

SOLAR MODULE PRICES IN ARIZONA

October 2006

Photovoltaic Survey Summary

The Arizona Department of Commerce Energy Office is surveying Arizona solar companies on a monthly basis in an effort to track the retail price of solar modules. Eleven companies have agreed to participate in this survey. A number of factors impact the price on a month-to-month basis, from availability of panels to new product.

The installed price per kilowatt increased on all three types of photovoltaic panels (mono- and polycrystalline and thin film). The price for small systems (1 kW) increased and large systems (10 kW) decreased. The average installed cost for all systems increased 3.1 percent from January through September 2006.

Installed Cost to Customer After Incentives

When considering all the incentives available to consumers (federal tax credit, state tax credit, utility rebates) the average installed price is considerably less than the reported installed cost. The latest October prices for installed systems, after incentives, would correlate to the following (for residential: assuming \$3 a watt utility rebate, \$2,000 federal tax credit, \$1,000 state tax credit; for commercial: assuming \$3 a watt utility rebate, 30% federal tax credit with no cap or limit, 10% state tax

credit with a \$25,000 cap (both tax credits are based on cost of system after utility rebate)):

October 2006	Residential	Commercial
1 kW after incentives =	\$ 4,250	\$ 4,350
2 kW after incentives =	\$ 9,152	\$ 7,291
5 kW after incentives =	\$ 21,133	\$ 14,480
10kW after incentives =	\$ 42,000	\$ 27,000

Solar System Cost per kWh

Based on these prices (after incentives) the price per kWh is reflected on the right:

(Note: The price per kilowatt hour is figured on 1800 kWh per kW, the calculation currently accepted by the Arizona Corporation Commission and is based on 25-year life of a system. The price per kilowatt-hour is figured for the life of the system.)

October 2006	Residential	Commercial
1 kW after incentives=	\$0.0944/kWh	\$0.0967/kWh
2 kW after incentives=	\$0.1017/kWh	\$0.0810/kWh
5 kW after incentives=	\$0.0939/kWh	\$0.0644/kWh
10kW after incentives=	\$0.0933/kWh	\$0.0600/kWh

Utility Cost per kWh

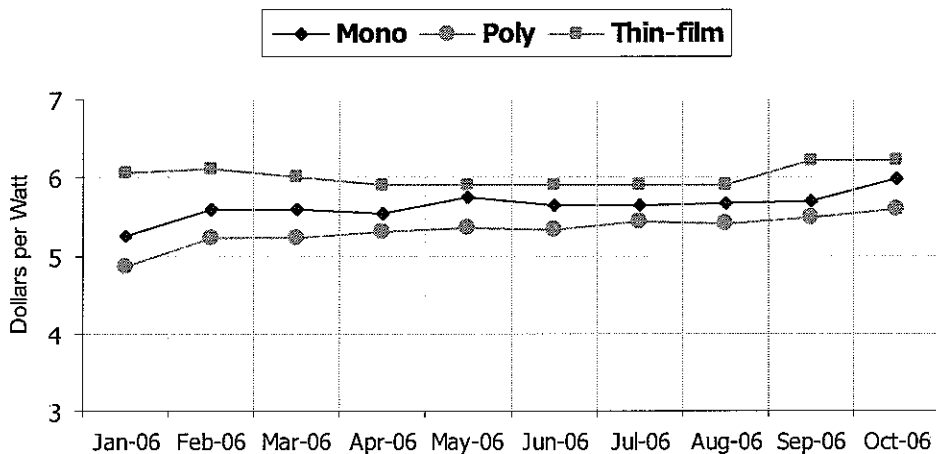
The solar system price per kilowatt-hour (above) can be compared against the current utility company rates.

Utility	Winter 05/06	Summer 06
APS	\$0.075	\$0.07
SRP	\$0.06	\$0.0922
TEP	\$0.07897	\$0.0901

Pre-Incentive Photovoltaic Price Summary

Date	Mono	Poly	Thin-film	1 kW STC	2 kW STC	3 kW STC	4 kW STC	5 kW STC	10 kW STC
Jan-06	5.24	4.85	6.07	14,553	17,121	22,234	32,239	44,477	78,752
Feb-06	5.59	5.22	6.10	15,770	18,344	23,027	32,730	44,842	79,298
Mar-06	5.59	5.21	6.00	14,051	17,480	23,026	32,698	45,735	79,498
Apr-06	5.55	5.30	5.90	14,013	20,472	23,277	28,597	41,640	67,130
May-06	5.75	5.36	5.90	14,044	20,903	23,471	28,525	41,536	67,959
Jun-06	5.63	5.33	5.90	14,329	21,121	23,842	28,929	42,240	63,968
Jul-06	5.63	5.43	5.90	14,254	21,065	24,083	29,578	42,204	66,597
Aug-06	5.67	5.40	5.91	14,172	21,025	24,203	28,791	41,900	66,092
Sep-06	5.69	5.49	6.21	11,875	19,408	23,940	28,151	38,200	70,500
Oct-06	5.98	5.59	6.21	10,250	18,152	25,060	29,772	39,133	75,000

PHOTOVOLTAIC PRICE PER WATT SURVEY



PRE-INCENTIVE PRICES FOR TURN-KEY SYSTEMS

