

What Will The Solar Industry Be Like After 2016?

Roy L
Hales

A Conversation with Steve Levy of Advanced Energy

Originally Publish in the [ECOreport](#).



The fossil fuel infrastructure that we see in the United States today was largely birthed through a series of government tax breaks and incentives that can be traced [back to 1916](#). There may be legitimate reasons to question whether the oil industry would have survived had it not been given that seed money. This sector has grown to the point that the five largest companies—BP, Chevron, ConocoPhillips, ExxonMobil, and Shell—earned more than \$1 trillion in profits during the last decade. Nevertheless, they are still receiving \$46 billion a year in what Senator Max Baucus recently identified as unnecessary tax breaks. Solar tax incentives, however, are set to expire at the end of their first decade. So I asked Steve Levy, Vice President of Worldwide Sales at Advanced Energy, “what will the solar industry look like after 2016?”

“We aren’t going to see as many middle men, who develop a solar project and then flip it,” he said. “There will be a shift in emphasis from the myopic focus on solar system pricing to seeing the project as a long-lasting, sustainable

asset. This includes things like energy harvest, durability, reliability and performance.”

He seemed to be talking about his company. Advanced Energy’s motto, displayed throughout its site, is “We power innovation.”

Advanced Energy develops a variety of thin-film products, from flat-panel displays in cell phones and computers to solar PV inverters. Levy said 40% to 45% of their business is in the solar sector.

“Many of our competitors rely on third party support,” Levy said. “We don’t do that. We have customers we train to a certain level, but we are the field support. When something goes wrong, we are on it. There are millions of dollars at stake and most of our customers will not allow for more than 72 hours of down time.”

“A banker once asked, ‘Why is your company only growing in the mid 20% a year growth rate when the market in the Americas is growing in the 40% rate?’ At Advanced Energy, we do not bid on all projects. We bid on projects where we can provide a sustainable infrastructure and 20-plus year energy plant for our customers. In the past four years, we have seen examples of companies that chase top line growth in exchange for long term, bi-directional support.”



Steve Levy, Vice President of Worldwide Sales at Advanced Energy – Courtesy AE



At a time when some solar companies are going bankrupt, Advanced Energy ended 2013 with \$527 million in sales, close to \$150 million in cash, and no debt.

This is a crucial time for companies with rich balance sheets to put that cash to work, owning solar as an asset and reducing energy costs.

Levy said the next wave of utility innovation will involve energy storage and interactive controls. There will be intelligence built into inverters to communicate with computers. Everything will be interactive from power plants to the grid. You will be able to work on a plant in Hawaii from stateside.

He added that there will probably be an increase in private owners with smaller plants after the ITC credits end, driven by increasing demand for renewable energy closer to the load versus large-scale mega solar farms.

“You’re going to see more 20 to 30 MW installations, as opposed to the massive plants that you fly over in Nevada and Arizona,” Levy said. “This relates more directly to how energy load planning can match tomorrow’s energy needs.”

“There will be greater attention to the quality and reliability of system components. Companies will focus more on long-term return than purely on initial installation cost, given that their capital will be generating revenue from day one of the energized solar plant investment.”

Keep up to date with all the hottest cleantech news by subscribing to [our \(free\) cleantech newsletter](#), or keep an eye on sector-specific news by getting our (also free) [solar energy newsletter](#), [electric vehicle newsletter](#), or [wind energy newsletter](#).

Tags: [Advanced Energy](#), [solar plants after 2016](#)



About the Author

is the editor of the ECOreport (www.theecoreport.com), a website dedicated to exploring how our lifestyle choices and technologies affect the West Coast of North America and writes for both Clean Technica and PlanetSave. He is a research junkie who has written hundreds of articles since he was first published in 1982. Roy lives on Cortes Island, BC, Canada.



Related Posts

No related posts found!