



Solar Energy Products

US Industry Study with Forecasts to **2010 & 2015**

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Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

| | |
|------------------------------------|----|
| General | 4 |
| Macroeconomic Trends | 4 |
| Consumer Spending Trends | 7 |
| Demographic Trends | 9 |
| Manufacturers' Shipments | 12 |
| Construction | 15 |
| Building Construction | 16 |
| Residential | 18 |
| Nonresidential | 20 |
| Nonbuilding Construction | 23 |
| Electric Power Generation | 25 |
| Energy Consumption | 29 |
| Environmental Considerations | 31 |
| Government Incentives | 33 |
| State & Municipal Level | 33 |
| Federal Level | 36 |
| Pricing Trends | 37 |

WORLD SOLAR ENERGY

PRODUCT MARKET

| | |
|----------------------------|----|
| General | 40 |
| World Demand | 40 |
| Germany | 43 |
| Japan | 45 |
| Others | 46 |
| US Trade | 48 |
| Photovoltaic Cells | 48 |
| Imports | 50 |
| Exports | 52 |
| Photovoltaic Modules | 53 |
| Imports | 55 |
| Exports | 57 |

PHOTOVOLTAIC CELLS

| | |
|----------------------------------|----|
| General | 59 |
| Silicon Requirements | 59 |
| Strategies | 61 |
| Suppliers | 64 |
| Supply & Demand | 65 |
| Types | 69 |
| Crystalline Silicon | 71 |
| Single Crystalline Silicon | 75 |
| Multicrystalline Silicon | 78 |

| | |
|-------------------------|----|
| Thin Films | 81 |
| Amorphous Silicon | 84 |
| Cadmium Telluride | 86 |
| Gallium Arsenide | 88 |
| CIS/CIGS | 89 |

PHOTOVOLTAIC MODULES

| | |
|---------------------------------|-----|
| General | 92 |
| Photovoltaic Systems | 92 |
| Module Supply & Demand | 94 |
| Module Types | 97 |
| Applications | 100 |
| Electric Power Generation | 101 |
| On-Grid | 105 |
| Residential | 108 |
| Nonresidential | 109 |
| Off-Grid | 110 |
| Residential | 111 |
| Nonresidential | 113 |
| Other Applications | 114 |
| Manufactured Products | 116 |
| Communications | 117 |
| Transportation | 118 |
| All Other | 119 |

REGIONAL DEMAND FOR ELECTRIC POWER

GENERATION PV MODULES

| | |
|--|-----|
| General | 122 |
| Regional Demographic & Economic Trends | 123 |
| Population Patterns | 124 |
| Economic Outlook | 126 |
| Construction Activity | 127 |
| Housing Trends | 129 |
| Regional Demand for Electric Generation PV Modules | 132 |
| Northeast | 135 |
| New England | 137 |
| Middle Atlantic | 138 |
| Midwest | 141 |
| East North Central | 143 |
| West North Central | 146 |
| South | 148 |
| South Atlantic | 150 |
| East South Central | 152 |
| West South Central | 154 |

| | |
|----------------|-----|
| West | 157 |
| Mountain | 159 |
| Pacific | 163 |

INDUSTRY STRUCTURE

| | |
|-----------------------------------|-----|
| General | 167 |
| Industry Concentration | 167 |
| Market Share | 171 |
| Competitive Strategies | 179 |
| Research & Development | 182 |
| Marketing | 184 |
| Distribution | 186 |
| Acquisitions & Divestitures | 188 |
| Cooperative Agreements | 191 |

COMPANY PROFILES

| | |
|--|-----|
| ATS Automation Tooling Systems | 200 |
| Atlantis Energy Systems | 203 |
| BP plc | 204 |
| Cypress Semiconductor | 208 |
| Dow Corning | 211 |
| Energy Conversion Devices | 213 |
| Energy Photovoltaics | 216 |
| Evergreen Solar | 217 |
| First Solar | 220 |
| General Electric | 222 |
| Global Solar Energy | 224 |
| HelioVolt Corporation | 226 |
| ICP Solar Technologies | 227 |
| Konarka Technologies | 229 |
| Kyocera Corporation | 230 |
| Miasole | 234 |
| Motech Industries | 235 |
| PowerFilm Incorporated | 237 |
| PowerLight Corporation | 238 |
| Q-Cells AG | 241 |
| Royal Dutch Shell plc | 243 |
| SANYO Electric | 245 |
| SCHOTT AG | 248 |
| Sharp Corporation | 251 |
| Silicon Solar | 253 |
| Solar Power Industries | 255 |
| SolarWorld AG | 256 |
| Spire Corporation | 260 |
| Suntech Power Holdings | 262 |
| XsunX Incorporated | 265 |
| Yingli Solar | 267 |
| Other Companies Mentioned in Study | 269 |

