outperforms PV market in 2026 due to combination of increased TPO in key PV+ESS markets (TPO has historically had higher attach rates) and increased mix of NEM 3.0 projects in CA and 48E supporting continued storage adoption outside of CA & PR markets
- Storage 5-year CAGR ('26-'30) outperforms PV at +12% as 48E eligibility through 2033 drives adoption, with 6.6 GWh in 2030

Residential PV

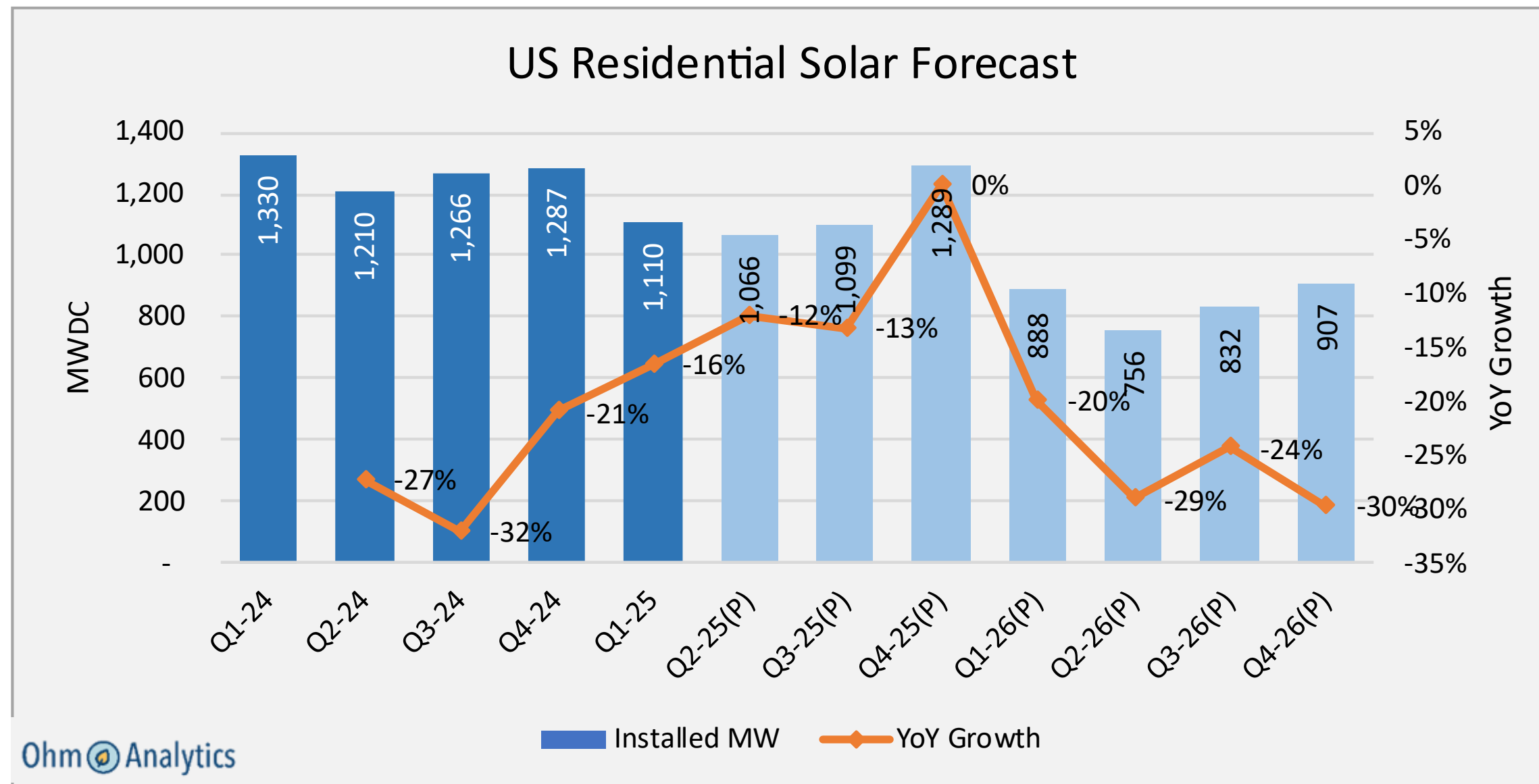
Updated 2026 U.S. PV Forecast Under Signed OBBB

