



## Energy Secretary Announces \$170 Million Solicitation for Solar Energy Technologies

Key Element of the Advanced Energy Initiative, seeks to make solar technology cost-competitive by 2015 WASHINGTON, DC - U.S. Department of Energy (DOE) Secretary Samuel W. Bodman today announced \$170 million over three years (from FY '07-'09) for cost-shared, public-private partnerships to advance solar energy technology. This solicitation is part of President Bush's Solar America Initiative (SAI), an integral part of the President's commitment to diversify our energy resources through grants, incentives and tax credits. The SAI aims to bring down the cost of solar energy systems to make them competitive with conventional electricity sources in the U.S. by 2015. The goal of the projects funded by the solicitation is to reduce photovoltaic (PV) costs from 13-22 cents/kWh today, to 9-18 cents/kWh by 2010, on track with the SAI goals.

"This investment is a major step in our mission to bring more clean, renewable solar power to the nation," Secretary Bodman said. "If we are able to harness more of the sun's power and use it to provide energy to homes and businesses, we can increase our energy diversity and strengthen our nation's energy security. I am hopeful that this funding will help reinvigorate innovation in photovoltaic technology that will lead to an expansion in the use of solar energy in this country and the world."

The \$170 million SAI Photovoltaic Systems R&D Technology Pathway Partnerships (TPP) Funding Opportunity Announcement (FOA) will focus on development, testing, demonstration, validation, and deployment of new PV components, systems and manufacturing equipment. TPPs will be industry-led and may include one or more companies, universities, national laboratories, and/or non-governmental organizations.

Because DOE is requiring that the industry-led teams match their awards dollar for dollar, a total investment of \$340 million will be realized when the private cost share is included. The prime recipient of DOE awards under this FOA must be a U.S. commercial entity with current or planned U.S. manufacturing capacity. An applicant may be a prime recipient on one award, and may also participate as a sub-recipient partner on multiple awards.

The Bush Administration has made significant progress in PV over the past five years. The cost of PV generated electricity has been reduced by over 20 percent and the U.S. PV industry has doubled in size during that time.

In his recent State of the Union address, President Bush announced the Advanced Energy Initiative (AEI), which seeks to reduce our dependence on foreign sources of energy. To achieve this objective, the AEI includes a 22-percent increase in funding for clean energy technology research at DOE. As part of the AEI, the President's FY 2007 budget requests \$148 million for the Solar America Initiative, a \$65 million, 78% increase from FY 2006, to accelerate the development of semiconductor materials that convert sunlight directly to electricity.

The \$170 million solicitation, subject to Congressional appropriations, will fund projects in each of the following categories:

**Systems Class Projects:** These larger projects will address multiple technology improvements in PV system and component design, integration, and installation. Teams will be expected to deliver full turnkey systems for testing, and will be expected to conduct pilot-scale manufacturing demonstrations. Per project, annual DOE funding will be up to \$10 million per year plus a 50 percent minimum cost share, for a total project value of up to \$20 million per year. Between four and ten selections are expected.

**Subsystems Class Projects:** These smaller projects will focus on fewer technology developments on specific components or manufacturing equipment. Teams will be expected to deliver new components for testing, and will be expected to conduct pilot-scale manufacturing demonstrations. Per project, annual DOE funding will be up to \$4 million per year plus a 50 percent minimum cost share, for a total project value of up to \$8 million per year. Between ten and 15 selections are expected.

More information on the solicitation and facts about the Solar America Initiative can be found at: [www.eere.energy.gov/solar/solar\\_america](http://www.eere.energy.gov/solar/solar_america).

In addition to the President's goal of reducing our dependence on foreign oil, the Energy Policy Act of 2005, signed by the President nearly a year ago, provides incentives for purchasing and using solar equipment. Through 2007, EPAct provides a

credit equal to 30 percent of qualifying expenditures for purchase of commercial solar installations, with no cap on the total credit allowed. EPAct also provides a 30 percent tax credit for qualified PV property and solar water heating property used exclusively for purposes other than heating swimming pools and hot tubs. Private property owners are allowed a credit up to \$2,000 for either property, with a maximum of \$4,000 allowed, if both photovoltaic and solar hot water properties are installed.

(From U. S. Department of Energy)