List of Tables & Charts

EXECUTIVE SUMMARY

1 Summary Table 3

MARKET ENVIRONMENT

1 Macroeconomic Indicators..... 7
 2 Personal Income & Expenditures 9
 3 Resident Population & Households 12
 4 Manufacturers' Shipments..... 14
 5 Total Construction Expenditures 16
 6 Building Construction Expenditures 17
 7 Residential Building Construction Expenditures 20
 8 Nonresidential Building Construction Expenditures 23
 9 Nonbuilding Construction Expenditures 25
 10 Electric Power Generation..... 28
 Cht Electric Power Generation, 2005 29
 11 Energy Consumption..... 30
 Cht Energy Consumption by Fuel Type, 1995-2015 31
 12 Solar Energy Product Pricing..... 39

WORLD SOLAR ENERGY PRODUCT MARKET

1 World Demand for Photovoltaic Modules..... 42
 Cht Photovoltaic Module Demand by Region, 2005..... 43
 2 US Trade of Photovoltaic Cells... 50
 Cht Photovoltaic Cell Imports by Source, 2005..... 51
 Cht Photovoltaic Cell Exports by Destination, 2005 53
 3 US Trade of Photovoltaic Modules..... 55
 Cht Photovoltaic Module Imports by Source, 2005..... 57

Cht Photovoltaic Module Exports by Destination, 2005 58

PHOTOVOLTAIC CELLS

1 Silicon Requirements for Photovoltaic Cells 61
 2 Photovoltaic Cell Supply & Demand..... 69
 3 Photovoltaic Cell Shipments 71
 4 Crystalline Silicon Photovoltaic Cell Shipments... 75
 5 Single Crystalline Silicon Photovoltaic Cell Shipments... 78
 6 Multicrystalline Silicon Photovoltaic Cell Shipments... 81
 7 Photovoltaic Thin Film Shipments..... 84

PHOTOVOLTAIC MODULES

1 Photovoltaic System Shipments..... 94
 2 Photovoltaic Module Supply & Demand..... 97
 3 Photovoltaic Module Shipments..... 100
 4 Photovoltaic Module Demand by Application 101
 5 Electric Power Generation Demand for Photovoltaic Modules..... 104
 Cht Electric Power Generation Demand for Photovoltaic Modules by Segment, 1995-2015 105
 6 On-grid (Grid Interactive) Electric Generation Demand for Photovoltaic Modules..... 108
 7 Off-grid (Remote) Electric Generation Demand for Photovoltaic Modules..... 111
 8 Other Applications for Photovoltaic Modules..... 115

Cht Other Applications for Photovoltaic Modules, 2005. 115

REGIONAL DEMAND FOR ELECTRIC POWER GENERATION PV MODULES

1 Resident Population & Households by Region..... 125
 2 Regional Gross Domestic Product 127
 3 Regional Construction Expenditures 129
 4 Regional Housing Sales, New Units & Stock 132
 5 Regional Demand for Electric Generation Photovoltaic Modules..... 134
 Cht Regional Demand for Electric Generation Photovoltaic Modules, 2005 135
 6 Northeast Power Generation Photovoltaic Module Demand 137
 7 Midwest Power Generation Photovoltaic Module Demand 143
 8 South Power Generation Photovoltaic Module Demand 150
 9 West Electric Generation Photovoltaic Module Demand 159

INDUSTRY STRUCTURE

1 Solar Energy Product Sales by Company, 2005 170
 Cht Photovoltaic Modules Market Share, 2005 173
 2 Selected Acquisitions & Divestitures..... 191
 3 Selected Cooperative Agreements..... 194

