

# Global Solar Perspective

- Niche business now a rapidly expanding global multi-billion dollar industry
  - 2007 installations up 60%
  - 2007 cell production up 55%
  - 2007 solar power production up 50% to 12,400MW
- 2007 revenues derived from solar industry: estimates range from \$15 to \$20 billion

# Market Leaders

- Europe, Japan, and now China leading silicon-based manufacturers
  - Primarily due to European (Germany, Spain, and others) and Japanese incentives
  - China emerging due to manufacturing cost advantages and rapid scale
- United States emerging as thin-film leader
  - Technology investments
  - Federal incentives still a mess, state RPS helping domestic market

# Domestic Solar Incentives

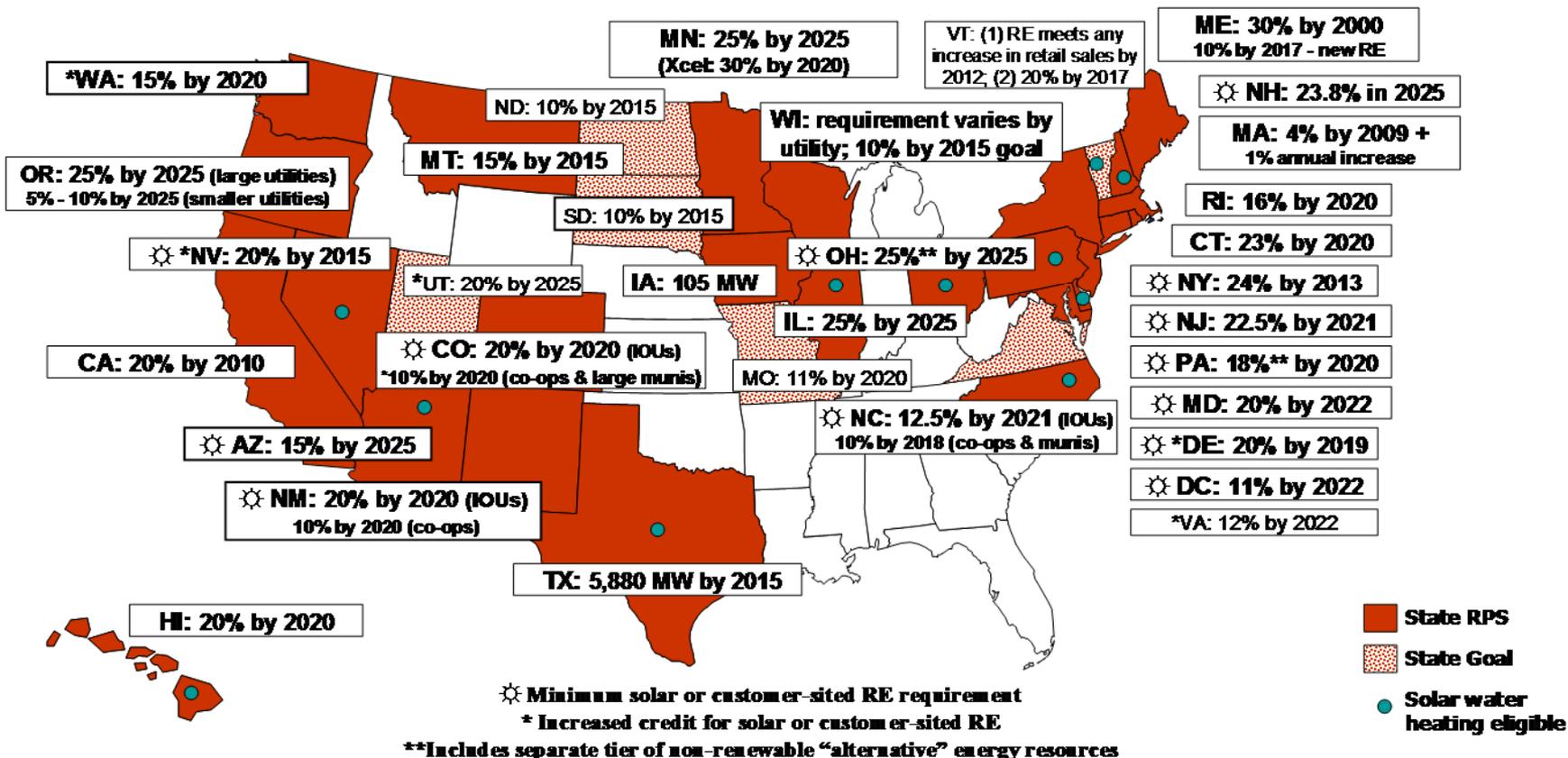
## Federal program

- Investment Tax credit (ITC)  
Commercial = 30% and accelerated depreciation  
Residential = \$2,000 cap