- 2025 forecasted at 4.6 GW (-10% YoY) vs. 4.7GW (-8% YoY) published previously with full IRA and prior to Liberation Day tariffs
 - 2025 under House bill scenario analysis (no 48E or 25D) saw 2025 down -16% at 4.3 GW
- 2026 with 25D removed forecasted at -26% YoY with 3.4 GW installed capacity (vs. 5.1 GW and +8% growth with full IRA)
 - Note: Eliminating both 25D and 48E by the end of 2025 under the earlier House bill scenario resulted in a 53% YoY decline (2.0 GW) in 2026



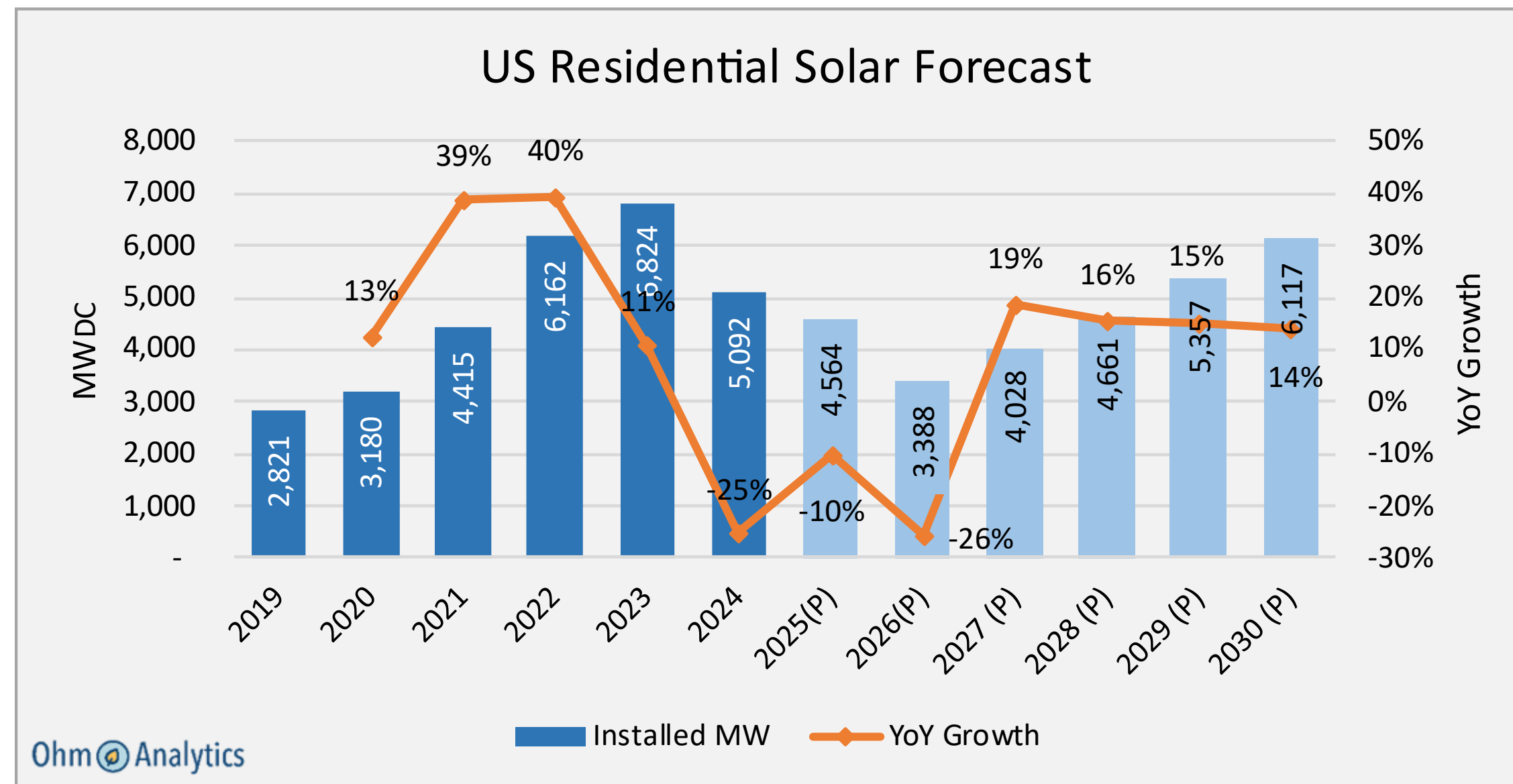
'25/'26 Residential Solar Forecast

- Demand pull into H2-25 from 25D phase out in 2025 will flow into Q4-25 final interconnects (+17% QoQ) and offset softness in Q2 and early Q3 due to tariff impact on consumer sentiment/macro economic environment
- Since PTO from 25D demand pull will also flow into Q1-26, 2026 market will likely bottom in Q2-26, and typical seasonal trends will drive modest QoQ growth through Q4-26
 - Leading Ohm indicators will be monitored for higher levels of 25D demand pull (as tracked for NEM 3.0) which could shift the '25/'26 QoQ trajectory



