

New report: America's solar energy margin surging

Solar energy is on the upsurge, representing 40 percent of all new electric generating capacity brought on-line in the first half of 2015, according to a new report today from GTM Research and the Solar Energy Industries Association (SEIA).

The Q2 2015 edition of the U.S. Solar Market Insight Report revealed the U.S. solar industry installed 1,393 megawatts (MW) of photovoltaics (PV) during the second quarter of 2015, bringing total solar capacity nationwide to 22.7 gigawatts (GW). We now have enough solar in the U.S. to power 4.6 million homes and the momentum for solar is just beginning. Because of solar's cost competitiveness, the demand for solar energy is now higher than ever.

According to the report, 729 MW of utility-scale solar PV — the lion's share of new solar capacity — came on-line. Homeowners also spurred the residential market to set a quarterly record with 473 MW of solar PV. For perspective on the uptick of homeowners adopting solar, a total of 10 states installed more than 10 MW of residential solar during the quarter. Only four states installed that much of residential solar during the same time in 2013.

Thanks to the solar investment tax credit (ITC), which was passed in 2006, prices for utility-scale solar have fallen 64 percent since 2010, while the average price of a residential

PV installation is now 48 percent lower than 2010. In fact, since the ITC was enacted, more than 22 GW of solar capacity have come on-line. That's 97 percent of all solar capacity ever installed. More solar will be installed in one week in 2015 than was installed in all of 2006, and that has translated into the creation of more than 150,000 new solar jobs over that time period.

More than ever, this report shows how crucial it is for America to maintain smart, effective, forward-looking public policies, like the ITC. An additional 16.6 GW of utility-scale solar is in the development pipeline — 40 percent of which has been procured based purely on cost competitiveness with fossil fuels. With the ITC scheduled to drop at the end of 2016, that progress is threatened.

As an industry, we're strongly urging lawmakers to support extending the ITC to ensure that solar remains one of America's fastest-growing energy sources for years to come. America deserves a level playing field among energy producers so that we can continue diversifying our power sources, offering more consumer choices and boosting the national economy.

The U.S. installed 2.7 GW of PV in the first six months of 2015. With significant growth expected in the second half of the year, the U.S. is on pace for a record-breaking 7.7 GW year. ● rr



Solar Energy Industries Association (SEIA)

▲ Rhone Resch, president of the US Solar Energy Industries Association (SEIA) writes a monthly column on PV in the US.

4,138 acres. The California Energy Commission (CEC) approved plans to modify the project back in December 2013.

NextEra acquired the project from US solar developer Solar Trust of America LLC in 2012. Construction of the revised project is expected to cost \$1.13 billion.

Chinese-Canadian module manufacturer Canadian Solar Inc. announced that it has signed a module supply agreement with US residential solar installer Vivint Solar Inc. Under the terms of the agreement, Canadian Solar will supply Vivint Solar with an unspecified amount of its CS6P multicrystalline modules that the company will use for its residential and commercial PV projects across the US. The financial details of the contract were not disclosed.

US solar installer SolarCity Corp. has launched a fund with an undisclosed »large financial institution« to finance an estimated \$400 million in residential solar power projects across the US. The company did not say how much new PV capacity is expected to be brought online through the fund. SolarCity said the funds will cover the cost of the installation of the PV systems and will allow »homeowners to pay less for the power the systems produce than they pay for electricity from the local utility.«

The company claims it has raised over \$9 billion to finance residential PV projects in the US to date.

Chinese solar manufacturer JinkoSolar Holding Co. Ltd. has signed a partnership agreement with Ygrene Energy Fund Inc., a US provider of residential and commercial property-assessed clean energy (PACE) financing. The two companies will partner on the development of residential and commercial PV projects across the US and will offer »zero-down, 100-percent project financing to homeowners and business owners who want to own solar systems.« Jinko stressed that PV system owners will receive full access to the 30-percent federal solar investment tax credit (ITC).

Singapore-based design, manufacturing and distribution company Flextronics has agreed to acquire US solar-tracker manufacturer NexTracker Inc. for \$330 million. Upon completion of the transaction, NexTracker will keep operating as a subsidiary of Flextronics and will maintain its brand. Flextronics, which expects to complete the acquisition by the end of this year, said that the transaction would be financed with its own funds. The company also stressed that this operation would add more than \$1 billion to its turnover and is expected to be accretive

to Flex's growth, margin, earnings per share (EPS) and cash-flow generation.

US renewable energy company and solar producer SunEdison Inc. has announced that it is set to finance the development of renewable energy projects in partnership with its institutional investor J.P. Morgan Asset Management – Global Real Assets. Initially, J.P. Morgan Asset Management will acquire a 33-percent stake in 425 MW of solar projects owned by Dominion. This portfolio includes 24 projects in six states in the US. These assets are value at \$300 million. According to SunEdison, its yieldco vehicle, TerraForm Power Inc., will have exclusive call rights to the company's interest in operating assets from the partnership.

Moreover, SunEdison and West Street Infrastructure Partners III (WSIP), an infrastructure fund managed by Goldman Sachs, have formed a \$1 billion construction and operating asset warehouse investment vehicle. According to SunEdison, WSIP has provided an equity commitment of \$300 million. The warehouse investment vehicle, which is named WSIP Warehouse, will fund construction costs and acquire operating assets.

»SunEdison's new \$1 billion warehouse provides incremental capacity for SunEdison to