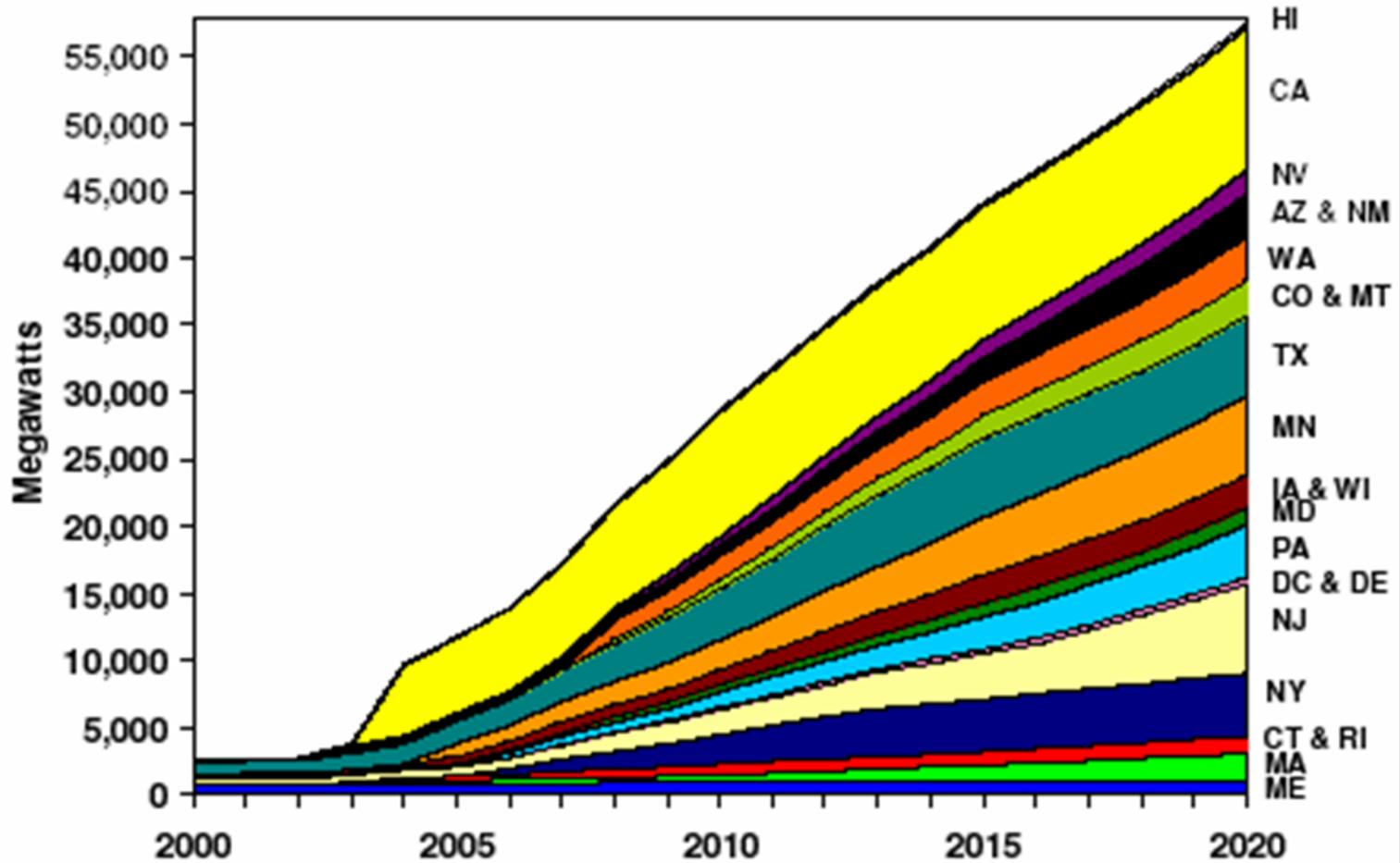
## State by state programs

- Renewable Portfolio Standards (RPS)  
Requires utilities to produce or purchase a certain percentage of renewable power by a date certain.
- Other incentives

