PV is a profitable investment

The 2017 outlook for Germany's photovoltaic industry is strong: falling plant prices, rising electricity costs and, from February, possibly higher feed-in tariffs for solar-generated electricity. According to the 'Solar Cluster Baden-Württemberg' returns of up to six percent are once more a possibility for the photovoltaic sector – higher than most other forms of investment.

The solar cluster ascribes the increased profitability of German photovoltaic installations, above all, to falling plant costs of up to ten percent compared to the previous year. Due to the increasing price of electricity, harnessing solar energy for private consumption has also become more worthwhile – because the feed-in tariff remained stable in January and could, this February, even be increased by up to three percent.

According to the experts from the German state of Baden-Württemberg, investments in solar power stand out from many other investment types in the current low-interest climate. According to the association's calculations, the price for turnkey roof installations has fallen by approximately 20%, from about 1.640 euro per kilowatt in 2014 to around 1.350 euro by the end of 2016. Consequently, the production costs of solar electricity produced by these installations would have fallen by between ten and twelve cents per kilowatt-hour. This positive effect strengthens increased private consumption revenues through the higher electricity prices and the increased feed-in tariff for the proportion of solar energy that is surplus to private requirements.

The EEG 2017 Renewable Energy Act contains a new 'degression mechanism' which could see the solar subsidy for small rooftop installations rise from 1.5 percent to 3 percent from 1st February. What will be decisive is the build-up of capacity in the second half of 2016. This is due to be announced at the end of January. So far the remuneration rates have remained stable and have not been reduced since September 2015. Depending on plant size, the current rates are between 8.53 and 12.31 cents per kilowatt-hour. From 1st February these rates could see a rise of between 0.2 to 0.4 cents per kilowatt-hour.

According to calculations by the solar cluster, producing electricity for private consumption could see a saving of 15 cents per kilowatt hour compared to electricity purchased from the grid, while the revenues from the feed-in tariff are similarly high to the costs for self-produced solar electricity, with a profit expected of between 1 and 2 cents per kilowatt hour .

Feel free to speak to us if you still have any questions – we're happy to advise you! Call us under 0049 89 189 177 0 or write us an email to projects@talesunenergy.com.

Yours, Simone Amann

Talesun Solar Germany GmbH · European Head Office
Landsberger Str. 110 · 80339 München · T +49 (0)89 189 1770
Mail: sales.eu@talesun.com · Internet: **www.talesun-eu.com**