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<http://www.reuters.com/article/2012/03/14/us-solar-us-idUSBRE82D08J20120314>

Solar power growth jumps to new record

The national solar industry installed a record number of panels in 2011, more than double 2010, and is likely to see strong growth again this year, according to a new report.

Solar installers built 1,855 megawatts of photovoltaic projects in 2011 for a total of \$8.4 billion, up from 887 MW in 2010, according to a report released by GTM Research and the Solar Energy Industries Association (SEIA).

The growth in U.S. demand comes as the makers of the panels that turn light into electricity have struggled to earn profits amid a glut of supplies on the global market that eroded margins.

The WilderHill Clean Energy Index .ECO, which includes shares of industry heavyweights First Solar ([FSLR.O](#)), Suntech Power Holdings ([STP.N](#)), Yingli Green Energy ([YGE.N](#)) and Trina Solar ([TSL.N](#)), tumbled 49 percent in 2011. So far this year it has rebounded about 12 percent.

A record level of fourth quarter installations totaling 776 MW easily beat the peak of 473 MW recorded in the third quarter of the year.

"The U.S. was a strong market in 2011 and we expect it to be strong again in 2012," said GTM Managing Director Shayle Kann.

Many industry analysts had reduced their forecasts last year to between 1,500 to 1,700 megawatts as incentives waned in the country's two biggest markets, California and New Jersey.

For 2012, GTM and SEIA said new construction would grow 35 to 50 percent, reaching 2,500 to 2,800 MW, as a backlog of large projects is completed.

The 2011 figures rank the United States as the fourth largest solar

market in the world behind Germany, Italy and [China](#), according to Kann.

The U.S. share of the global market was only about 7 percent last year, he said, but that share should double by 2016 as U.S. demand continues to grow and European demand starts to decline.

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Another 3,000 MW of utility-scale plants are currently under construction in the United States, and 6,000 MW is at an earlier stage of development, the report said.

Among those projects under construction are two 550-MW projects being built by First Solar and a 250-MW plant being built by SunPower Corp SPRW.O, which are among the largest in the world.

Installations on homes rose 11 percent in 2011 to 297 MW, while panels installed at non-residential sites rose 28 percent to 800 MW.

Despite declining prices for solar panels in recent years, the sector still relies on government subsidies to make the power projects competitive with coal and natural gas.

The average installed cost for solar declined by 20 percent last year to \$4.08 per watt, largely because of reductions in costs for the largest plants, which saw costs drop to \$3.20 per watt in the fourth quarter.

That overall decline did not fully reflect last year's 50 percent drop in wholesale panel prices, since most of the 2011 project costs were before that steep decline.

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