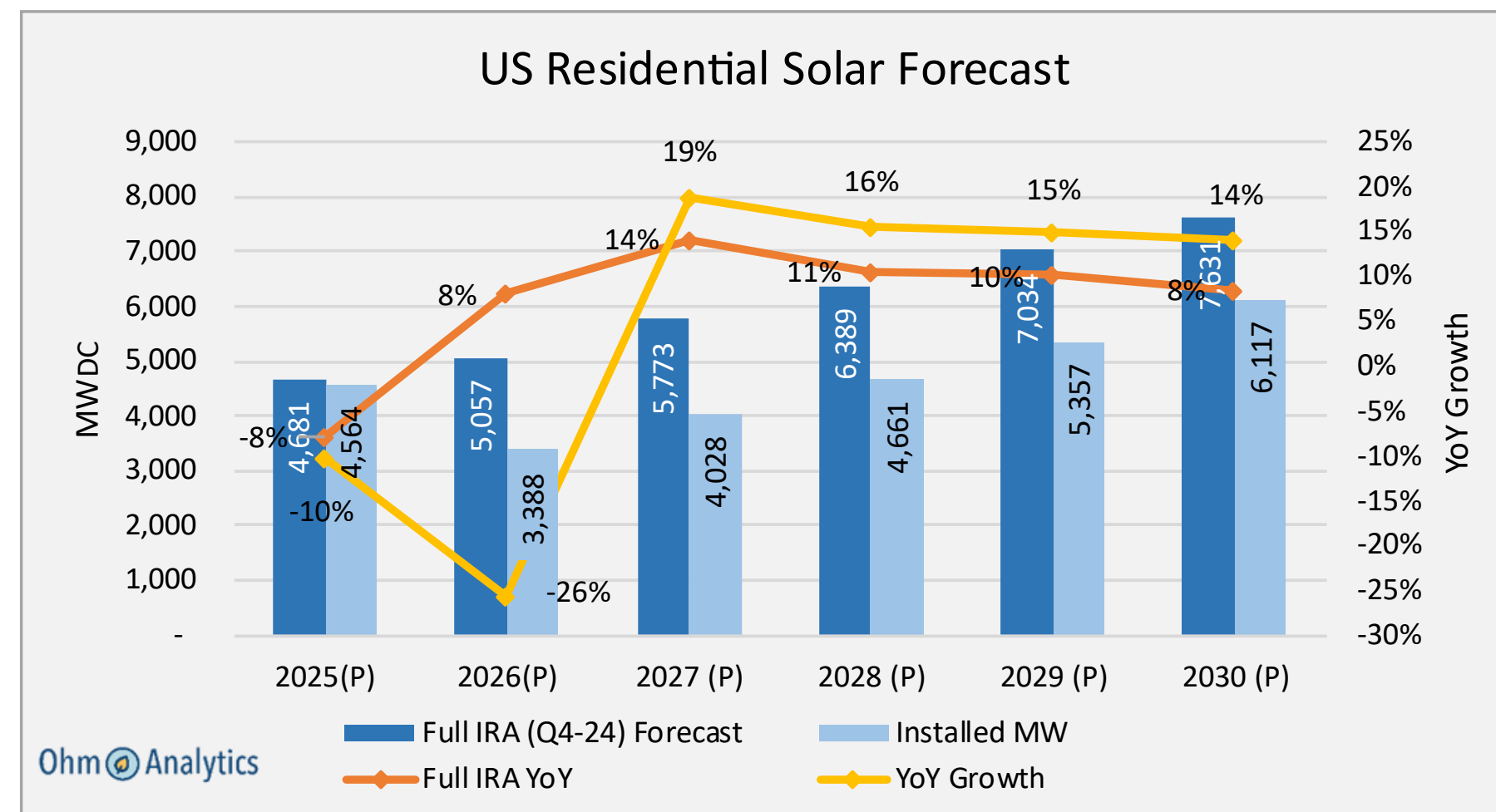
Updated Long Term U.S. PV Forecast

- Lease and PPA remain eligible for the 48E ITC through 2027, and the current build assumes safe-harbor provisions extend eligibility through 2030, which, if curtailed as a result of more restrictive Treasury guidance as directed by EO, would put 2028–2030 at risk
- Growth in out years driven by improved project economics with utility rates forecasted to increase at a faster pace than seen historically, and simultaneous downward pressure on PPW as the ITC phase out forces efficiency gains to be passed on to consumers



Market Outlook & Updated Growth Forecast

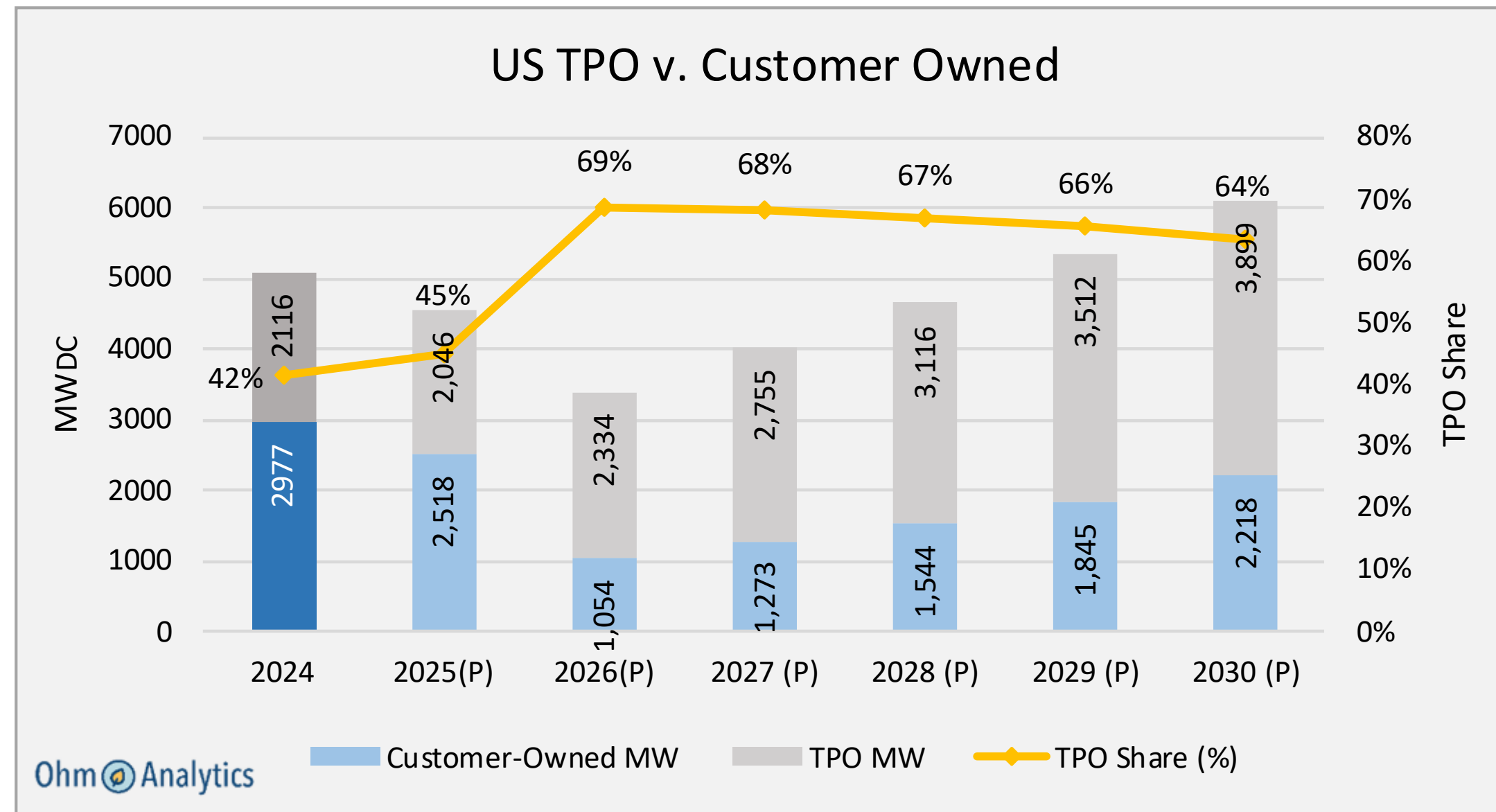
- Our revised 5-year CAGR ('26-'30, baseline '25) is 6%, down from 11% prior (full IRA), however YoY growth exiting from 2026 adjustment year outperforms previous forecast with 2030 landing at 6.1 GW* (equivalent to 6.2 GW in 2022)
- Revised '27-'30 growth rates may appear optimistic, however with continued increase in load growth forecasts and less generation coming online under OBBB, projected energy demands will likely accelerate future utility rate increases supporting higher growth
- Incremental lift in YoY growth is also dependent on accelerated industry-led cost reductions driven by IRA phase out that were not built into our full IRA outlook. Collectively, ramping utility rates and PPW efficiency gains provide long-term tailwinds to the industry