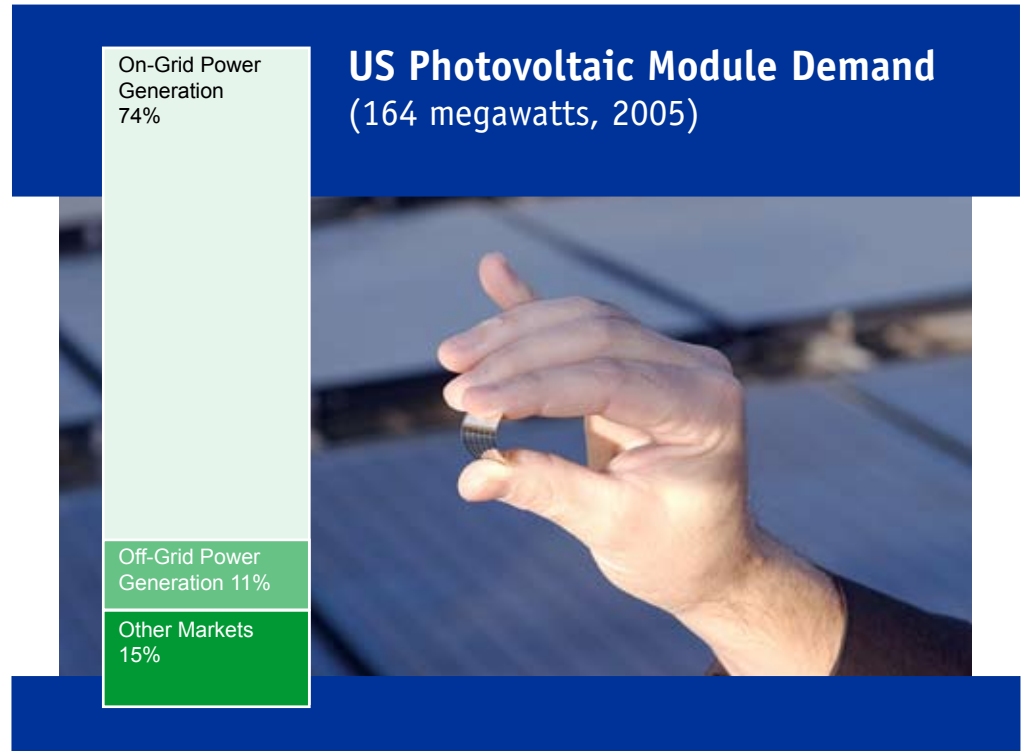
Widespread implementation of net metering programs will help drive growth in solar energy products, as consumers are compensated at retail prices for any excess energy generated that flows onto the grid.

US solar energy product demand to triple by 2010

Demand for photovoltaic modules is expected to more than triple from 2005 levels by 2010 to 531 megawatts, valued at \$1.3 billion. Advances will be driven by the falling price of solar power, which stems from technological innovations, growing economies of scale and a rising level of government tax incentives and rebates at both the state and federal levels. However, if these incentives are scaled back or withdrawn prematurely, it would negatively affect solar energy product demand.

Consumer concerns, net metering, energy credits to drive growth

Gains will also be spurred by consumer interest in renewable energy sources and concern about the volatility of oil and other conventional energy prices and supplies. The widespread implementation of net metering programs will also drive growth, as consumers are compensated at retail prices for any excess energy generated that flows onto the grid. The ongoing development of a market for renewable energy credits will also drive sales, particularly if ownership of the credits is retained by the individual generator and adequate trading mechanisms are created. The continuing development of thin film technologies will enable the development of more solar-powered products.



Thin films to lead gains

In 2005, US shipments of photovoltaic cells were dominated by crystalline silicon cells that accounted for 76 percent of shipments in terms of generation capacity. However, thin films (e.g., amorphous silicon, cadmium telluride, gallium arsenide, and copper indium diselenide or copper indium gallium diselenide) will post stronger growth, advancing to more than eleven times their 2005 level by 2010 as a more manufacturers begin large-scale production. Gains will be driven by the cost advantages involved in using little or no silicon, and the ability to use thin films in building integrated photovoltaic applications within roofing shingles and other building materials.

On-grid segment is largest power generation market

In 2005, the key market for photovoltaic modules (which are composed of a series of cells) was power generation, accounting for 85 percent of demand. The on-grid segment represented the largest share of demand, benefitting from net metering programs implemented by state governments and local utilities, and a system which does not require batteries and supplemental generators. Of all US subregions, the Pacific accounted for the largest share of photovoltaic module demand in 2005, due primarily to California's state level incentives and weather conditions that are amenable to solar power generation.

**Sample Text,
 Table & Chart**

PHOTOVOLTAIC MODULES

Off-Grid

Demand for photovoltaic modules in the off-grid, or remote, generation segment is expected to grow at a rate of 10 percent per year to 1.5 megawatts in 2015. The on-grid segment will continue to grow, but at a slower rate, as the grid is more established. In areas where the grid is more established, owners with photovoltaic modules are able to generate electricity even when the electrical grid is down because there is no danger of harm to utility linemen working on repairs.

