

CI Consulting

S&P Global

Commodity Insights

Solar Market Monitor H1 2024

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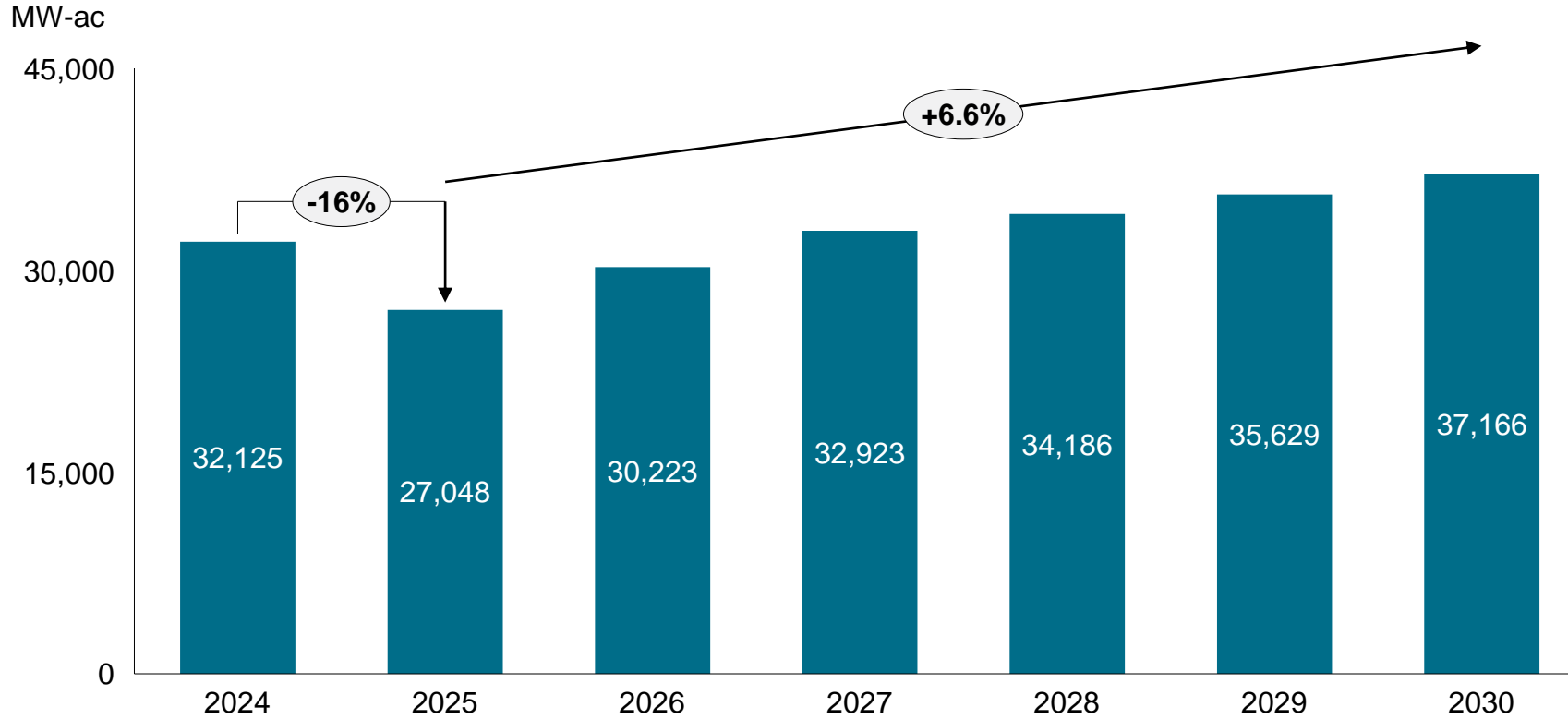
Industry trends and policies

Power market outlooks



Installations are expected to hit a record high in 2024, bolstered by a rush to install modules imported during the anti-circumvention tariff moratorium by December 2024

