



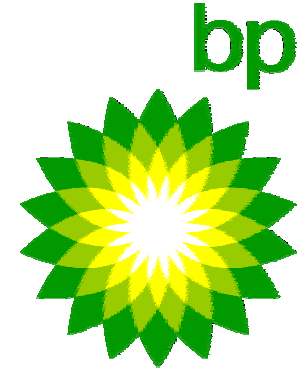
Internationale Konferenz
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Global Best Practice in Solar Incentive Programs

Steve Westwell, CEO BP Solar

2004

renewables
renewables



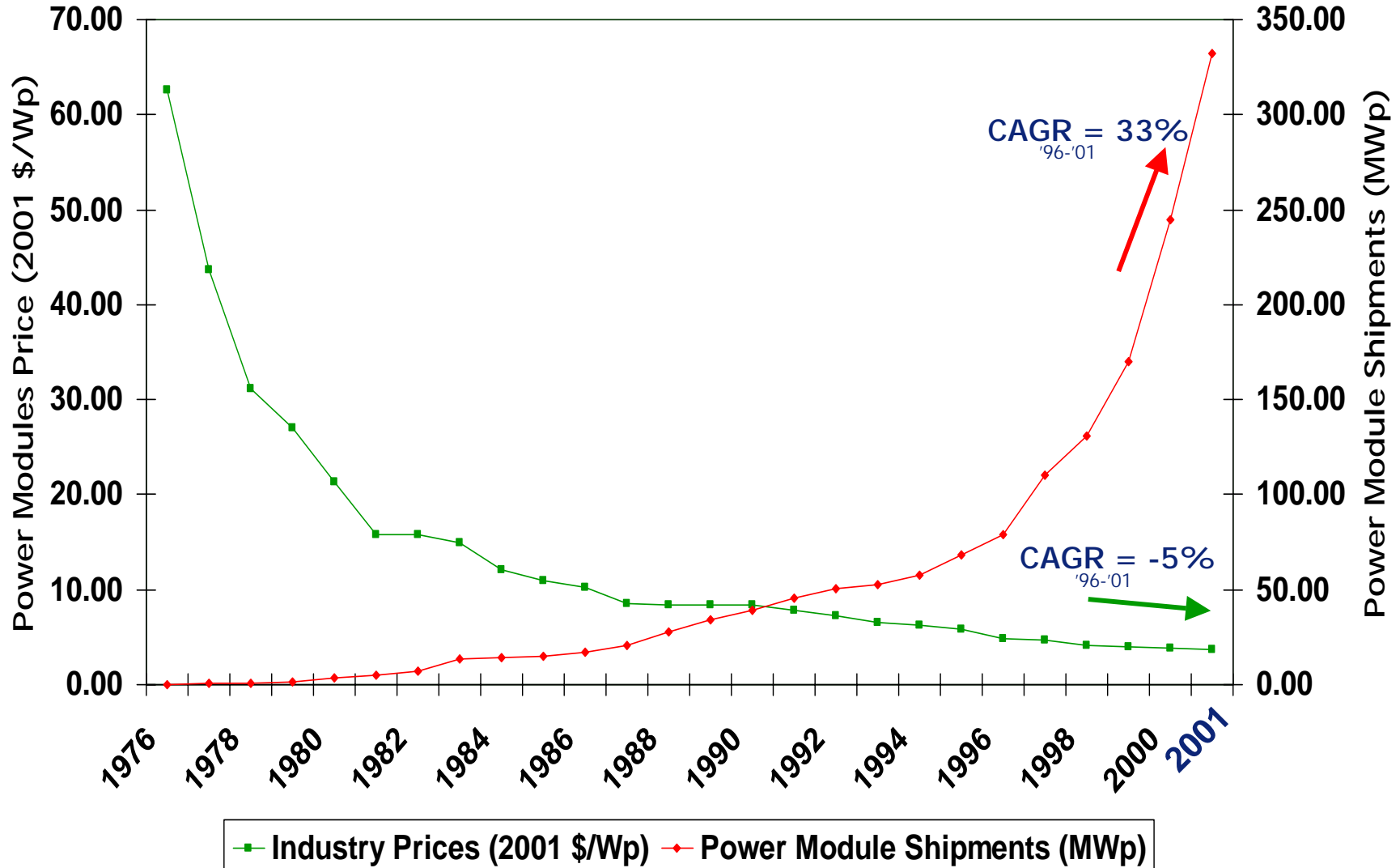
Global best practice in Solar Incentive Programs

