IRENA’s PV Parity Indicators:
Tracking Our Future

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Solar PV: The future
A dynamic market
Why PV Parity Indicators?

Rapidly declining solar PV module prices.....

....and installed costs
Why PV Parity Indicators?

• Narrow markets
• Lack of data
• High level of uncertainty on costs
• High level of variation in costs
PV Parity Indicators: A Solution

- Tracks quarterly competitiveness
- Indicators, not actual costs
- Target audience are policy makers and thought leaders
- Start with North America
- Can lead to more detailed analysis
- Supports other IRENA activities
Methodology

- Simple metrics
- LCOE vs Effective Electricity Rate/Value
- Require detailed assumptions & analysis
Recent module price reductions make solar PV competitive

Residential PV Parity: A nuanced story
Residential PV Parity: San Francisco

- Minimum effective electricity rate
- Maximum effective electricity rate
- Average California electricity rate (EIA)

USD / kWh
Installed cost variation by city

Consistently wide variation in installed costs, why?
<table>
<thead>
<tr>
<th>Quarter</th>
<th>Country</th>
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<tbody>
<tr>
<td>Q3, 2014</td>
<td>California</td>
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<tr>
<td>Q4, 2014</td>
<td>Other US states</td>
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<tr>
<td>Q1, 2015</td>
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<tr>
<td>Q2, 2015</td>
<td>?</td>
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IRENA’s PV Parity Indicators

Transparent data

Simple methodology

Timely and policy relevant information
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