

## Sunny outlook for growing Solar PV market

by Khadambari Shanbagaraman, ElectronicsWeekly.com, Friday 27 March 2009

The global solar PV (photovoltaic) market grew to at least 5.5GW of electrical power converted using PV methods in 2008 compared to 2.4GW in 2007, the EPIA (European Photovoltaic Industry Association) said in a recent report. The installed capacity in 2008 totalled almost 15GW compared to 9GW in 2007.

According to EPIA's data, Spain ranked first in 2008 new installations with 2,511MW, followed by Germany with 1,500MW, and the United States at number three with 342MW. Following those countries were South Korea at fourth with 274MW in 2008 new installations, Italy at fifth with 258MW, Japan at sixth with 230MW, Czech Republic at seventh with 51MW, Portugal at eighth with 50MW, Belgium at ninth with 48MW, and France at tenth with 46MW, the report said.

"A diversification of the market is taking place with countries adopting appropriate support policies, this is very good news for the PV industry and the environment," said Winfried Hoffmann, president of EPIA, in a statement.

Given the current economic crisis, the association's forecast for 2009 was a little uncertain. However, experts at the EPIA believe the market could reach up to 7GW of power converted using PV, with each individual country's development influencing the final figure. Spain, for example, recently changed its support scheme, setting up a cap on efforts and possibly limiting growth.

"The PV sector is hoping other markets such as the US, Germany, France, and Italy will pull the demand," the report said. "Favourable policy frameworks are expected to further accelerate PV deployment in these countries."

If all goes as planned and appropriate policies, such as feed-in tariffs are in place, the EPIA said it expects a PV global market of 22GW in 2013.

Meanwhile, US-based SEIA (Solar Energy Industries Association) also recently published a report on the US solar industry in 2008, showing close numbers and global rankings that corroborated many of the EPIA's findings. In 2008 solar electricity new capacity, Spain ranked number one at 2,281MW, Germany

second at 1,500MW, the US third at 342MW, Japan fourth at 235MW, Italy fifth at 150 to 200MW, and France sixth at 105MW.

"Two major adjustments in Europe are expected to affect the global market for solar energy," the SEIA said in the report. "Germany reached a set point in its feed-in tariff and by 10%, slightly more than expected, to 34.2 to 48.8 Euro cents per kilowatt-hour. Spain implemented a cap on its feed in tariff program, restricting incentive-eligible solar installations to 500 MW in 2009, a massive drop in the size of this major market."

In the US, both federal and state programmes hope to grease the wheel for solar growth. On October 3, 2008, the president signed the Emergency Economic Stabilization Act of 2008, which included an eight-year extension of the federal solar Investment Tax Credit. It also eliminated the prohibition on use of the Investment Tax Credit by utilities and removed the \$2,000 cap on residential electric systems.

Then on February 17, the president signed the American Recovery and Reinvestment Act, which has many provisions designed to boost renewable energy projects. An estimated \$5.5 billion is set aside in the act for government procurement of energy efficiency and renewable energy projects such as solar PV conversion to electricity.

At the state level in 2008, California adopted the first feed-in tariff in the US for solar-derived electricity used on water treatment plants and Berkeley, California, established a program allowing residents to finance solar installations through an assessment on property taxes. In Hawaii, all new construction must include solar water heaters. And Maryland, Massachusetts, Missouri, and Ohio began to offer tax support for solar energy in 2008.

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