

THE PV MARKET: SUNNY SIDE UP

As the pandemic took grip doubt descended on the solar and storage industry: what did the future hold? How would the lockdown impact demand? Industry analysts report some reassuring trends.

“On the whole, people are anxious, but solar and storage are well-positioned compared to other sectors of the economy.”

Geoff Bragg,
Sunman Solar

THE LOOMING THREAT of the virus sent warning bells ringing: would homeowners shut their doors to solar and storage installers? Were we about to enter a bleak new period of inertia as the pandemic played out?

Two months on and we can breathe a bit more easily. Clearly the market has experienced a few ups and downs but on the whole it has remained relatively buoyant. And, dare we say it, the outlook appears positive.

Initial signs were not so encouraging. Early in April Green Energy Markets surveyed installers and found inquiries had plummeted between 25 and 50 per cent. However April 2020 proved to be the nation’s second-best month on record for newly installed SGU (small scale) capacity. All up 237MW, a 56 per cent increase on April 2019.

More specifically, STCs representing 30,603 PV systems and 237MW of capacity were submitted in April, and STCs representing 6,124 SWH systems were submitted in the same month.

Caution was expressed, however, due to the lag in STC data, and GEM’s Tristan Edis predicted weaker performance in May and June as the impact of COVID-19 is felt.

But fast forward to late May and the market still continued to defy the odds.

Industry analyst **Warwick Johnston of SunWiz** presented the good news during a recent Smart Energy Council webinar, displaying a series of charts depicting the buoyancy of the market.

“Looking at the data you would say COVID-19 has had no impact, the market is on trend and it’s a strongly trending market. We are still posting excellent levels. Leads (tracked by SolarQuotes) fell before a strong rebound and are at far higher levels than last year.

“But leads are one thing, sales another. We don’t have a perfect view on what’s happening with sales,” he conceded.

“And we are hearing a considerable variation in experience from company to company. Some are shutting their doors, while others are having record revenues.”

Links: www.sunwiz.com.au/sunwiz-australian-solar-pv-market-data-insights (Insights) and www.sunwiz.com.au/open-solar-services
The full recording can be viewed at www.smartenergy.org.au

The storage market

In other interesting developments, **James Sturch of sonnen** reported a record 25 per cent increase in accredited storage installations during the two weeks to May 22.

“It’s been a scary few months with lots of unknowns but what we are seeing is that if people can fix their energy bills then they will. People want resilience and independence and a safety net from a financial perspective.

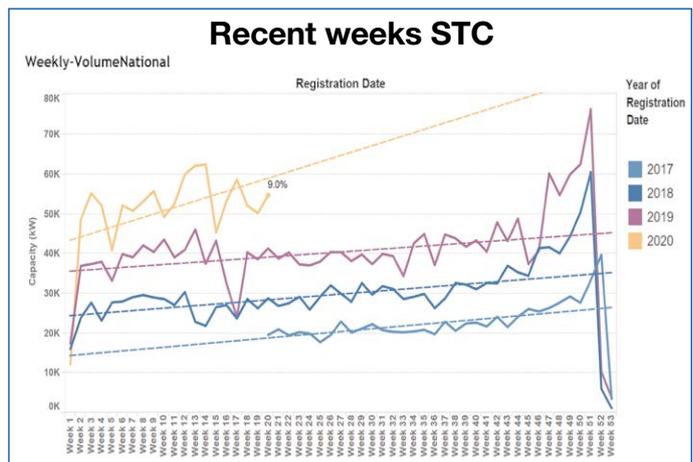
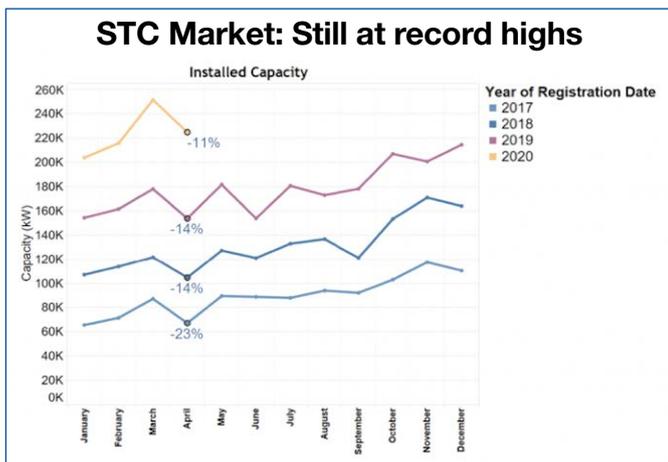
“The COVID-19 process has been remarkable,” he said, agreeing with a remark by John Grimes about the emergence of a new category: resilience and self-sufficiency.

