

# FAIRVIEW

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## **CLEAN TECHNOLOGY: SOLAR TECHNOLOGY PRIMER**

**INDUSTRY OVERVIEW FROM A VENTURE PERSPECTIVE**

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## Industry Report: Solar Energy

The Clean Technology Industry (“Cleantech”) encompasses a broad range of industries, ranging from alternative energy to water purification to materials. This report, the first of a series of thought leadership articles planned by Fairview, will be on solar as a type of alternative energy – focused on innovations, trends and venture investments in the U.S.

While Europe and developing countries, such as China, have enjoyed growth and success in the solar industry, investors are currently valuing U.S. based solar investments at higher multiples. This is because investors view U.S. investments to be more differentiated than their peers around the world.

### How Solar Works

Generally speaking, solar electric technology can be subdivided into two broad categories: **1) Solar Photovoltaic (PV)** and **2) Solar Thermal**.

**Solar photovoltaic** technology utilizes silicon based cells or thin films to generate electric current as streams of photons from the sun strike the surface of the solar modules. In addition to its usage by utility companies, solar modules are also available for commercial and residential use.

**Solar thermal** generates energy primarily by superheating water, using heat energy from the sun, to produce steam. The steam is used to power turbines that produce electricity. In contrast to PV, solar thermal requires large land mass to generate significant quantities of energy and is best suited for utilities.

### Investment Themes

**Solar Industry:** The solar sector will be facing stronger headwinds as we enter into a global recession. Since the sustainability of solar business models remains untested in a down market, venture investors are now extremely selective with solar investment in respect to scalability, cash burn rate and differentiated technology. Astute venture capitalists are waiting for solar valuations to decrease before deploying more capital into the sector. Nevertheless, venture investors remain optimistic in regard to the industry in the long-run and continue to evaluate and perform due diligence on companies with financing needs.

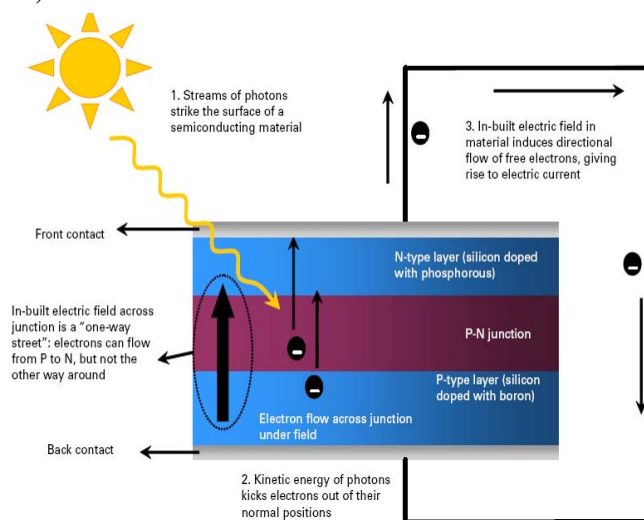
**Solar Technologies:** There is no clear indication which existing solar technology will leapfrog its competitors on cost, conversion efficiency, scalability and commercial adoption within the venture investment timeframe. While some venture capitalists may have a strong bias for a particular solar technology, it is important to seek investment diversification among these technology choices.

### Spotlight on Solar Trends:

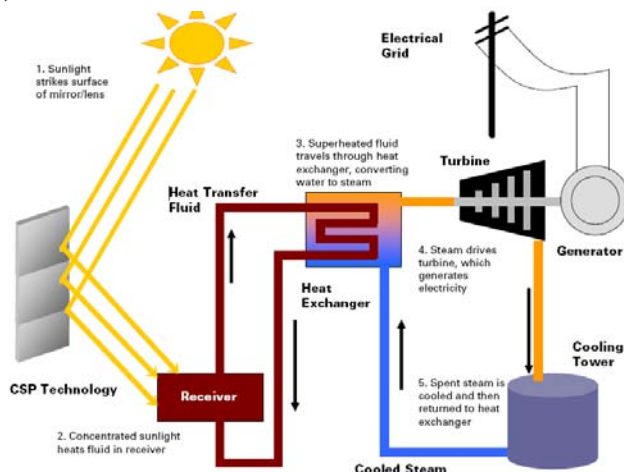
**Thin Film:** We do not view thin film as a disruptive technology, but as a new market because we believe the technology of choice has yet to be determined. The current investment hype in this segment might not generate a healthy return as competition for cost leadership remains fierce in an already crowded market place.