Annual utility-scale solar installations in the US



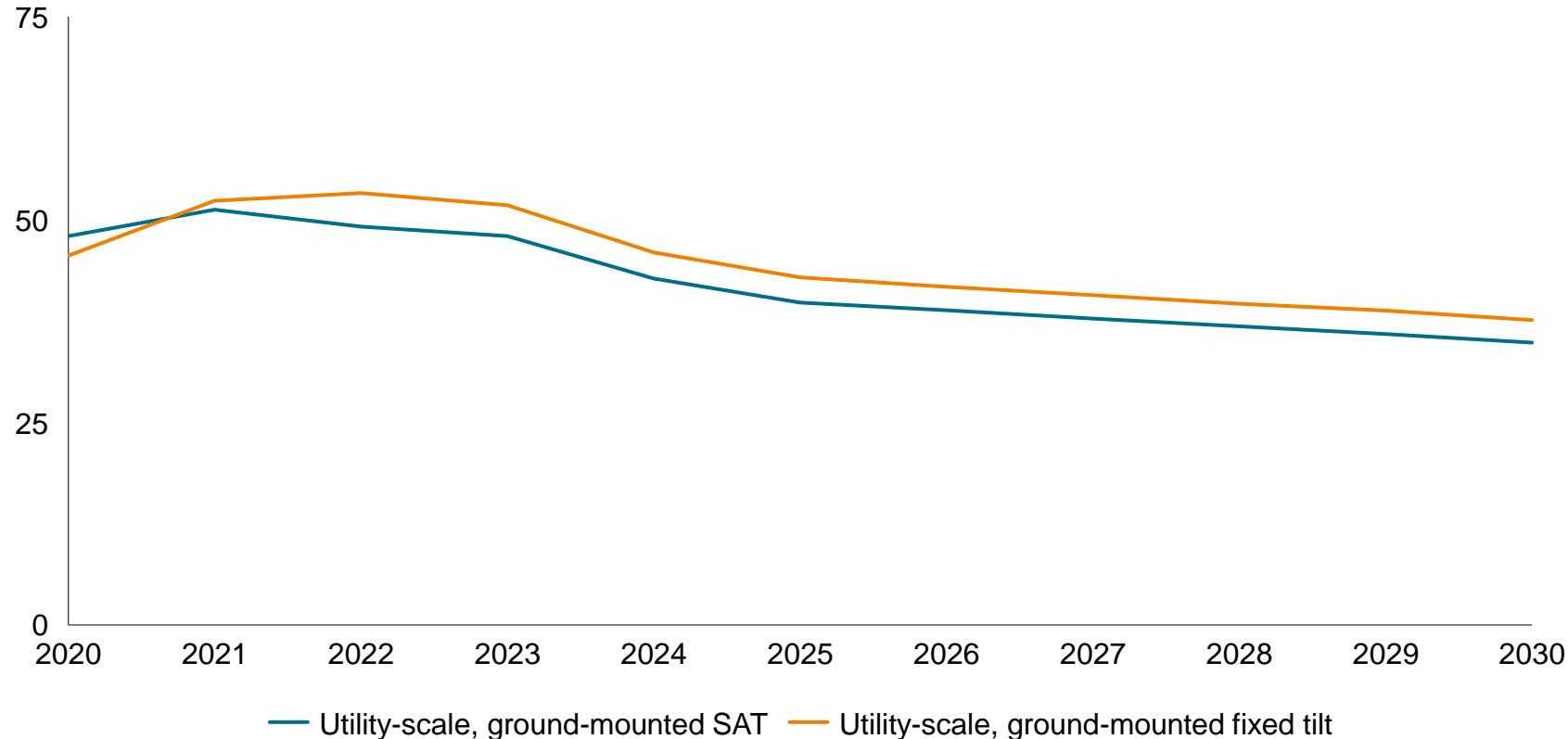
- After record high solar installations in 2023, **2024 will be another record-breaking year** with over **32 GW** of utility-scale installations
- **Uniquely high installations in 2024** are due to the requirement that modules imported during the anti-circumvention tariff moratorium be in service by December 2024
- Installations in 2025 are expected to be **16% lower than in 2024** but the market will recover
- Despite short term headwinds, the **picture remains optimistic** with an expected **CAGR of 6.6%**
- The incoming administration and new Congress could attempt to change or remove certain portions of the IRA and accompanying guidance, but **the IRA is unlikely to be completely undone**

IRA = Inflation Reduction Act.
Source: S&P Global

Utility-scale solar LCOE is expected to decline, but significant regional variation across the US remains, driven by soft costs like wages and land prices

Solar LCOE by online year, system type without tax credits

Real 2022 \$/MWh



- In 2024, the US average utility-scale solar LCOE is \$46/MW. LCOE is expected to decrease to \$38/MWh by 2030
- Regional variations come from **differences in soft costs**, including wage rates, land prices and permitting
- The recent **decline in polysilicon prices** has improved the short term LCOE outlook, but there is risk that new tariffs may increase capital costs and drive up the LCOE
- In the long term, LCOE is expected to continue declining as **capital costs fall and capacity factors rise**
- Under the new Trump Administration, **political uncertainty remains**, especially concerning tariffs and alterations to the IRA

LCOE = Levelized Cost of Energy.
Source: S&P Global

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