* As noted previously, the extent of safe harbor opportunity and growth rates from 2028 is at risk with pending EO

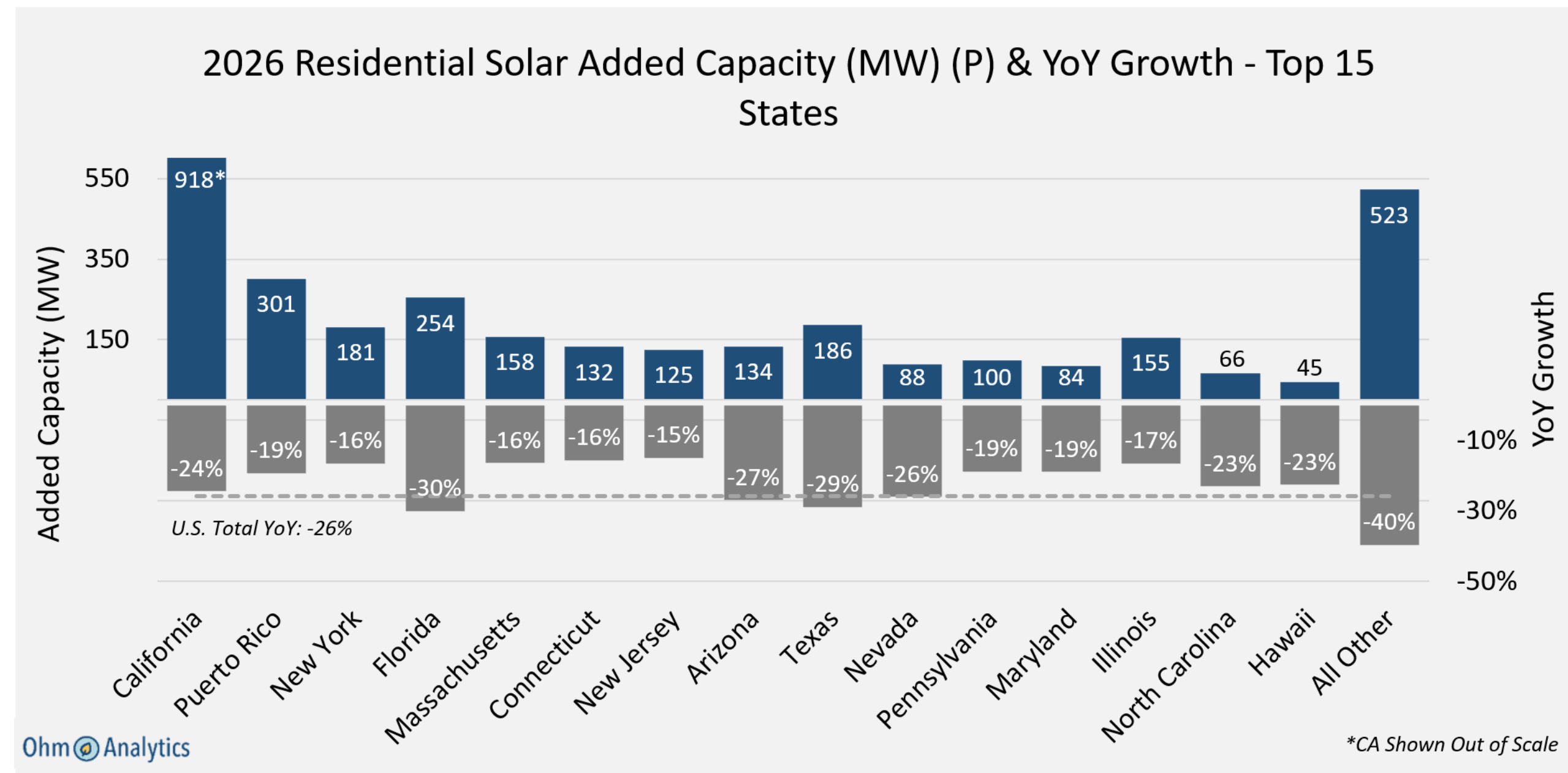
TPO and Customer-Owned Market Shift

- TPO mix steps up to the 70% range in 2026 from 45% in 2025, driven in part by organic growth, but primarily from the migration of a subpopulation of the loan/cash market to lease/PPA. Loan bill savings economics are projected to improve over time (higher utility rate/lower PPW) that will flow into an improvement in customer ownership (lower interest rate will be incremental tailwind)
- Downside risks to TPO growth include uncertainty driving capital constraints to support market expansion, and/or lower consumer appetite for lease/PPA structures (both current and possible expansion of lease-to-own offerings)



Top 15 State Trends - 2026 Outlook (MW & YoY)

- OBBB impact and removal of 25D is weighted toward low energy cost markets, with the larger Sun Belt states in the -30% (YoY) range
- Higher energy markets will see a reduction in customer ownership, but economics remain favorable for a smaller addressable market*
 - Impact to markets outside of key states have a wide range (down 30%–90%), some of which do not have access to leases/PPA