**Solar Servicers/Installers:** Commoditization of solar panels is forcing established upstream players to think twice about their business model and contemplate on strategic downstream integration with solar servicers and installers. Vertical integration within the value chain points to a clear exit strategy for venture backed solar servicers/installers.

### 1) Solar Photovoltaic Process



### 2) Solar Thermal



Source: Goldman Sachs Research

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## U.S. News

November 2008

President-elect Barack Obama said he will pursue a plan that spends \$15bn a year on clean energy technology and create a cap-and-trade system to reduce emissions to 1990 levels by 2020. Cap-and-trade is a strategy to limit the emissions of the greenhouse gas carbon dioxide and to allow corporations that emit more than the limit to trade with those that emit less.

Source: Reuters 11/2008

October 2008

As part of the \$700 billion bailout for Wall Street, the long awaited U.S. legislation (Emergency Economic Stabilization Act of 2008 – Solar Energy Tax Credit) extended renewable energy tax credits which were set to expire at the end of 2008. Despite the bleak macroeconomic backdrop, the tax package is positive news for the cleantech industry as it provides greater policy certainty going forward.

- Extension for 8 years the 30% tax credit for both residential and commercial installation
- Elimination of the \$2,000 tax credit cap on residential installation
- Elimination of prohibition on utilities benefitting from the credit
- Allowance for Alternative Minimum Tax filers, both residential and commercial, to take credit
- Authorization of \$800mm for clean energy bonds for renewable energy generating facilities

Source: Solar Electric Power Association 10/3/2008

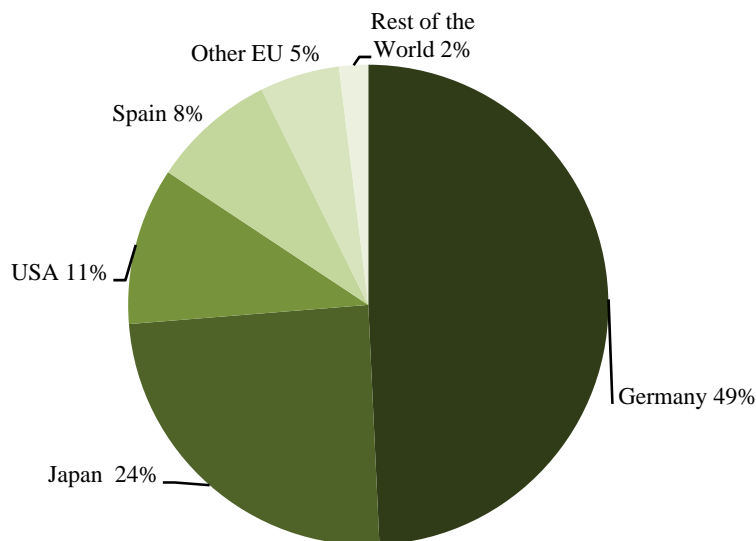
## Industry Overview

### Market Size

In 2007, approximately 2.3GW of solar capacity was installed worldwide – bringing total global capacity to 7.8GW. This represented a 40% increase from the capacity in 2006. In the U.S. alone, cumulative solar installation capacity increased by 33% between 2006 and 2007- leading the U.S. to a total installed capacity of 0.83GW or 11% of the global installed solar capacity (Chart 1).

While the current global solar capacity has yet to have a significant impact on the world's electricity consumption, it does represent tremendous growth opportunities for solar in the future. According to the latest estimates from Jefferies and Energy Information Administration, solar generation is projected to be 11% of the total world electricity demand by 2030 (Chart 2).