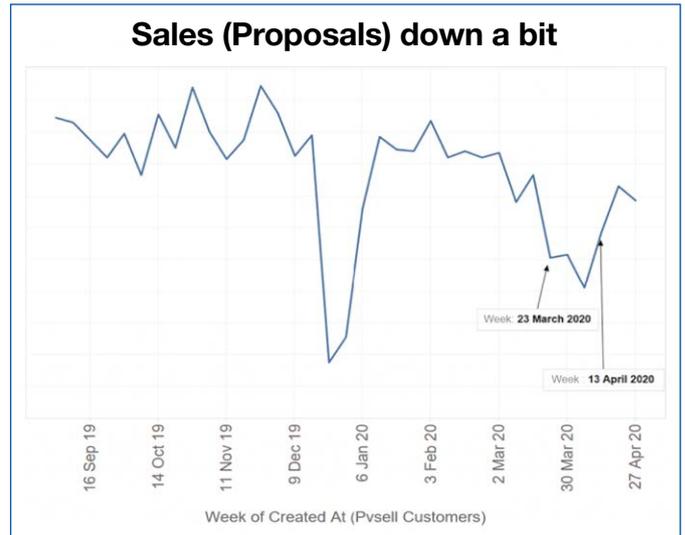
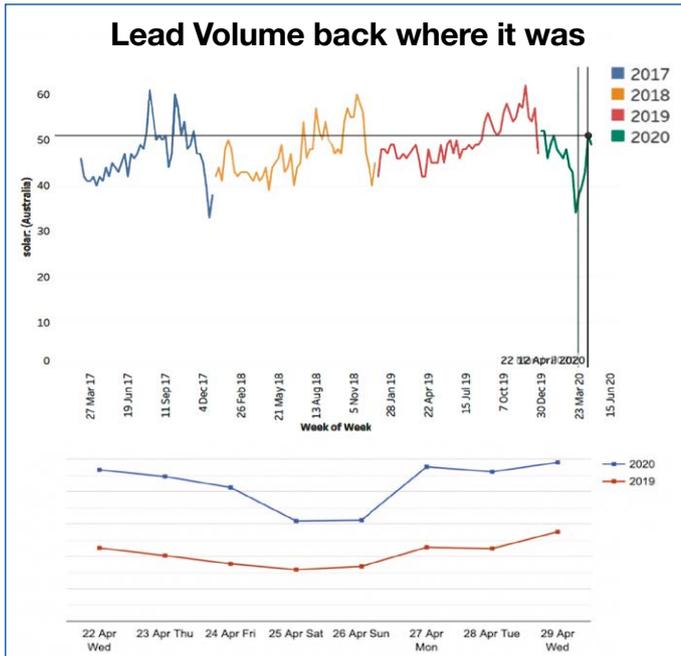
Sturch believes today’s residential storage market mirrors that of PV ten years ago. “Back then the financial return was not justified. That changed with feed in tariffs then incentives, and the massive influx in solar brought costs down.”

Early adopters of energy storage systems make decisions based on emotional reasons rather than financial, he said, and in the middle market range incentives tend to be the driver toward mass adoption.

“What we are finding now is that people are viewing their lives and assessing what is important to them and what they value, so there is a bulge in the early adopter phase, they want energy security.

“There is a fundamental change in how people look at life.”





Market intelligence from Warwick Johnston can be found at: www.sunwiz.com.au/sunwiz-australian-solar-pv-market-data-insights and www.sunwiz.com.au/open-solar-services

Business is humming along for **Andy McCarthy of Gippsland Solar** who told *Smart Energy* “In terms of the storage market, this time last year we were installing two battery systems a week, now it’s up to seven or eight each week.

“But for many it still may not be feasible just yet, and we are not pushing it... we are keeping those potential customers on our mailing list as part of the soft sell approach we take.

“The pandemic has not been a problem for us, we just have to look at new ways to finance but people have been installing for the stick not the carrot, that is rising electricity prices.

“COVID-19 is not going anywhere and in fact there are more pronounced benefits with more people at home and spending increased time at home during daylight hours.”

He is now investing heavily in marketing and communications.