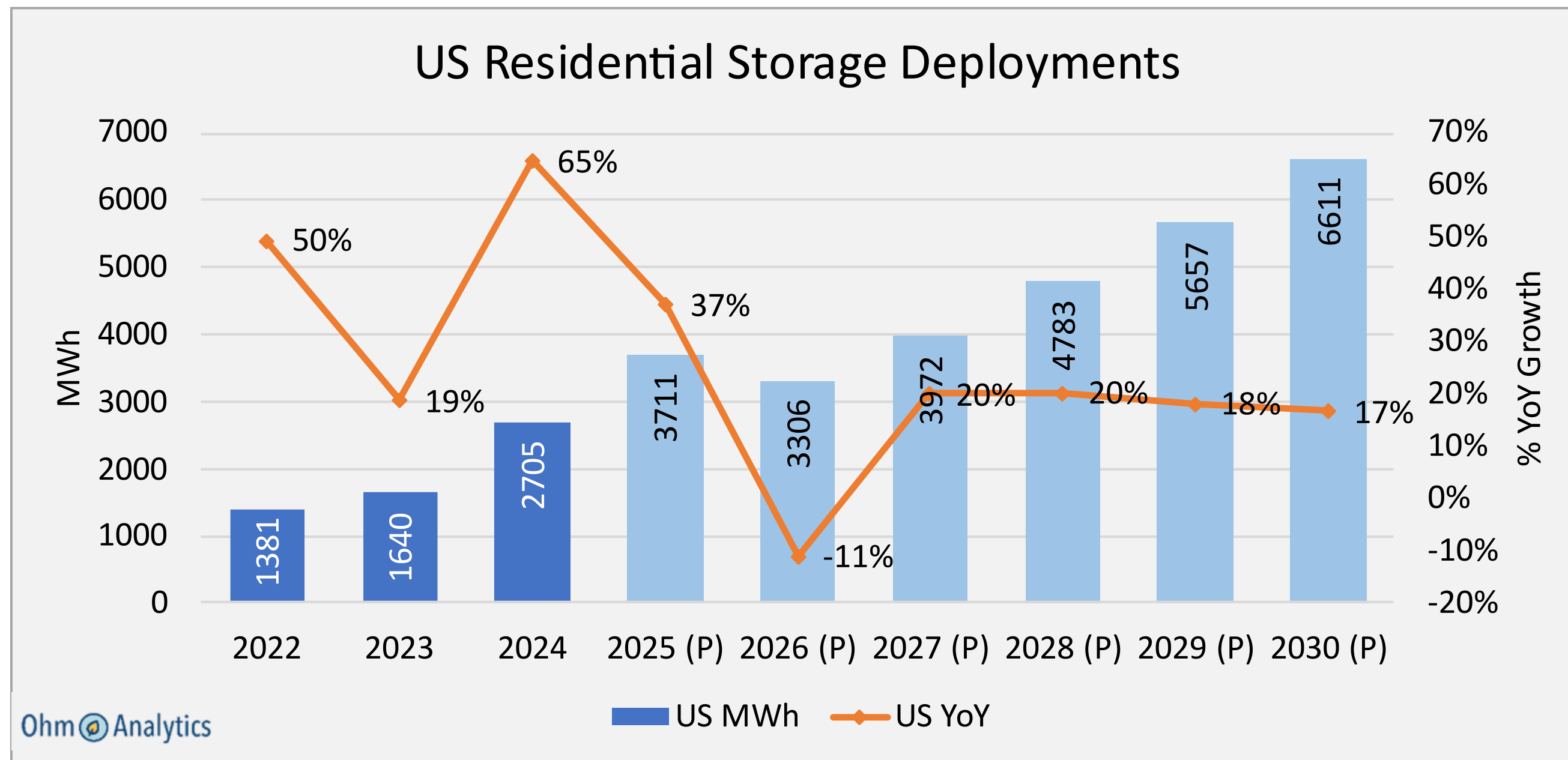


*Note the CA IOUs will see a one-time reduction in \$/kwh in 2026, along with the addition of a new fixed rate charge affecting 2026 bill savings and adoption

