Solar Installations to Nearly Double in 2010

A surge of sales in Germany combined with plunging prices are set to boost solar demand in 2010, prompting iSuppli Corp. to dramatically upgrade its forecast of installations of Photovoltaic (PV) systems in 2010.

iSuppli predicts solar installations will rise to 13.6 Gigawatts (GW) in 2010, up 93.6 percent from 7.0GW in 2009. The previous forecast, released in February, called for 8.3GW worth of installations in 2010, up 64 percent from 2009.

The strong rise in PV installations in 2010 will be driven by robust market conditions in the second and fourth quarters, which will more than compensate for slower performances in the first and third quarters, iSuppli predicts.

“This will be an up and down year for PV installations,” said Henning Wicht, director and principal analyst for PV at iSuppli. “The first quarter of 2010 was negatively affected by winter conditions, likely causing a decline in installations compared to the fourth quarter of 2009. However, the second quarter is expected to be a blockbuster for the global PV industry.”

“Reduced Feed-in-Tariffs (FIT) in Germany are coming in July and consumers in that country will rush to install PV systems before that incentive becomes less compelling. A market correction will happen in the third quarter, leading to a huge fourth quarter due to the approach of other countries - FIT deadlines in January 2011.”

In addition to the FIT deadlines, growth in the second half of the year will be driven by reductions in the cost of solar installations.

“Plummeting prices for solar panels during 2009 now are being reflected in system prices,” Wicht observed. “These price declines will compensate for the FIT reductions, resulting in a favorable Return on Investment (ROI) for homeowners and project developers. In some cases, the ROI will remain higher than 10 percent.”

“Needless to say, these quarterly ups and downs in 2010 will result in a difficult year for the PV supply chain and production planners as they struggle to figure out how much is needed, where it is needed and when is it needed,” Wicht said. “Because of this, there could be material supply constraints during the year. Spot shortages of inverters, and perhaps panels, could curtail growth to some degree.”

Looking ahead to 2011, there could be even more supply constraints. Based on iSuppli’s analysis of capacity announcements, unless additional expansions take place, crystalline-Silicon (c-Si) modules could encounter constraints in 2011. iSuppli believes that utilization rates for c-Si module production facilities will climb to more than 90 percent in 2010. Furthermore, many Tier 1 suppliers of c-Si modules and cells will be sold out. Tier 2 and Tier 3 module suppliers now are seeing business

pick up as they strive to supply Germany with the modules it needs.

Despite the short-term supply challenges, the outlook for global PV installations remains bright. By 2011, global PV installations will rise to 20.3GW, nearly triple the 7.0GW in 2009.

Source URL (retrieved on *03/11/2014 - 6:40pm*):
http://www.wirelessdesignmag.com/product-releases/2010/04/solar-installations-nearly-double-2010