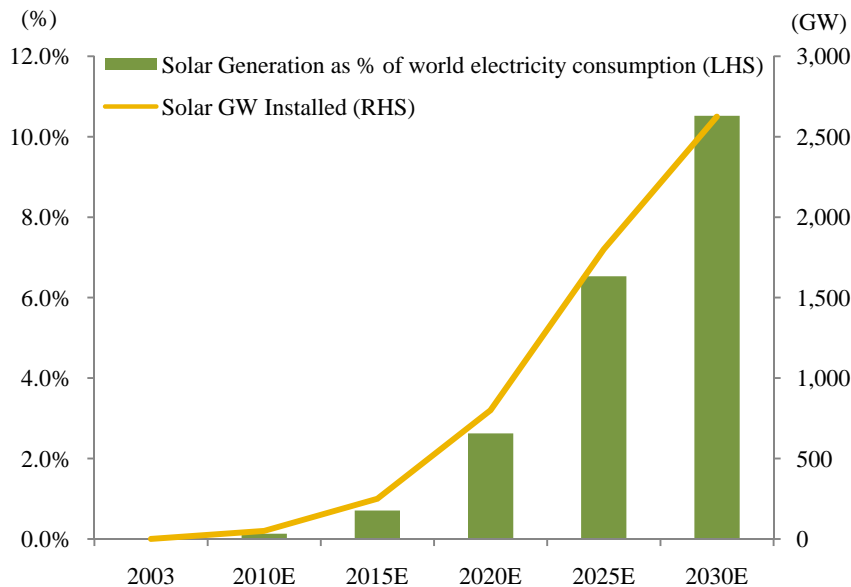
Chart 1 – 2007 Installed Capacity by Country / Region Reported to International Energy Agency



Total = 7.8 GW of Global Installed Capacity

Source: IEA-PVPS Trends in Photovoltaic Applications 200

Chart 2 – Solar Generation as Percentage of World Electricity Consumption

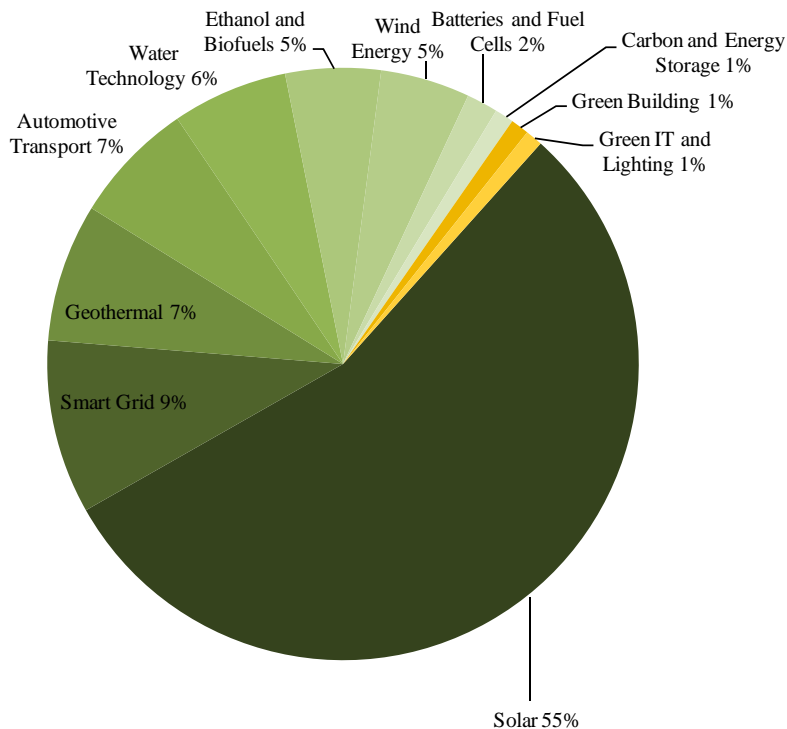


Source: Jefferies and Energy Information Administration estimates as of October 2008

### Venture Activity

Despite what may appear to be a small source of alternative energy, venture capitalists are optimistic with regard to the future of solar energy. From a global perspective, solar outpaced other cleantech sectors in venture investments post 2006 and again in 3Q2008 (Chart 3). In today’s market environment, where lending is limited, solar companies are relying more on venture capitalists for capital infusions. Additionally, later stage solar companies seeking project development in 2009 are also considering partnerships with utilities and energy companies as a mean to survive the credit crunch.

