

Photovoltaics gaining momentum with utilities, survey finds

Utilities in Europe and the United States are becoming increasingly interested in procuring photovoltaic solar power generation systems, according to a survey conducted by research firm Gartner Inc. and a solar industry group, the Solar Electric Power Association.

Photovoltaics is one of the leading technologies for near-term renewable energy for utilities, the survey found. The report on the survey also said utilities view onshore wind and biomass "as the other key near-term renewable energy sources."

Gartner and SEPA conducted a survey of utilities in the United States and Europe to gauge their interest in integrating PV solar systems into their energy generation portfolios. A telephone survey of utility firms in the United States, Germany, Spain, Italy and France was supplemented by an online survey in the United States. There were 134 responses to the survey, which was conducted from December 2009 to February 2010.

"PV solar systems are a cost-effective means of adding distributed and central generation sources," said Alfonso Velosa, research director at Gartner. "System costs have decreased by over 30% since 2008. This has lowered the cost of electricity from these systems and improved their competitiveness relative to other renewable energy sources."

Utilities in Germany lead in the use of photovoltaic resources, with 75% of the German utilities surveyed currently using PV as part of their energy resource portfolio. An additional 15% of utilities there are considering adding PV to their portfolio within five years. "To a large extent, this reflects a decade-long effort by the German government to support renewable energy," Gartner and SEPA said.

Among U.S. utilities, 44% of those surveyed said they had PV solar energy resources and another 33% consider PV solar power generation for use within five years.

Renewable energy requirements and government requirements are the top two global factors behind the utilities' decisions to integrate PV supply into their energy portfolios, the survey found.

"U.S. utilities will continue to have strong influence over compliance options for meeting national or state level renewable portfolio standard obligations," said Velosa. "This points to a hazard for the photovoltaic industry. If policy does not adapt to the changing pricing environment and other budgetary pressures, there may be a backlash against PV and other renewable energy sources."

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