“We will come out even stronger on the other side of coronavirus. We have a clear vision of where we will be and renewable energy plays a big part with a greater awareness of the environment and sustainability, and the need to rebuild the economy from the ground up.

“Environmentally and financially it makes sense to invest in renewable energy, and people get that.”

Great value and incentives

Liam Ricketts of solar distributor **Supply Partners** echoed Andy’s sentiments, noting the hospitality and tourism sector had really suffered but electricity is an essential service.

“We are in one of the best industries to be in during these times and there are lots of financing options for customers. We are not shutting down. Continue to market your business and present strong marketing messages. Communication is key.

“We can still prosper, and a key area of potential growth could be commercial solar, particularly the 100kW-plus segment thanks to the latest increase in the federal government’s tax break on capital purchases [the instant asset write-off up to \$150,000 for qualifying businesses].

“It is a good news story – commercial scale is looking good, 100kW system at \$100,000 with a \$25,000 write off makes it very attractive.”

Talk to customers about the value of the system, he said remind them that there is currently this really generous federal government incentive. The message to business needs to be, ‘I just got a tax write-down on my



Shout out to **Victorian Energy Minister Lily D’Ambrosio** who tweeted: “There has never been a better time to get solar panels on your home. You can save up to \$890 per year on your bills. And while we’re staying at home, you will save even more, as you’ll be using energy while power is being generated on your rooftop during the day.”

solar system and now it's saving me money'. And if you're not offering a finance package it's a good time to think of that. Now is the time to offer customers a finance package.

Broadcasting the \$\$ savings from rooftop PV

Recently released state-by-state case studies by **SolarQuotes** indicates the average Australian homeowner loses upwards of \$1,400 per year by not switching to solar.

Solar expert **Finn Peacock** suggests installers present the clear-cut case to customers, saying "Get the message out to those who are sitting on the fence or even unaware of the financial savings they can benefit from being under a solar rooftop, taking into account state incentives and bill savings.

"And with COVID-19, the microscope has never been more focused on household bills than now."

Solar Quotes has released a solar and battery video series that can be used to help homeowners make educated decisions around investing in solar. <https://bit.ly/SolarVideoSeries>

Additional Resources developed by SolarQuotes:

Suburb Solar Footprint: <https://www.solarquotes.com.au/location/>

Predict Your Solar Bills: A calculator that helps you predict your bills with solar and/or batteries.

Solar & Battery Calculator:

<https://www.solarquotes.com.au/solar-calculator/>



"We are in one of the best industries to be in during these times... We have to remember that we're selling a product that saves people money. There's very few products like that. Remember this and keep marketing. Communication is key."

Liam Ricketts, Supply Partners

Allume Energy: Transforming public housing

Alex Marks of Allume Energy is advocating a 'high impact' stimulus initiative through rooftop solar on public housing.

An initiative, he said, that would create more than 5000 direct jobs which is comparable with million dollar mega road infrastructure projects, targets low income and vulnerable households and reduces annual greenhouse gas emissions by as much as 2 MT CO₂.

"The combined rooftop capacity of these dwellings – public housing owned and operated by state and territory governments, and community housing which is provided by not-for-provided providers across the country – is about 1.6GW, the size of a large coal-fired power station," he noted.

With that in mind Allume Energy has developed the SolShare, touted the world's first behind-the-meter distribution system that allows a single solar installation to be shared by multiple customers in the same building, and provides the hardware to solar installers so they can open new markets for rooftop solar: apartment buildings, multi-tenant office buildings, shopping centres and social housing.

Speaking to *Smart Energy* later, Alex revised the data upwards. "Solar Citizens now believes the number of jobs created in doing 1.6MW of rooftop solar on social housing is 8,000, based on the industry figure of five full time employees per MW. This data seems legit to me and would include all the other solar installer staff, not just the on-the-

The benefits of Rooftop Solar for Social Housing



- GFC stimulus
- Delivery capacity
- 20+ year life
- Low-income & vulnerable HH
- 5,000 jobs in installation
- Abate 2.3 Mt CO₂ every year



ground installation teams doing 2,000 hours per year, which is what my estimate was based on.

"Rooftop solar for social housing creates more jobs per dollar invested than big construction projects, reduces electricity bills for hard-hit families for two decades, and will reduce emissions by over 2 million tonnes per year.

"Allume Energy's technology can make sure all families in social housing get access to solar, not just those in detached homes."

www.allumeenergy.com.au