Steve Westwell

CEO BP Solar

Bonn, 2nd June 2004

Demand for solar energy is soaring, and costs are rapidly decreasing

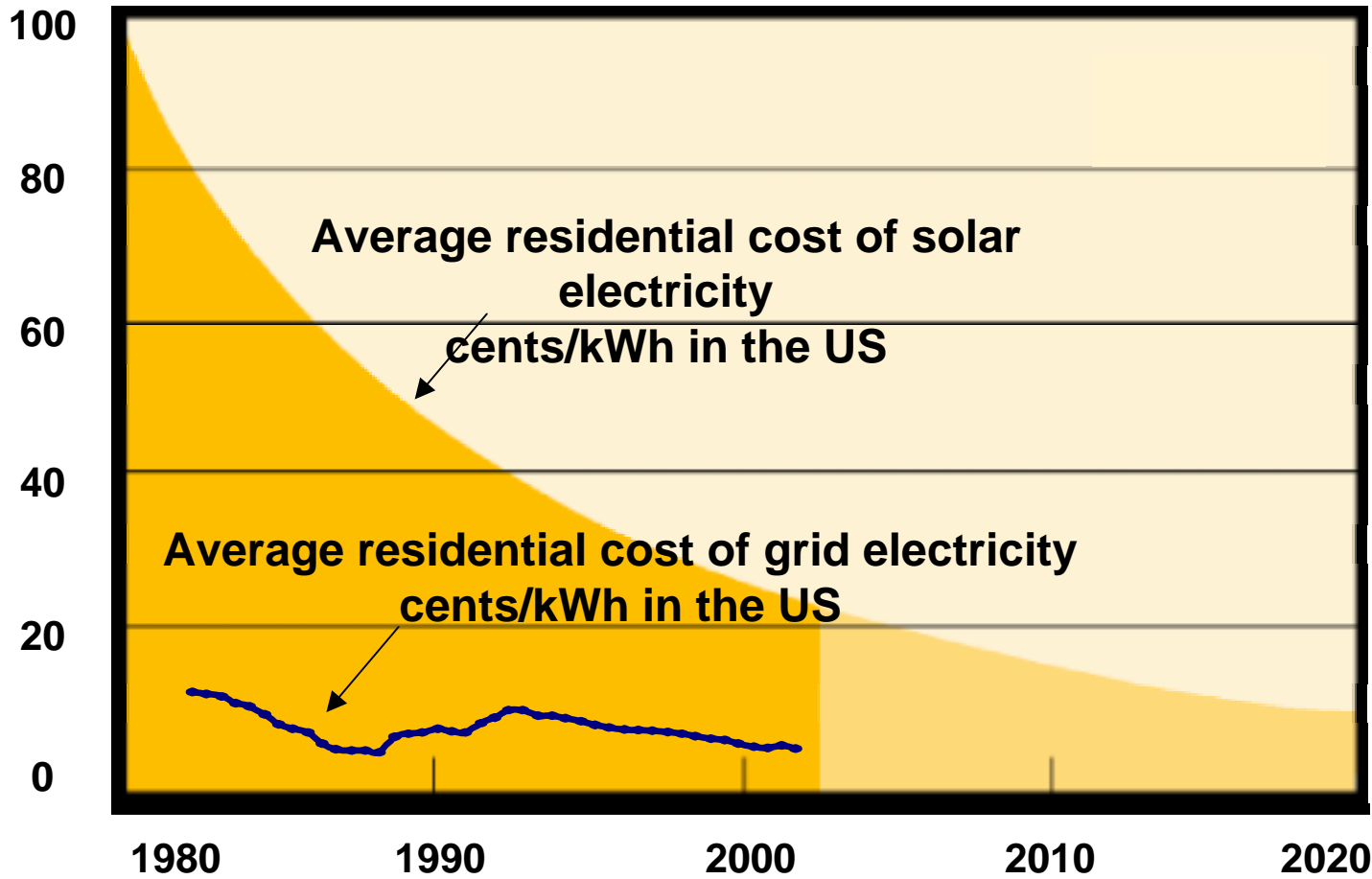


Note: Shipments are understated as "Strategies Unlimited" did not account for all Japanese shipments.
Source: Bill Rever; Strategies Unlimited, Photovoltaic Five-Year Market Forecast, 2002-2007.

