

Bonn, September 16th, 2008

Press Release

Photovoltaics in the USA – Stop or Go?

First comprehensive study of the US photovoltaic market based on a broad quantitative data base released

New study by EuPD Research analyzes current developments in the US photovoltaic market. Market participants expect a moderate but steady growth. Stop-and-go political support one of the key hindrances for market growth.

Cautious optimism

There is good evidence that the US photovoltaic market will be one of the key future markets for photovoltaics. However, up to now, the market has had to struggle with erratic political support for renewable energies, as well as highly complex promotion structures and strong fragmentation due to the 50 separate state markets.

The results of EuPD Research's new survey of around 130 US photovoltaic companies and electric utilities show a clouded optimism after a prosperous year 2007. While the companies generally expect increased sales for the current year (plus 62.2 percent on average) and consequently also a market growth of 50 percent to 300 MWp in 2008, the sinking rebate levels in California as well as the failed extension of the tax credit are slowing down the positive development of the market.

Slow-down for the market

If not extended, the most important national promotion instrument – the investment tax credit (ITC) – will go down from 30 to ten percent for commercial customers and to 0 percent for residential customers on December 31st, 2008. However, it has become very unlikely that this will happen under the current president. While the sudden interruption of renewable energy promotion seems difficult to understand in view of the oil price shock and pressing climate change issues, events like these are not new to the market. "It continues the stop-and-go-policy that has characterized the market in the past", explains project manager Sarah Endres.

A lack of governmental support as well as a lack of public awareness can be named as reasons for this unsteady path. According to the survey participants, these aspects are two of the three most relevant barriers for the development of the photovoltaic market in the USA at the moment. However, high material prices were named even more frequently. This reflects the general spirit of the market not to demand increased subsidies but to simply demand competitiveness from electricity produced using solar power.

Special products for a special market

Availability is also an issue for the market players. In total, 62.8 percent of the respondents report problems when purchasing modules. Some market players stated that they pretty much sell what they can get. Nevertheless, the survey results show some clear trends regarding which product characteristics are demanded in the market. "Design aspects seem to be a big issue in the residential segment", explains Endres.

About the study

The study, which was published on September 1st, 2008 in the form of a Shared Service product, also includes an inquiry of electric utilities and their activities in the field of solar power. With around 130 interviews, it is founded on the broadest database that is available in the market. It covers aspects such as an evaluation of the different state markets, market segments 2008 and 2012, sales channels, prices and price developments for the different technologies, available products in the market, required product characteristics and particularly highlights the customer segment of electric utilities. The study contains about 160 PPT slides.

Further information is available at:

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