

Regional Goals and Market Update

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Overview

- ◆ Market Trends
- ◆ State By State Outlook

Solar Pricing Trends

- ◆ September 2008
 - ◆ \$8.50 Watt / 3.5 kW system
- ◆ September 2011
 - ◆ \$5.80 Watt / 6.3 kW system
- ◆ Mid-Market Commercial
 - ◆ 2010 system ~ \$5.25 Watt
 - ◆ 2011 system ~ \$4.25 Watt

MODULE PRICES DOWN

Global oversupply:

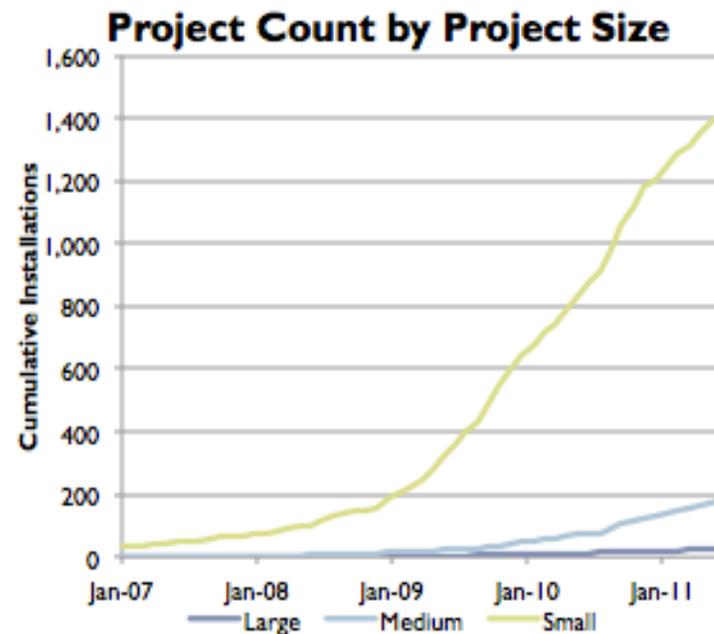
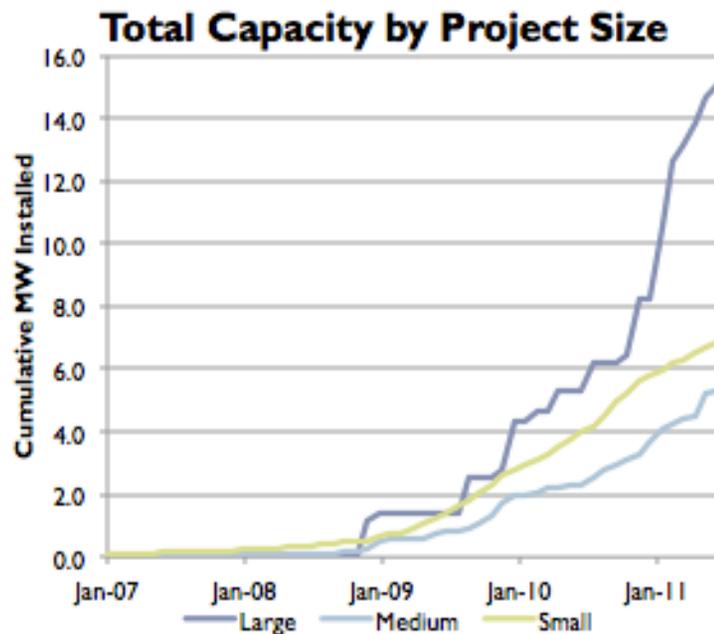
Demand ~17 GW

Supply > 20 GW



Trends In Project Size

Recent shift towards larger installations



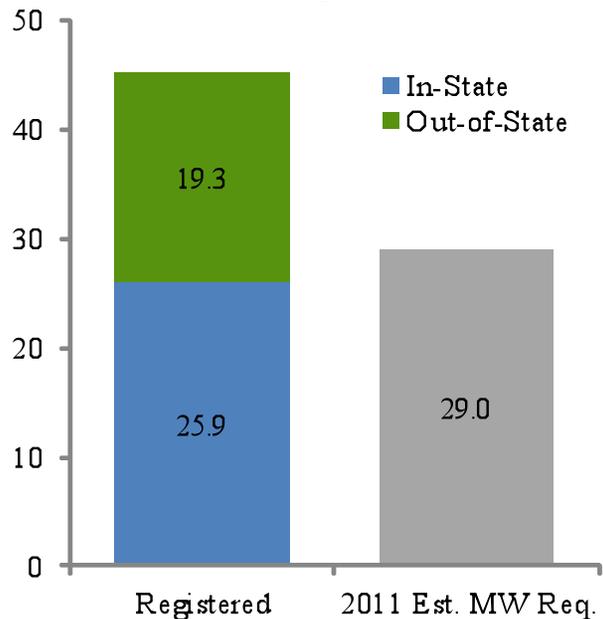
Large (>200 kW) represented 2% of projects but 61% of installed capacity from 6/10 to 6/11



Source: "Solar Industry Update" Kevin Lucas, MEA, 9/8/11.