Enabling Solar electricity to narrow the cost gap with grid supplied electricity

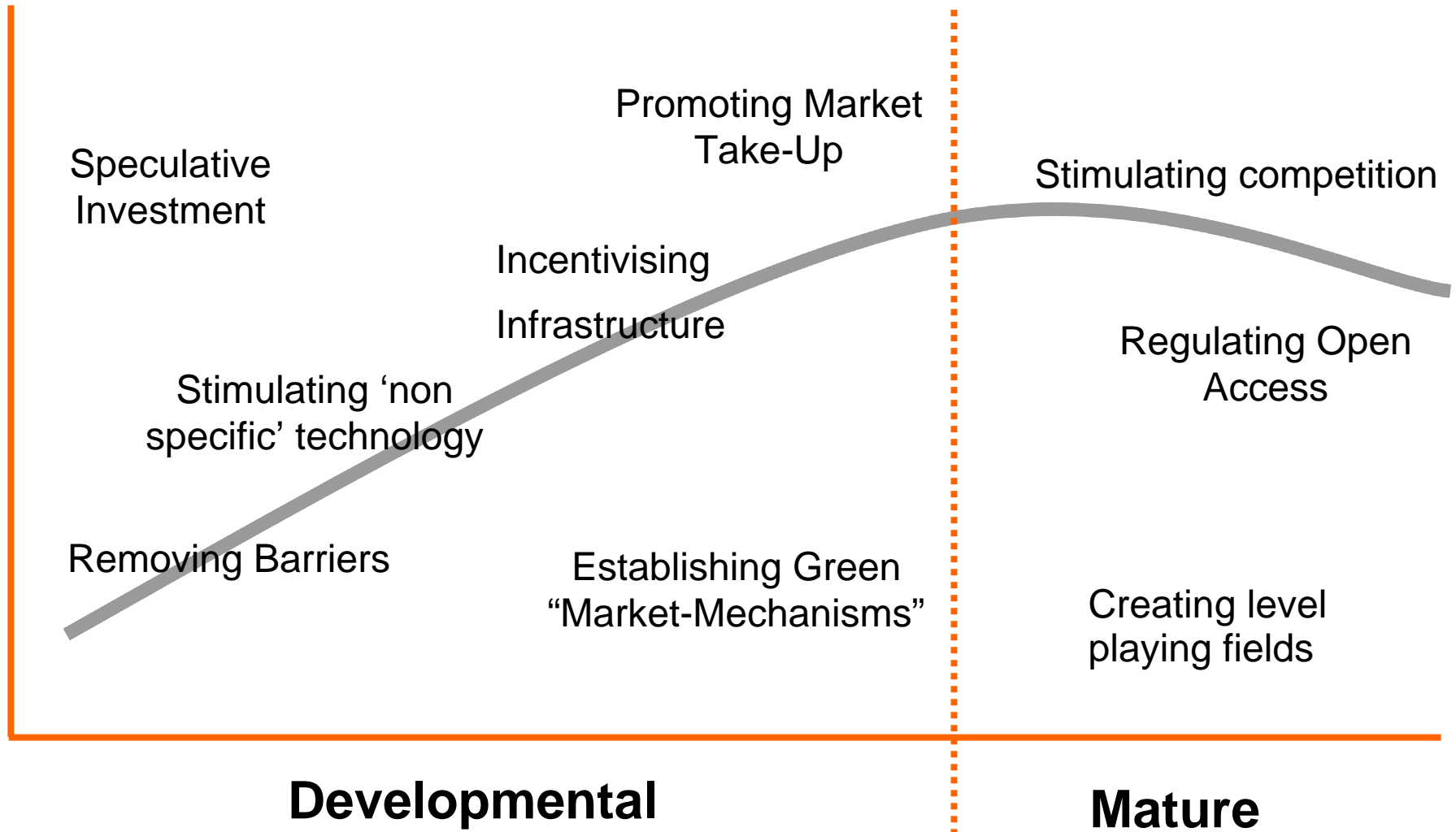


US Cents per kWh



\$US cents/kWh in constant 2000 dollars

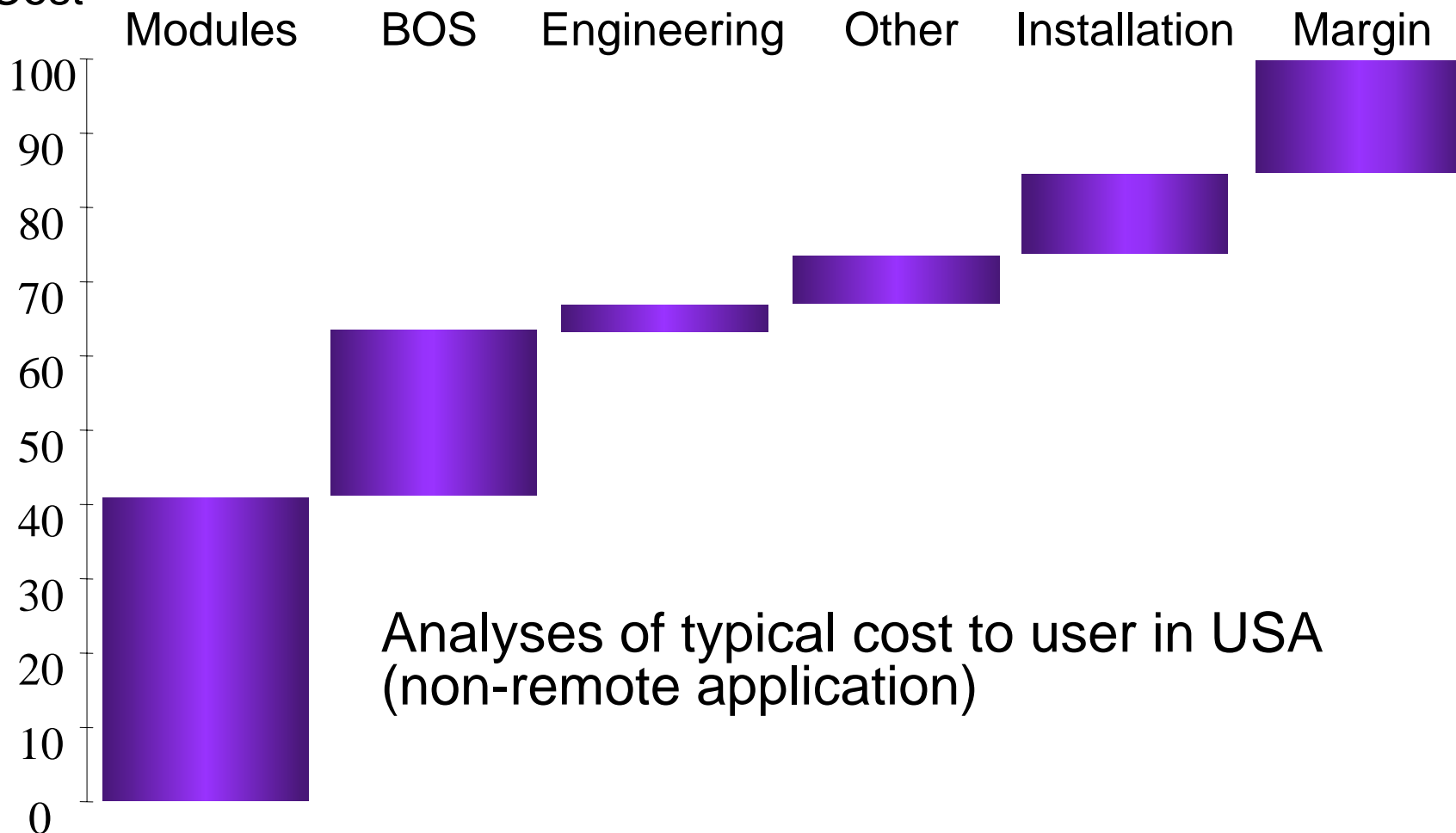
However ongoing incentives will be required to enable the Solar industry to achieve parity



The ideal policy should enable large, long term market development while targeting reductions in total installed costs



% Total
Cost



Analyses of typical cost to user in USA
(non-remote application)



Examples of incentive structures

Market	Tax Credits	Capital Cost Buydowns	Low Interest Loans	Feed-in Tariffs	Mechanism
California	+	+	-	-	Surcharge on utility rates
Spain	-	+	+	+	National general revenues
Japan	-	+	-	-	National general revenues
Germany	-	-	+	+	National utility rate surcharge



Discussion

- *How do the solar market development programs of different countries compare?*
- *How do these schemes match the essential requirements / key factors to create sustainable PV markets?*
- *What are the lessons learned and what are the best practice recommendations in support of PV?"*



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