Residential Storage

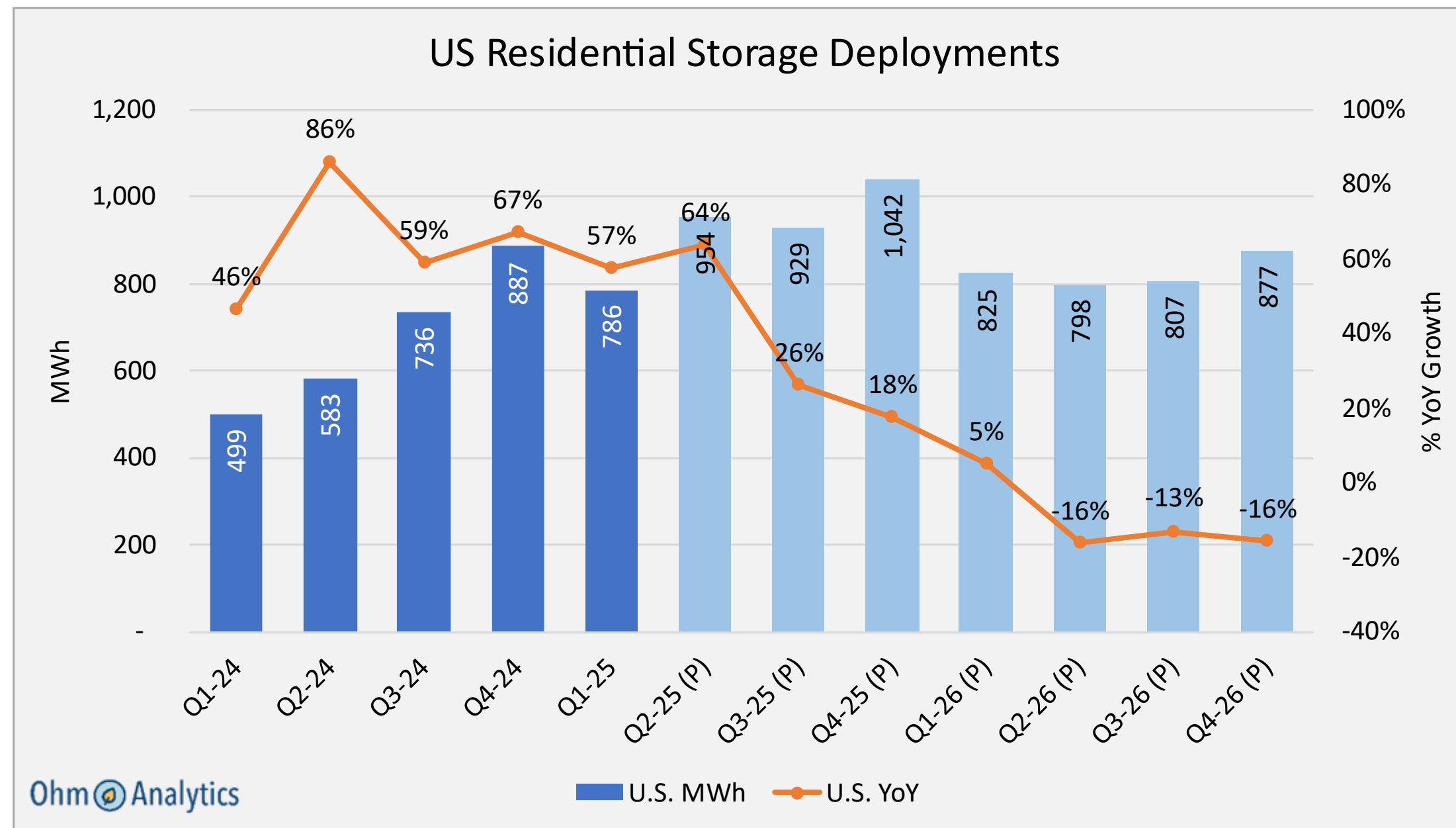
Updated Long Term Residential Storage Forecast

- Storage is projected to grow +37% in 2025 to 3.7 GWh with 2026 down -11% (3.3 GWh), outperforming '26 PV market due to TPO expansion in key PV+ESS markets (TPO has historically had higher attach rates) and increased mix of NEM 3.0 projects in CA
- Storage 5-year CAGR ('26-'30) outperforms PV at +12% as eligibility under 48E through 2033 drives adoption, with 6.6 GWh in 2030



'25/'26 Residential Storage Forecast

- Quarterly growth trajectory in 2025 & 2026 storage market largely follows trends observed in PV market and 25D pull forward
- Flattening of Q2-26 bottom vs. PV market driven by continued increase in Ex. CA attach rates, greater mix of NEM 3.0 projects in CA final interconnects, and higher attach rates in the TPO market
- Additional storage market tailwinds we are closely monitoring include potential growth in both retrofits and ESS-only installs



Storage Attachment Rates – CA/PR vs. Rest of U.S.

- Storage market remains heavily indexed to CA and PR, with PR maintaining 90%+ attachment rates levels and as highlighted earlier, preferential growth of the CA TPO market where attach rates are close to 100% under NEM 3.0
- Ex. CA storage adoption driven by key markets AZ and TX, along with FL, NC, UT, CO, and others. PV+ESS economics are supported in these price sensitive markets by 48E eligibility through 2033, pro-storage incentives, VPPs, and increasing demand for resiliency
- Incremental upside for the ESS forecast is possible if additional Ex. CA markets see (1) more rapid expansion of programs, and/or (2) broader shifts in utility rate structures (net metering/time-of-use) to support improved economics for an increased rate of adoption