Chart 3 – 3Q2008 Global Venture Funding Breakdown by Cleantech Categories



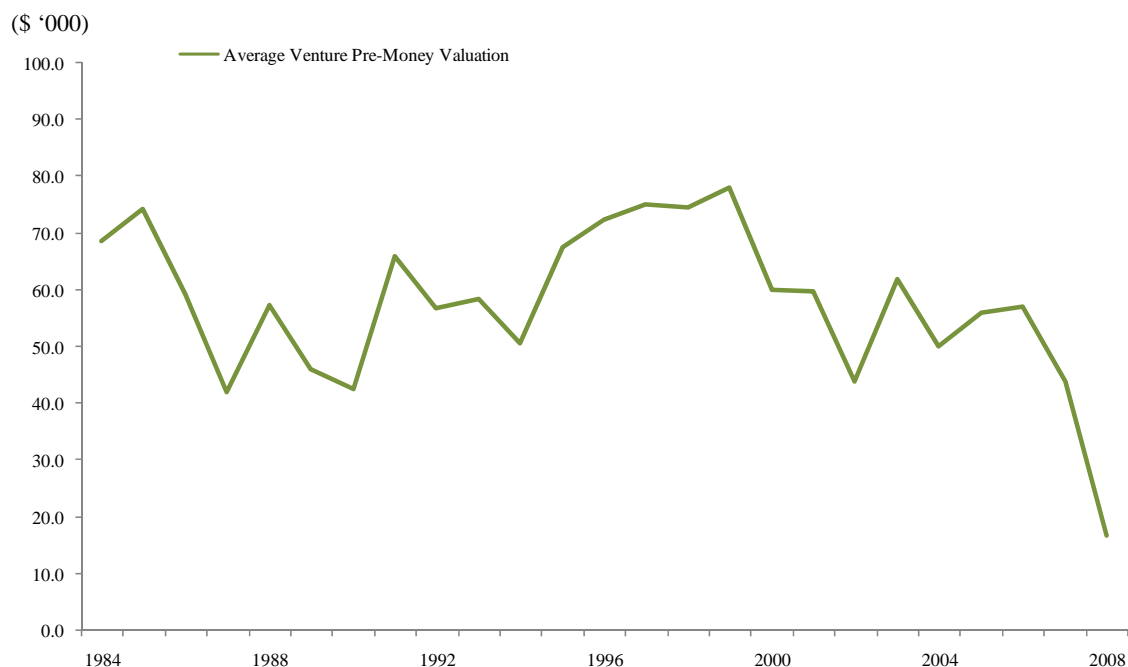
Total = \$2.8 BN 3Q2008 Cleantech Venture Funding

Source: Greentech MediaNote: Global depi

According to *greentechmedia.com*, solar companies raised \$1.50bn in venture funding globally across 26 deals in 3Q2008 compared to \$1.05bn in 71 deals in all of 2007. One particular investment concern we have in solar is the average deal size – a 500% year-over-year increase in average deal size signals an inflated valuation within the solar industry.

Although venture capitalists continue to deploy money into this sector, we believe solar is not immune to the macro downward valuation trend observed in Chart 4. In fact, several cleantech venture capitalists have confirmed this notion that solar pre-valuations have been decreasing over the past several months.

Chart 4 – Average Pre-Money Valuation for Venture



Source: Thomson Financial as of 2/11/2009

Thus, venture capitalists are exercising more caution when examining and valuing potential solar investments – please see Table 1 for some of the dimensions used during the valuation process. Due to market volatility, some investors have adopted the “wait-and-see” approach as they believe there will be more attractively priced investment opportunities in the second half of 2009.

