

(GUEST OPINION)

# Photovoltaics and Utilities

COMING ATTRACTIONS // BY JULIA HAMM

LIKE ANALYSTS FOR MANY INDUSTRIES, photovoltaic industry analysts are all over the map with predictions. But what most energy executives don't realize is that some respected analysts are forecasting that one-third of annual global generating capacity additions will come from electricity generated by photovoltaics by 2012 – and this forecast does not include additional capacity from solar thermal electric. Is this scenario realistic? Maybe. Maybe not. But many factors indicate a significant increase in solar electricity even if the numbers may not reach predicted levels in four years. Smart utility executives are getting a leg up on understanding and preparing to address the challenges that are likely to result.



Julia Hamm

The reasons for rapid solar growth shouldn't surprise any energy executive. State-level renewable-portfolio standards, the possibility of federal-level RPSs, impending carbon costs, volatile fuel prices, rising commodity prices, environmental concerns and customer demand for green energy sources are all playing equally large roles in the changing energy game.

On top of that, President Barack Obama has taken a bold stand on energy, including setting goals for significant increases in the use of renewables.

If the most aggressive analysts are correct and we see the addition of 137 gigawatts of new photovoltaic installations worldwide between 2008 and 2012, what does this mean for electric utilities? Utilities should be thinking about how to insert their companies into the solar value chain to benefit from, rather than be harmed by, this distributed generation resource. Those who are unprepared are likely to face economic challenges resulting from displaced revenue as customers take their energy needs into their own hands. Also, some regulatory matters must be considered in the near term, such as whether it may be in the best interest of utilities to push for decoupling at a state or federal level to separate the loss of sales revenue from profits in anticipation of what is to come.

What about technical issues? In the Bavaria region of Germany, more than 2 percent of the power to the grid is supplied by photovoltaics without any negative grid impacts. But what happens when we are talking about 20 percent rather than 2 percent? Utilities truly committed to preparing for the future are investigating the realistic operational challenges that will need to be addressed as penetration rates rise.


*Julia Hamm is the executive director of the Solar Electric Power Association.*

TECHNOLOGY FRONTIER






Gatherings »

[www.energycentral.com/events](http://www.energycentral.com/events)








To view any of these events, please go to [www.energycentral.com/quicklink](http://www.energycentral.com/quicklink) and type the quick link code (  ) into the quick link box.

APRIL

2-4	POWER-GEN India and Central Asia New Delhi, India		E19583
6-7	Smart Grid Road Show Denver		E19526
7-8	Smart Metering Central & Eastern Europe Warsaw, Poland		E19580
15-16	Implementation of the Smart Grid for Canadian Electric Utilities Vancouver, B.C.		E19660
16-19	RENEXPO Budapest, Hungary		E19167

MAY

4-7	Offshore Technology Conference Houston		E19171
4-7	AWEA Windpower Conference & Exhibition Chicago		E19668
12-14	11th Electric Power Conference & Expo Chicago		E19582
26-28	POWER-GEN Europe Cologne, Germany		E19671
26-28	METERING China Conference & Exhibition Beijing		E19427

Subscribe Online to EnergyBiz