

Solar power

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Global glut turns solar panels into garden fencing option

Europeans find alternative location for cheap green technology with cost of rooftop installation so high



Solar panels in an Amsterdam garden © Gideon Goudsmit

Global glut turns solar panels into common or garden fencing option

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Solar panels have become so cheap as Chinese supply floods the market that Europeans are using them to build their garden fences.

The panels capture less sunlight as fencing than they do on roofs but can be installed without such high costs, according to analysts.

“Why put up a fence when you can just put up a load of solar panels, even if they’re not aligned exactly to the sun?” said Martin Brough, head of climate research at BNP Paribas Exane.

Solar panel supply globally will reach 1,100 gigawatts by the end of this year — three times the likely demand, according to the International Energy Agency, with China driving the surplus.

Longi Green Energy Technology, one of the world’s biggest panel producers, has moved to lay off thousands of workers as the glut sends Chinese manufacturers into retreat.

In response to the surplus, the European Commission has drafted a plan, seen by the Financial Times, pledging to “assess all evidence of alleged unfair practices”. The strategy, due to be signed by energy ministers on April 15, is unlikely to satisfy the industry.

Alessandro Barin, chief executive of Italy’s FuturaSun, which makes panels in China to sell in Europe, said crates of panels were sitting unsold in ports.

A solar panel cost 11 US cents per watt last week, half the price of a year ago, according to BloombergNEF, and is expected to fall further in a “race to the bottom” to ditch excess supply.

Below a “red line” of 15 cents a watt,

FuturaSun cannot invest in European manufacturing. “You’re not going to do that with a crazy little margin that isn’t going to pay for anything,” Barin said.

Even in the US, where the sector has access to subsidies under the \$369bn Inflation Reduction Act, imports from south-east Asia sell at a discount to domestic ones. The mood, said Danielle Merfeld, chief technology officer at Hanwha Q-Cells, is grim. “It doesn’t create the conditions for success for domestic manufacturers.”

Elsewhere, US state aid has come under fire. “Is that massive subsidy the best investment for the world?” said Sumant Sinha, chief executive of ReNew, an Indian wind and solar power provider. “It’s not but it’s happening because the US wants to create jobs . . . Climate change is being held hostage.”
Additional reporting by Alice Hancock

The price of solar panels is at an all-time low

Price in \$ per watt



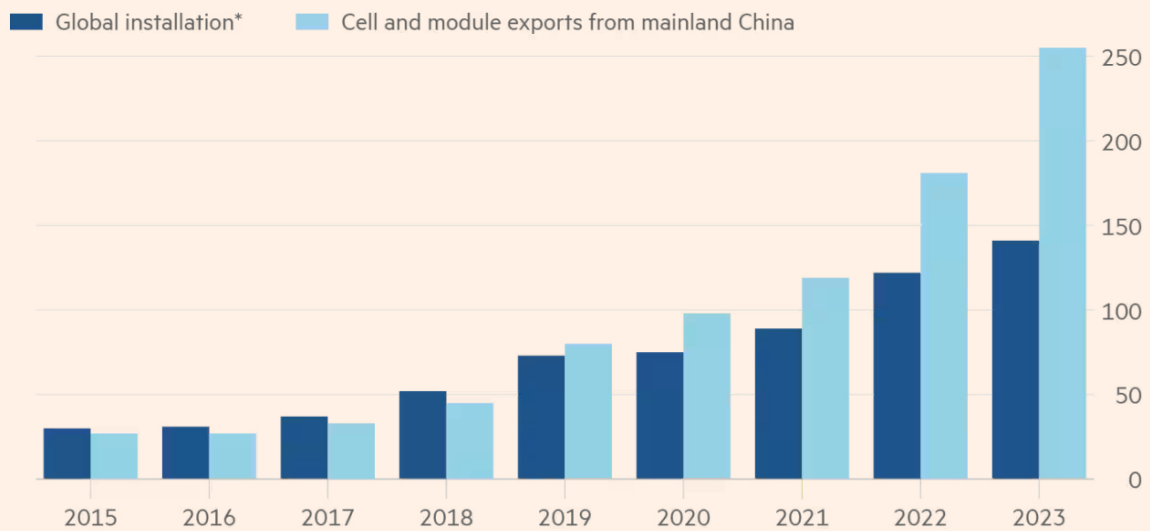
Three-month rolling average, price of monocrystalline silicon modules

Source: BloombergNEF

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Chinese exports far exceed installation capacity in markets that buy its panels

Annual installations and exports (GW)



* data excludes China, and the US which does not buy from China

Source: BNEF

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