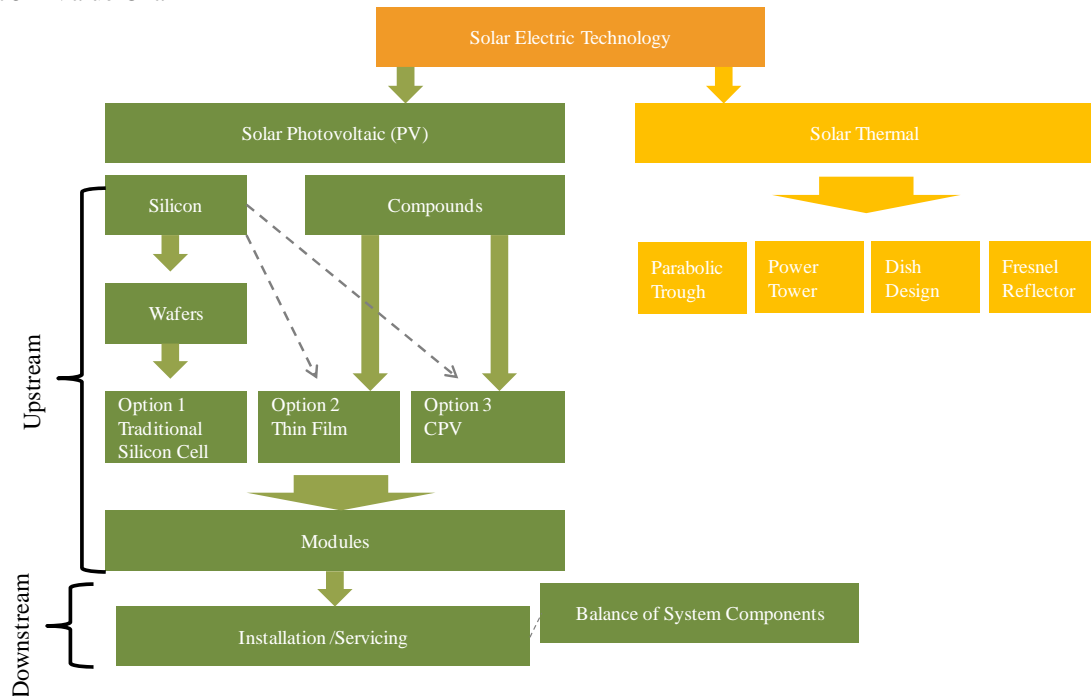
Table 1 – Solar Investment Dimensions

Investment Dimensions	Inquiry
Business model:	Is this scalable?
Investment timeframe:	How long before full commercialization? Does it fit within venture’s investment timeframe?
Cashflow:	What is the current cash flow and cash burn rate?
Funding:	How many financing rounds before being cashflow positive?
Technology:	Is this an enabling technology?

## Solar Value Chain

In order to grasp the technological innovations and venture investments within the solar industry, it is important to first comprehend the industry's value chain (Chart 5).

Chart 5 – Value Chain



Source: Fairview Capital

## Solar Photovoltaic

### **Silicon Feedstock: The Bottleneck of the Value Chain**

Starting from upstream components, silicon providers have historically been the bottleneck of the PV value chain due to a shortage of silicon supply. In 2007, the selling price of solar photovoltaic grade silicon was at least 2-3x higher than the 2003 price. Despite the current shortage, we believe that the price of silicon will decline as more manufacturers are preparing to enter this space. The International Energy Agency identified that at least 10 companies in China alone and 90 companies worldwide have expressed plans to enter the feedstock silicon business, though the lack of credit may hinder some of these expansion plans.

As the silicon constraint problem is in the process of getting resolved, a considerable amount of capital and time is being spent developing less silicon dependent technologies. Technological advancements in thin film and concentrated photovoltaic (CPV) systems are garnering attention from the venture investment community.

### **Traditional Silicon Cells Versus Thin Film**

We believe that thin film technology will continue to encroach on the market share of traditional silicon cells as thin film represents a solution to the tight silicon supply. However, the jury is still out on which technology will dominate in the future – thin film or silicon based modules.

Many experts in the industry have called thin film a “disruptive technology” because it could reshape the current solar module landscape and ultimately replace silicon based modules. Over the past three years, thin film based modules have been taking market share away from silicon panels. According to Solarbuzz Research and Consultancy Services, thin films account for approximately 12% of all solar cells produced in 2007 – this is up from 8% in 2006. Lux Research further predicts that thin film panels will have 26% of the solar market or \$2.09bn in sales by 2013 - up from the current 21%. Despite thin film technology's lower solar-to-electricity conversion efficiency (Table 2), its superior cost structure provides approximately \$0.18/watt cost savings compared to silicon solar panels.

Table 2 Module Efficiency Varied by Type

Type	Typical Module Efficiency (%)
Single Crystalline Silicon	20 to 24%
Multicrystalline Silicon	15 to 20%
Thin Film -Amorphous Silicon	6 to 12%
Thin Film-Cadmiums Telluride	9 to 16%
Thin Film -CIGS	10 to 20%
Low-x CPV	15 to 20%
High-x CPV	20 to 35%

Source: Goldman Sachs Research

In our opinion, in order for silicon modules to retain their market share, silicon cell producers need cheap pure silicon to drive down costs. While feedstock businesses revamp their platforms to produce cheaper silicon, thin film technology appears to be well positioned as its staying power is not predicated on the feedstock business.

