



GET A QUOTE:

Enter symbol(s) or Keywords GO = DJIA 8,178.00 ▼ -270.56 = NASDAQ 1,498.62 ▼ -47.84 as of 10:39 AM ET © BigCharts

Prices for rooftop solar systems fall as supply grows

Updated 23h 23m ago | Comments 165 | Recommend 52 E-mail | Save | Print | Reprints & Permissions | RSS



Enlarge By Jennifer Corbet, The Wilmington (Del.) News-Journal

Jim Mitchell, left, of Woodside Farm Creamery in Hockessin, Del., looks over a solar panel installation with Marin Hernandez of Sun Technics. The dairy farm needs a lot of expensive refrigeration and solar power should provide up to 85% of the farm's power.

By Paul Davidson, USA TODAY

Here's a bright spot in an overcast economy: Solar panel prices are tumbling.

Prices for rooftop solar systems, including installation, already have fallen 8% to 10% since October and are expected to drop another 15% to 20% this year.

Fueling the trend are an oversupply of worldwide manufacturing capacity and lower demand, especially in Spain and Germany, which have been growth engines for the industry.

For U.S. homeowners, effective prices are likely to plunge by more than 50% after figuring in a bigger federal tax credit that took effect Jan. 1.

"The era of extremely expensive (solar) modules is over," says analyst Nathaniel Bullard of research firm New Energy Finance.

FIND MORE STORIES IN: [California](#) | [Congress](#) | [Germany](#) |

[Spain](#) | [Morgan Stanley](#) | [New Energy Finance](#)

Since 2004, solar prices have been propped up by a shortage of capacity to make both silicon — the raw material for solar-power systems — and finished panels. Meantime, the Spanish and German governments have paid system owners hefty subsidies to generate solar power, turbocharging sales in those countries.

Manufacturers responded by building a wave of factories. Then Spain and Germany slashed this year's incentives. In the U.S., the biggest solar investors were banks such as Morgan Stanley that can no longer benefit from tax credits because of insufficient profits.

New Energy projects an oversupply of nearly 4 gigawatts of solar modules in 2009, or enough electricity to supply 2.6 million homes.

The glut is already dragging down prices. Barry Cinammon, CEO of Akeena Solar, one of the nation's largest installers, says wholesale prices have fallen about 15% since October. Since installation accounts for about half the cost of a system, total costs are down about 8%. SunPower, one of the largest solar makers, expects its retail prices for installed systems to dip as much as 20% this year.

"Now, all of a sudden, we have module manufacturers calling us," says Peter Rive, chief operating officer of Solar City, the No. 1 installer.

Consumers can reap even bigger gains if they can buy in a recession.

Until this year, homeowners who bought solar systems were eligible for a tax credit that shaved system prices 30%, but the credit was capped at \$2,000. Last fall, Congress renewed the 30% credit and removed the cap, lopping thousands more dollars off solar price tags.

In California, which accounts for nearly 70% of the U.S. solar market, a typical 4-kilowatt, \$32,000 solar energy system cost a homeowner about \$23,000 last year after state and federal incentives. This year, if prices sink as expected, that system is likely to cost \$10,000 to \$12,000.

Share this story:

[Mixx it](#) [Yahoo! Buzz](#) [Digg](#) [Newsvine](#) [Reddit](#) [Facebook](#) [What's this?](#)

Posted 1d 13h ago

Related Advertising Links

What's This?

Top Solar Stock Pick - SSLR

Solar Company Heating up Texas. Investment Stocks Trading News

Scottrade: Online Stocks

\$7 Online Trades. Unlimited Shares. Open Your Account Online Today!

Advertisement

What's this?

Franchise Center

Search hundreds of franchises and business opportunities to find the one that is right for you.

Find a franchise:

Select Category

Select Investment 



Quick Request Form:

Request information from your favorite franchises and business opportunities. [Click here](#)

USA TODAY Personal Finance E-mail Newsletters

Sign up to get:

- Tips on managing money
- Latest financial news
- Jobs, economy, taxes and more



Sign Up Now

In fact my friend in Harwich Ma., paid 26 cents per kwh.

As for the 8 cents, I don't know about that. But recall back in the days when Niagara Falls was giving low rates to customers for a number of years, they were paying 2 cents/kwh. I believe this cut rate from Niagara expired now.

As for solar and local codes, one wrote most places would prevent you from putting solar on the roof. This too is no true. Usually the electric code is the one that requires an inspection. A free standing unit in the back yard would likely be a different story.

[Recommend](#) | [Report Abuse](#)



S.MEN 50-10 wrote: 3h 28m ago

(continuation) In 1 year he would be producing 365 x 8 x 4 or 11,680 KWH of energy and saving 93,440 cents. Dividing \$12,000 by \$934.4 yields a payback period of 12.8 years. After this he will have a yearly net income of nearly \$1K from his system. This is on the assumption that our foreign oil suppliers do not increase their price again, a very optimistic assumption indeed. He will be helping to free us from the strangle-hold of foreign oil suppliers. And, more importantly, he will be doing his share in saving our mother Earth from the devastating cataclysms forecast for the middle of this century. -- If we don't reverse global warming.