Off-grid photovoltaic systems have a cost advantage over on-grid versions on a per watt basis in that off-grid building owners do not have to pay the taxes, delivery fees and surcharges that utilities often charge on top of the cost for the electricity itself. However, that cost advantage is weighed against the fact that the balance of system components of an off-grid system, including storage batteries and often an alternate back-up power source, are more complicated and more expensive than those on an on-grid system. In general, however, consumers who purchase these systems for off-grid applications benefit from many of the same tax incentives and rebates from state and federal governments that are available to those who purchase the systems for on-grid applications.

By definition, photovoltaics can only be used to generate electricity during daylight hours. Therefore, off-grid users of these systems must incorporate batteries into their system so that excess power generated from the photovoltaic modules during the day can be stored for use after sunset. Additionally, the power that is generated may fluctuate through the seasons depending on the number of daylight hours and the intensity of the solar energy during those hours. As a result, many who operate

TABLE VI-8

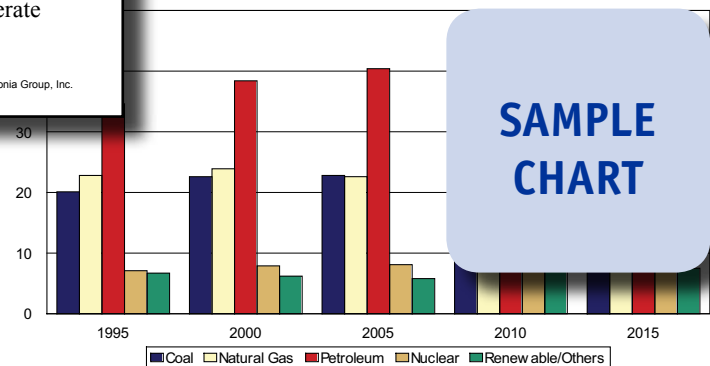
**SOUTH POWER GENERATION
 PHOTOVOLTAIC MODULE DEMAND
 (peak megawatts)**

| Item | 1995 | 2000 | 2005 | 2010 | 2015 |
|--------------------------------------|------|------|------|------|------|
| South GDP (bil 2000\$) | 2640 | | | | |
| MW modules/tril \$ GDP | 0.04 | | | | |
| South Electric Generation PV Modules | 0.1 | | | | |
| South Atlantic | 0.1 | | | | |
| East South Central | neg | | | | |
| West South Central | neg | | | | |
| % South | 2.9 | | | | |
| Electric Generation PV Module Dmd | 3.4 | | | | |

**SAMPLE
 TABLE**

CHART II-2

**ENERGY CONSUMPTION BY FUEL TYPE, 1995-2015
 (quadrillion Btu)**



**SAMPLE
 CHART**

**Sample Profile,
 Table & Forecast**

COMPANY PROFILES

Global Solar Energy Incorporated

5575 South Houghton Road
 Tucson, AZ 85712
 520-546-6313
 http://www.gse.com

**SAMPLE
 PROFILE**

Annual Sales: \$100 million, verify, 10/06
 Employment: 1,000

Key Products: photovoltaic thin-film modules, copper indium gallium selenide-based photovoltaic modules, solar-energized power packs, integrated photovoltaic systems

Global Solar Energy develops and produces thin-film photovoltaic (PV) modules for military, space, consumer and commercial applications, among others. Prior to April 2006, the Company was a subsidiary of UniSource Energy Corporation (Tucson, Arizona). In April 2006, UniSource Energy sold Global Solar Energy to SOLON AG (Germany) and a European private investor. Following the transaction, SOLON, a manufacturer of solar modules and integrated PV systems, owns a 19-percent stake in Global Solar Energy and the private investor owns the remaining 81-percent interest.

The Company is active in the solar energy industry through the production of POWERFLEX thin-film PV modules based on copper indium gallium diselenide (CIGS). Global Solar Energy's lightweight solar modules are produced with a flexible, durable material, unlike traditional solar panels made with glass. Among other applications, the Company utilizes its POWERFLEX PV modules to manufacture solar products for military, consumer and commercial use.