Venture capitalists seem to agree with this notion as evidenced by venture dollars invested in thin film. According to Cleantech Group, LLC, thin film startups raised \$620mm in 3Q2008.

Silicon cell producers appear to have left a gap of time for thin film technologies to play catch-up and potentially achieve higher conversion efficiencies. However, this does not ensure the future of thin film because thus far only one thin film technology, Cadmiums Telluride, has truly reached commercial scale. Under current industry conditions, we do not view thin film as a disruptive technology because we believe the technology of choice has yet to be determined.

### Thin Film: All That Glitters is Not Gold

There are three distinct thin film technologies: Amorphous Silicon (A-Si), Copper Indium Gallium Diselenide (CIGS) and Cadmium Telluride (CdTe). Upon closer inspection of Table 3 (Recent Thin Film Technology Funding), we observe abundant funding for CIGS technology. Many investors believe CIGS has the highest conversion efficiency potential among thin film technologies as well as tradition silicon cells (Table 2). Currently, the CIGS industry is extremely fragmented as companies employ different manufacturing processes. We are wary of the innovation fragmentation in thin films, in particular CIGS.

Table 3 Recent Thin Film Technology Funding

Date	Company	Description	Funding	Investors
2/11/2009	Sierra Solar	Producer of thin film cells plus other related energy products	\$40mm	Not disclosed
10/6/2008	Solyndra	Designer and manufacturer of thin film CIGS solar modules	\$600mm	Virgin Green Fund, Rockport Capital, Argonaut Ventures, RedPoint Ventures, CMEA Ventures, USVP, Masdar Clean Tech Fund, Madrone
9/11/2008	SoloPower	Designer and manufacturer of thin film CIGS solar modules	\$200mm	Undisclosed
8/28/2008	AVA Solar	Designer and manufacturer of thin film CdTe solar modules	\$104mm	DCM, Technology Partners, GLG Partners, Bohemium Companies, Invus
8/27/2008*	Nanosolar	Designer and manufacturer of thin film solar modules	\$300mm	EDF Energies Nouvelles, AES Solar, Riverstone Holdings, Energy Capital Partners, Carlye Group, Lone Pine Capital, Skoll Foundation, GLG Partners and Beck Energy
7/22/2008	Optisolar	Designer and manufacturer of thin film solar modules / Operator of solar farms	\$78mm	Undisclosed
7/3/2008*	Maisole Inc.	Designer and manufacturer of thin film CIGS solar modules	\$35mm	Undisclosed

\* Date does not reflect the actual timing - based on reporting date

Source: Venturebeat, Fairview Capital

The survivorship of the different thin film technologies could prove to be difficult in this portion of the value chain as this industry will likely be commoditized in the future and compete on price alone. Brian Fan, from the Cleantech Group, believes that only three or four of the thin film start ups are likely to survive. This brings us to the conclusion that current investments in thin film technologies are abundant and may not generate a healthy return as competition for cost leadership remains fierce in an already crowded market place.

### Concentrated PV: The “Other” Technology

With tight silicon supply and thin film technology's low conversion efficiency, investors continue to cover their bases in other photovoltaic technologies. Some venture capitalists are supporting concentrated photovoltaic (CPV) companies (Table 4). These have significantly smaller deal sizes compared to thin film technology transactions.

Table 4 Notable Concentrated PV Funding

Date	Company	Description	Funding	Investors
1/9/2009	SolFocus	Designer and manufacturer of High-x CPV Systems	\$47.5mm	Apex, NEA and NGEN
10/14/2008	Soliant Energy	Designer and manufacturer of High-x CPV Systems	\$21mm	Convexa, Rockport Capital, NthPower, Rincon Venture and GE
9/22/2008	Greenvolts	Designer and manufacturer of High-x CPV Systems	\$30mm	Oak Investment Partners
7/30/2008	Cyrium	Developer of III-V Cells	\$15mm	Quercus Trust, BDC, Chrysalix and and Pangea Ventures
11/20/2007	SolFocus	Designer and manufacturer of High-x CPV Systems	\$12mm	Undisclosed
9/4/2007	SolFocus/SolFocus Europe	Designer and manufacturer of High-x CPV Systems	\$64mm	NEA, Moser Baer India, NGEN, Yellowstone Capital and undisclosed investors

Source: Venturebeat, Fairview Capital

CPV technology utilizes lenses or mirrors to focus sunlight on a small area of the photovoltaic cell. Using an optical system allows delivery of more energy from less silicon materials. Currently, High-x CPV provides higher energy efficiency than thin film or traditional crystalline silicon cells (Table 2). The one major set-back with CPV systems is the high cost of tracking required for cells to remain directly in line with the sun.

