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PERSPECTIVES

# TOPICs

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## Reflections on Solar Power International 2011

Many of you may have attended this year's Solar Power International (SPI) Conference held in Dallas, Texas a month ago. For first time attendees, it was a testament to the validity of the solar industry. SPI veterans saw many familiar faces and names, but not necessarily coming from the same companies or promoting the same technologies.

We have watched the utility scale wind industry form in similar ways. This year's SPI conference was a reminder of the AWEA WindPower conference in 2008 – jammed with attendees full of froth and excitement for the industry's future. SPI in Dallas attracted nearly 24,000 attendees this year with the same enthusiasm that we saw at WindPower.

Overriding themes of this year's conference were consolidation of industry players and acquisition of project pipelines. Solar technology itself was less of a focus. Many attendees now seem to feel that the photovoltaic module is approaching the commodity status; with price, commercial terms, and bankability becoming the driving selection criteria. Underscoring this theme was General Electric's recent announcement to refocus its solar division with a substantial investment in thin film. While most insiders still acknowledge the production differences between manufacturers, it is price and bankability that ultimately drive purchase decisions.

Also noticeable at SPI was the lack of project "flippers." Market opportunities for this project development niche are receding. The U.S. alone has over 9,000 MW of solar energy projects in the queue. Many project development firms have sold their portfolio or are in the process of doing so. Those unable to transition their ideas into real projects may soon run out of capital and be forced out of the market entirely.

Utilities and governing agencies are tightening requirements to weed out speculative projects. Similarly, independent power producers and project developers are not interested in purchasing half-baked projects or those proving difficult to develop. We are finding that most of our project-related conversations have shifted to mitigation of on-site constraints such as storm water run-off, constructability, and interconnection routing. Only projects planned for good locations, with good interconnections are moving forward.

At SPI, we noticed an increase in the development of distributed projects under 10 MW. The permitting timelines for 20 MW+ projects have slowed progress for developers, so smaller projects, providing less hassle with permitting and interconnection, have become more appealing. The shift is being driven by reduced installation costs and regional policies that favor distributed generation.

Noticeably absent at this year's conference was any discussion of the future of solar. There was an air of confidence which came from developers, consultants, and manufacturers focusing less on concerns about solar's outlook and more on the abundant opportunities available. Solar power generation is finally real and here to stay.

For more information, please contact
**Jay Wittstock**
**Office Manager, St. Cloud**
jay.wittstock@westwoodps.com
320-229-2325

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