For military applications, Global Solar Energy makes P3 portable power packs, which are available in 15-, 30-, 48- and 55-watt (W)

224

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TABLE IV-7

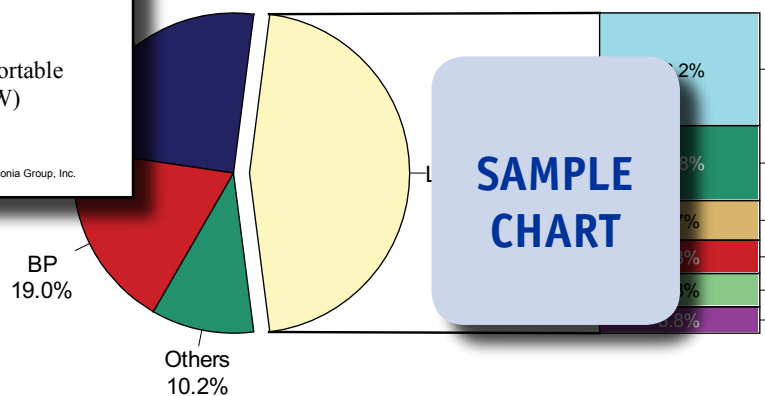
**PHOTOVOLTAIC THIN FILM SHIPMENTS
 (peak megawatts)**

| Item | 1995 | 2000 | 2005 | 2010 | 2015 |
|--|------|------|------|------|------|
| Total Photovoltaic Cell Shpts (mil \$) | 44.9 | | | | |
| % thin film | 5.8 | | | | |
| Thin Film PV Cell Shpts (mil \$) | 2.6 | | | | |
| \$/watt | 3.70 | | | | |
| Thin Film Photovoltaic Cell Shpts | 0.7 | | | | |
| Amorphous Silicon | 0.7 | | | | |
| Cadmium Telluride | -- | | | | |
| Gallium Arsenide | neg | | | | |
| CIGS/CIS | -- | | | | |
| % thin film | 4.0 | | | | |
| Total Photovoltaic Cell Shipments | 17.7 | | | | |

**SAMPLE
 TABLE**

CHART VII-1

**PHOTOVOLTAIC MODULES MARKET SHARE. 2005
 (\$526 million)**



**SAMPLE
 CHART**

*including the crystalline silicon operations acquired from Shell in July 2006.

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OTHER STUDIES

World Electric Power Equipment

World electric transmission and distribution equipment demand will rise 4.4% annually through 2011. The industrial and commercial sector will see the strongest gains as cogeneration proliferates and products such as high voltage transformers become more common outside of the utility sector. This study analyzes the \$85 billion world electric power equipment industry, with forecasts for 2011 and 2016 by product, market, world region and for 17 countries. It also details market share and profiles major players.

#2261 10/2007..... \$5400

Circuit Breakers & Fuses

US circuit breaker and fuse demand will grow 3.7% per year through 2011, supported by stronger outlooks for construction of nonresidential buildings and electric utilities. Circuit breakers will outpace fuses, led by strong growth in power circuit breakers. High-power fuses will pace the fuse segment. This study analyzes the \$3 billion US circuit breaker and fuse industry, with forecasts for 2011 and 2016 by product and market. It also evaluates company market share and profiles leading industry competitors.

#2252 10/2007..... \$4400

Electric Transmission & Distribution Equipment

US electrical transmission and distribution equipment demand will rise 3.6% yearly through 2011. Growth in nonutility generation and an improved regulatory outlook supporting investment in the electric grid will aid gains. Specialty transformers and metal-clad and -enclosed switchgear will lead gains. This study covers the \$17.5 billion US electrical transmission and distribution equipment market, with forecasts for 2011 and 2016 by product and market. It also details market share and profiles major firms.

#2198 07/2007..... \$4400

World Fuel Cells

Global fuel cell spending (R&D, investment, sales) will grow 15% yearly through 2011. Portable electronics will be the fastest growing commercial use while electric power generation will stay the largest. Proton-exchange membrane fuel cells will remain dominant over other chemistries. This study analyzes the \$5.2 billion world fuel cell industry to 2011 and 2016 by product, chemistry, application, world region and for 14 countries. It also reviews technology, evaluates market share and profiles major players.

#2194 05/2007..... \$5500

Diesel Engines

US demand for diesel engines will grow 3.8% annually through 2011. Best opportunities in the dominant motor vehicle market will be found in light-duty trucks, with the much smaller passenger car segment also faring very well. Off-highway diesel engines will experience slowing but still robust demand as new emissions regulations phase in. This study analyzes the \$16.6 billion US diesel engine industry to 2011 and 2016 by product, material and market. It also details market share and profiles major firms.

#2171 03/2007..... \$4400

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