

South America Legislation



OUT OF THE SHADOWS: A bright future is predicted for solar in the world's fifth-largest country

'New laws and tax cuts herald boom'

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Sunny Brazil has the potential to be a solar-power colossus, say industry professionals, but the sector is only growing by a measly 1.5 megawatts (MW) per year.

Germany's annual solar-energy growth may be 1,000 times higher, but Brazil is close to having affordable solar power, says Stefan Krauter, a professor at the Photovoltaic Institute in Berlin.

Krauter, an organiser of the Rio 9 World Climate and Energy Event in Rio de Janeiro this week, says Brazil's solar problems include the high cost of importing equipment and a lack of local incentives.

However, he says progress is being made towards adopting a national strategy. At least 16 solar-power laws are being considered by Brazil's Congress.

Antonio Granadeiro, president of suppliers Kyocera Solar do Brasil, believes taxes on solar power that are not applied to

other renewable energies will be cut by the new legislation and the market will boom in coming years. Enthusiasts say solar costs will fall and the energy will become the cheapest source around.

Brazil — uniquely among large countries — depends on large hydropower dams to provide about 90% of its electricity.

Thomas Fatheuer, of the Heinrich Böll Foundation, a non-profit organisation, says: "We don't need big dams, we can supply the country with renewable energy."

Hydro plants being built in the Amazon are thousands of kilometres from cities like São Paulo that want the power they produce. Granadeiro argues that hydro's high costs make it more

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expensive than solar energy.

Solar has yet to conquer the vast country, but small solar projects are scattered throughout Brazil, powering schools and ice factories, among others.

The government's alternative energy incentive programme (PROINFA), which ended in 2008, stimulated the wind, biomass and small-hydro sectors, but left out solar.

However, Granadeiro says now is the time to put pressure on the country to jump into the solar business. "Within a few years, without a doubt, it will be the cheapest form of energy. There is no other source that is as clean or as cheap," he says.

The new laws under consideration could wipe out taxes on solar power, creating a major market in Brazil within two to three years, he believes.

Krauter says Brazil is "traumatised" from unsuccessful experiments with solar energy, but it can join the rest of the world in seeing solar energy grow at a rate of 30%–35% a year.

Worldwide Report

Global PV installations 'grew by 110% last year'

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Global solar-photovoltaic (PV) installations reached a record high of 5.95 gigawatts (GW) in 2008, a 110% growth surge over the previous year, according to energy consultancy Solarbuzz.

The PV industry generated \$37.1bn in global revenues last year, while successfully raising more than \$12.5bn in equity and debt, up 11% on the prior year.

Europe accounted for 82% of world demand. Spain's 285% growth pushed Germany into second place in the market ranking, while the US advanced to number three.

Rapid growth in Korea made it the fourth-largest market in 2008, followed closely by Italy and Japan, Solarbuzz says.

Worldwide solar-cell production reached a consolidated figure of 6.85GW in 2008, up from 3.44GW a year earlier.

China and Taiwan increased their share of global solar-cell production to 44% in 2008, ris-

ing from 35% in 2007. Meanwhile, thin-film production grew by 123% to 0.89GW.

Polysilicon supply to the solar industry grew by 127% in megawatt terms, enough to ease the supply limitations seen in 2008 substantially.

"Twelve months ago, we projected that as early as the fourth quarter of 2008, the PV industry

\$37.1bn

Global revenue generated by the PV industry during 2008

would no longer be constrained by solar-module supply, but instead by market demand," comments Craig Stevens, president of Solarbuzz.

"Now, the PV industry will need to navigate major changes in the regional demand mix, with new markets emerging, while addressing excess-supply positions and significant adjustments to industry pricing."

Canada Manufacturing

Ontario company makes \$10m loss despite huge sales surge

RICHARD A KESSLER

Canadian Solar has reported a \$10m net loss in 2008, even though sales surged by 134% to \$709.2m. In 2007, the company made a \$200,000 net loss.

The Ontario-based company is a manufacturer of photovoltaic cells, modules and custom solar-power applications.

Fourth-quarter results last year reflected the worldwide economic slowdown, the company says. Sales plunged to \$73m from \$127.5m in the fourth quarter, while net losses rose to \$50.6m, from a \$6m net income in the same period the previous year.

"The end of 2008 was a challenging time for Canadian Solar

and for the industry," says chief executive Shawn Qu. "Difficult credit conditions for our customers, market-wide module and raw-materials price falls, and the winter weather in Germany directly affected our revenue growth and profitability."

Qu says the firm had \$136m in cash at the end of 2008, which he called "an impressive accomplishment in tough times".

For this year, the company estimates revenue of between \$600m–\$800m, but gives no earnings forecast.

Officials say they expect gross margins to improve in this year's second quarter due to replacement of older inventory and lower prices for raw materials.

BP Solar in talks to create PV site in New York state

US BP Solar is entering discussions with the Long Island Power Authority to generate 37 megawatts of photovoltaic solar power at the Department of Energy's Brookhaven National Laboratory in Upton, New York. The project would be one of the largest in the state.

Negotiations for a 20-year power-purchase agreement will "begin immediately", BP Solar says.

Thin-film firm to lay off staff and cut production

US Energy Conversion Devices, a thin-film solar-laminate manufacturer based in Michigan, says it will cut jobs and production after reducing its third-quarter outlook.

The news sent its shares plummeting 25% to \$13.82, down from a high last year of \$83.

Energy Conversion now predicts sales of about \$70m for the third quarter, having previously expected between \$95m and \$110m.