# Renewables Portfolio Standards



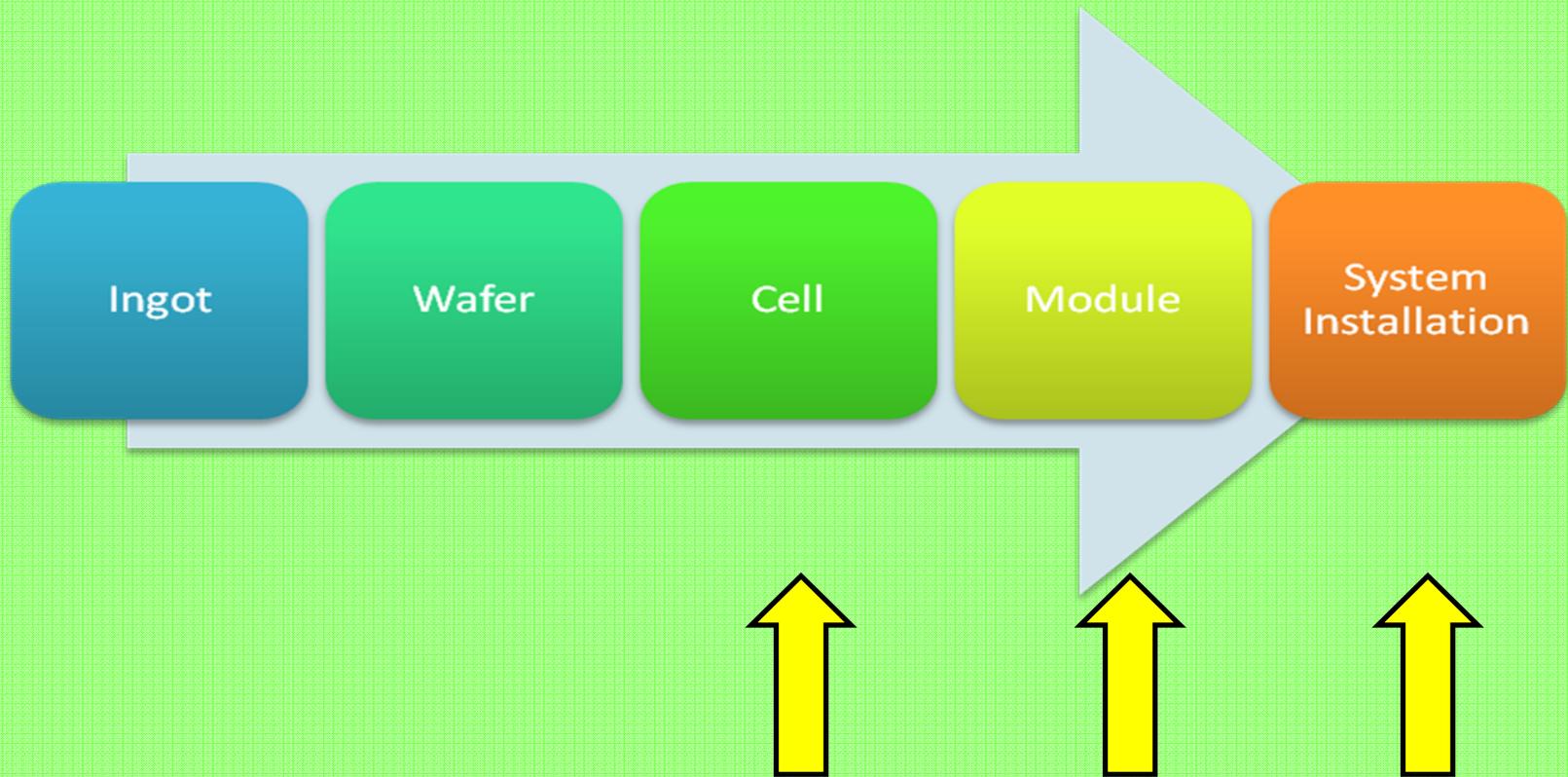
# Renewable Energy Expected From State Standards\*



\* Projected development assuming states achieve annual renewable energy targets.

Source: Union of Concerned Scientists

# Solar Production Value Chain



*Source: Jesup & Lamont*

# Financial Implications for Delaware

- University of Delaware and other cell designers
  - Imperative to keep innovation in state
- GE Solar and other module makers
  - Small capital expenditures, but limited local demand
- Installation business fragmented and regional
  - Consolidation, rollups, low barriers to entry
- Various ancillary businesses
  - Monitoring systems and REC trading/brokers