

US solar market will explode within five years

NEW YORK – Within the next five years solar energy in a large portion of the US will be cheaper than power from the grid. Costs of solar panels and installation keep moving down, while the transportation costs of electricity move up. When solar power reaches the 'holy grail' of grid parity the solar market in the US will boost, and a sleeping giant will awake, experts predict.

Experts predict good business opportunities on The Solar Future conference

„The awakening of the US solar market will be driven by grid parity within each region. Federal incentives provide a good foundation for the expansion of the solar industry but state-level incentives are still needed to truly make solar energy competitive in each regional market. Over the next five years we believe that solar power will reach grid parity in a large portion of the US market, thus opening up the opportunity for significant expansion of the industry in the years to come,” says renewable energy advisor Eric Graber-Lopez of BlueWave Capital.

Former CEO of Sir Richard Bransons Carbon War Room Jigar Shah sees grid parity as a natural development. „Americans refuse to overpay for solar PV. Once the costs of solar PV are cheaper than the retail power prices - as they are for over 20% of Americans now - the local solar companies will significantly ramp up marketing campaigns,” he expects. Both experts are speaking on The Solar Future Eastern USA '12 conference on May 10th and 11th in New York.

At the moment the US is the 4th solar market in the world, after number one Germany and China on 3rd. In 2011, the Chinese market rose from 7th to 3rd and grew from ~500MW to ~2.5GW. The US market grew from ~900MW to 2GW last year. According to Joseph Berwind, founder of Alternative Energy Investing (AEI) Research & Consulting, grid prices in the US are cheap because of the enormous natural gas supplies in the North East and the new ways of drilling with fracking techniques. However, when distribution prices keep going up, new opportunities occur. Berwind: „Once the fuel prices are moving up, transportation and distribution prices are moving up, while new materials and new processes drive down prices of PV systems, that's going to wake up the sleeping giant. This is just a matter of time.”

Jigar Shah calls the US market „a slow and steady market because it insists on providing only reasonable market based incentives for solar. This approach has resulted in a stable market with sustainable growth that should lead to a market of over 10 GW annually from 2016 and 25GW from 2020. 2012 will be a big year for New Jersey, Pennsylvania, Massachusetts, Maryland, Delaware, New York, and DC. New states will be coming online in 2012 as well including New Hampshire, Rhode island, Vermont, and Maine.”

Graber-Lopez also sees opportunities in the Eastern US. „They are and will continue to be driven by performance based incentives such as Solar Renewable Energy Certificates (SRECs). The primary markets for solar in the Eastern US are New Jersey, Massachusetts, Pennsylvania, Maryland, Delaware, and Ohio. In addition, we expect New York to play a larger role in the industry over the next few years,” Graber-Lopez says.

More information: www.thesolarfuture.us

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