

# German bank reports solar power cost in India and Italy has reached grid parity

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Solarkraftwerk Waldpolenz, the first Solar 40-MW CdTe PV Array installed by JUWI Group in Brandis, Germany. Credit: JUWI Group

(Phys.org) —Germany's Deutsche Bank has released a report that concludes that generating electricity using solar collectors has reached grid parity—cost competitiveness with other industry standard sources—in some countries. Analysts with the bank claim that both India and Italy have reached grid parity and that other countries are poised to

do so over the next couple of years.

From the time [solar collectors](#) were invented and made for sale, deriving electricity using them has cost more than doing so from traditional sources—mainly coal fired plants. Because of that, solar energy has not grown as fast as some would like and its increased use in recent years has come about only because of government subsidies. Over time however, prices for solar panel components has slowly dropped making them much more price competitive. To achieve grid parity, solar power must be cost competitive with coal or other sources without relying on government or corporate subsidies.

The German Bank is particularly optimistic about solar power price parity in India, the U.S., China, the U.K., Germany, Spain and Italy and because of that is forecasting a 20 percent (30 GW) increase in [worldwide demand](#) this year—it's already pushed above 100 GW. They note that Germany alone accounts for approximately a third of all solar power production, but project that China will soon surpass that country because of a very strong push by the government there. India too is making a strong push—the government has set a goal of producing 20 GW by 2022. The U.S. is also making strides with construction underway in the [Mojave Desert](#) of what will soon be the largest solar farm in the world.

Because of the optimistic numbers seen over the past year, the Deutsche Bank is suggesting the world is on a path that will mean moving from [solar power](#) as a subsidized source to one that is considered sustainable much sooner than industry analysts had predicted. Also, despite the large increase in numbers of solar farms, and their size, the bank believes that rooftop solar installations will lead the way to grid parity and that it will happen without the traditional government subsidies used to entice both commercial and residential customers.

**More information:** Deutsche Bank:  
[www.db.com/medien/index\\_e.htm](http://www.db.com/medien/index_e.htm)

via [PVMag](#)

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