These figures are not from thin air. You can check them yourself. His mention of the Sierra Club is just a red herring, by the way.

[Recommend](#) | [Report Abuse](#)



wamendy wrote: 3h 46m ago

Yo, they don't have to go on the roof. Probably the most costly and inconvenient place to put solar panels. A rack in your backyard will work as well and you can move the whole thing when you move and not worry about the next owner.

[Recommend](#) | [Report Abuse](#)



S.MEN 50-10 wrote: 4h ago

Some people are confused and keep repeating their confusion. They think that a lie repeated often enough takes on the semblance of truth. Yamahaxv1600 is either confused, ignorant or is trying, with evil intent, to get us to believe his lies. Let us be generous and assume that he was just ignorant. He never said where he got his figures, but this I know is true: NOBODY, BUT NOBODY, pays 8 cents nor 22.5 cents per KW of electricity. To be generous, let's just say that had just misread his bills and, in his ignorance, thought he was being billed 8 cents per KW which the electric co. never did. Probably he was billed 8 cents per KWH which is an ocean of difference. One KWH is 1 KW running for 1 hour, 1/2 KW running for 2 hours, or 3 KW running for 20 minutes, etc.

It may be more useful to determine how many years the system would pay for itself. Let us assume that he pays 8 cents per KWH. Now, let us take the original article and say he had a 4KW (not KWH) system installed for the higher figure of \$12,000. Let us assume further that he uses his system at capacity an average of 8 hours a day.

[Recommend](#) | [Report Abuse](#)



readyteddy wrote: 5h 28m ago

Check with your covenants if you live in a neighborhood with a homeowner's association. Most of them (covenants) prohibit solar roof panels. Note to Yamahaxv1600: OK, We get your message, how many times are you going to repeat yourself? Sheesh! I'm an electrical power engineer working as a consultant in the electrical power generation industry and your figure of .00004 cents per kW is unrealistic even for just the O&M of a nuclear plant.

[Recommend](#) | [Report Abuse](#)



Yamahaxv1600 wrote: 11h 22m ago

That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Sierra Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Sierra Club even admitted that they made a mistake. Maybe we should sue them out of existence.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Sierra Club would have stayed out of the way and let the nuclear power plants continue to be

built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Siera Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Siera Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Siera Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Siera Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Siera Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now. That is still 22 1/2 cents per KW. That is three times what I pay for electric from our electric company. It's a great idea but I think people are foolish to be spending that kind of money on electric. Now if the stupid Siera Club would have stayed out of the way and let the nuclear power plants continue to be built at the rate they were being built in the late 70's, into the 80's, we'd ALL be paying around .00004 cents per KW now, instead of the 8 cents per KW. Do some research, it's easy to find these facts on the internet. The Siera Club even admitted that they made a mistake. Maybe we should sue them out of existance.

Some people, acting on misguided beliefs, managed to ruin the country. We wouldn't have the oil crises either because most autos would be powered by electric by now....

A car must be 30 y.o. to escape emissions in California. We'd better use this clean sunny air. A nuclear plant with radiation is safe at : Boundry line= # of hours per day x 0.2= result. At one mile= # of hours per day x 0.2= result. Five miles away annual average# of hours per day x 0.0202. Over five miles away = none.

Filters are used to filter uranium fumes out of the reactor provided they are good. You had better have a nice kisser for California or it is financial ruin!!!

Recommend 1 | Report Abuse

More comments on this story: 1 2 3 4 5 6 7 Next ▶

Sponsored Links

Hot Stock Alert - EVSO

Solar Power Your Portfolio With Evolution Solar. Invest.

www.EvolutionSolar.com

1 flat stomach rule: obey

I cut out 2 lbs of stomach fat per week by obeying this 1 old rule

AmysDietingBlog.com

1 Flat Tummy Rule: Obey

Read how I lost 42 Pounds by obeying this 1 rule (As Seen On TV)

www.TracysWeightLoss.com

[Get listed here](#)

Choose from hundreds of life-changing gifts at ChangingThePresent.org and make a difference on somebody's behalf.



Newspaper Home Delivery - Subscribe Today

[Home](#) • [News](#) • [Travel](#) • [Money](#) • [Sports](#) • [Life](#) • [Tech](#) • [Weather](#)

About USATODAY.com: [Site Map](#) | [FAQ](#) | [Contact Us](#) | [Jobs with Us](#) | [Terms of Service](#)
[Privacy Policy/Your California Privacy Right](#) | [Advertise](#) | [Press Room](#) | [Media Lounge](#) | [Reprints and Permissions](#)

News Your Way: [Mobile News](#) | [Email News](#) | [IM Alerts](#) | [Add USATODAY.com RSS feeds](#) | [Podcasts](#) | [Widgets](#)

Partners: [USA WEEKEND](#) | [Sports Weekly](#) | [Education](#) | [Space.com](#)

Copyright 2009 USA TODAY, a division of Gannett Co. Inc.