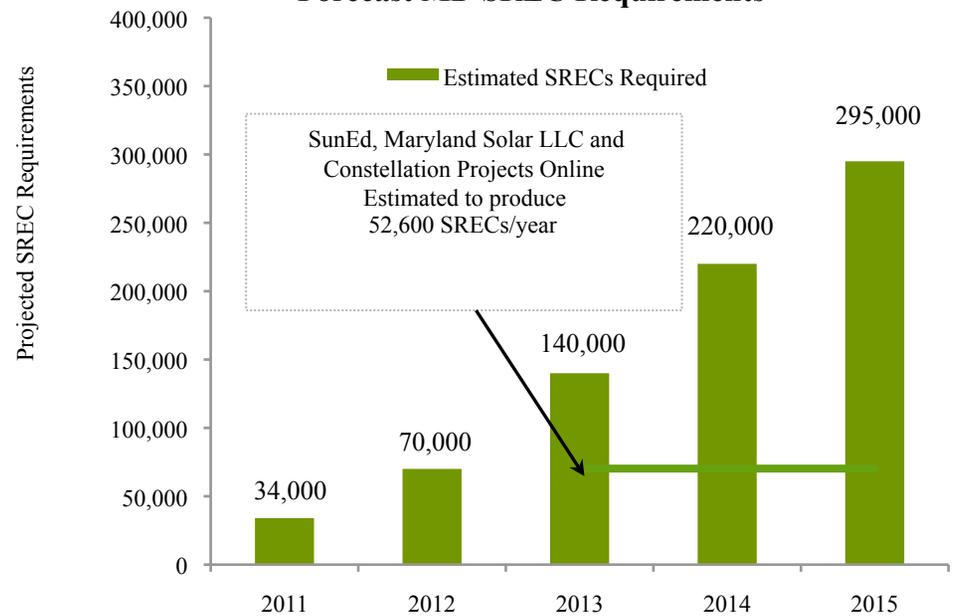
Maryland 2011

MD2011 Solar Requirements (MW)



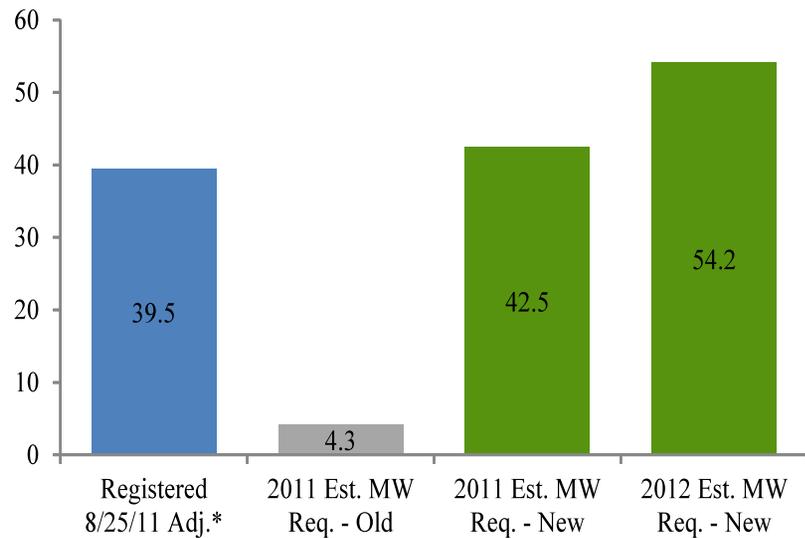
Source data from SRECTrade

Forecast MD SREC Requirements



Washington DC – Improved Market Conditions

DC Solar Supply vs. 2011 and 2012 Requirements (MW)



Year	Current RPS Solar Target	New RPS Solar Target	Current SACP	New SACP
2011	0.04%	0.40%	\$500	\$500
2012	0.07%	0.50%	\$500	\$500
2013	0.10%	0.50%	\$500	\$500
2014	0.13%	0.60%	\$500	\$500
2015	0.17%	0.70%	\$500	\$500
2016	0.21%	0.83%	\$500	\$500
2017	0.25%	0.98%	\$500	\$350
2018	0.30%	1.15%	\$500	\$300
2019	0.35%	1.35%	\$500	\$200
2020	0.40%	1.58%	\$500	\$200
2021	–	1.85%	–	\$150
2022	–	2.18%	–	\$150
2023	–	2.50%	–	\$50

Virginia – not much happening

- ◆ Voluntary Renewable Portfolio Standard
- ◆ Little commercial interest in Virginia market
- ◆ Market structure not attractive to solar investors
- ◆ Dominion power proposes to add standby charges for net-metering
- ◆ But individuals, businesses, and local government want solar development

Looking at 2012

- ◆ Leasing and finance structures become increasingly important
- ◆ Solar PV and Solar Thermal being used to improve the efficiency and lower costs of low income / affordable housing
- ◆ Community Solar Model
- ◆ Intelligent and creative efforts by local, state, and regional organizations help improve efficiency and sustainable energy development