One CPV investment, SolFocus, garnered investors' attention in 2006 because of high valuation in a financing round. We do not foresee such high transaction valuations in CPV technology's future since most investors are wary of the system's cost structure. On an encouraging note, SolFocus recently received \$103mm from EPME Solar, a Spanish company, to install over 10MW of CPV solar projects across southern Spain. This is by far the biggest single contract that CPV technology has received to date; instilling confidence in other CPV start-ups. SolFocus is projecting to reach 200 MW of yearly capacity by 2010 and 400 MW in 2009.

We believe CPV technology is a viable contender within the cell module segment. However, traditional silicon cells and thin film technology are more proven and further ahead from a development perspective. Nevertheless, we continue to monitor this space and pay special attention to cost improvements.

## Solar Modules: Market Disequilibrium

"Overabundance" appears to be the theme as we travel down the value chain. The increase in solar investments over the past 4-5 years was largely driven in part by generous tax subsidies – both in the U.S. and abroad. Over the years, solar module manufacturers were able to keep module prices high since solar adopters were generating a healthy return on their investments from tax rebates. High prices and even higher margins prompted a tsunami of module investments resulting in an oversupply of solar modules. According to a Goldman Sachs' analyst, 8.8GW of global module supply is coming to market in 2009 (Chart 6), an increase of 185% from 2007.

There are reasons to believe that global demand will not be able to absorb the incoming module supply: 1) Overall decrease in investment expenditures from potential solar consumers - residential, commercial and utilities; and 2) Lack of financing alternatives.

### 1) Decrease in investment expenditures

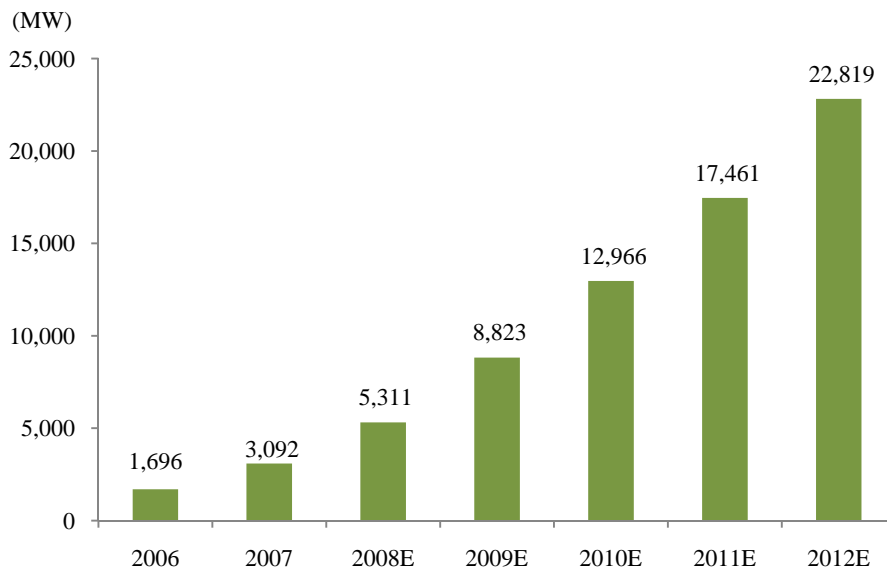
For worldwide demand of 2.3GW (in 2007) to meet 8.8GW (2009E) in supply, assuming Goldman Sachs' estimate is fairly accurate, would imply a CAGR of 96%. While solar installation has been growing at a rapid pace, we believe the aforementioned CAGR would be difficult to achieve under a period of economic contraction.

Furthermore, according to the study depicted in Chart 7, module demand declined in periods between 1997-1998, 2000-2001 and 2004-2005. Upon further examination, these dips correspond with down turns in both private business investments and GDP growth. In today's recessionary climate, economists are calling for further GDP contraction in 2009; causing us to believe that module demand will not grow at a 96% CAGR.

2) Lack of financing alternatives

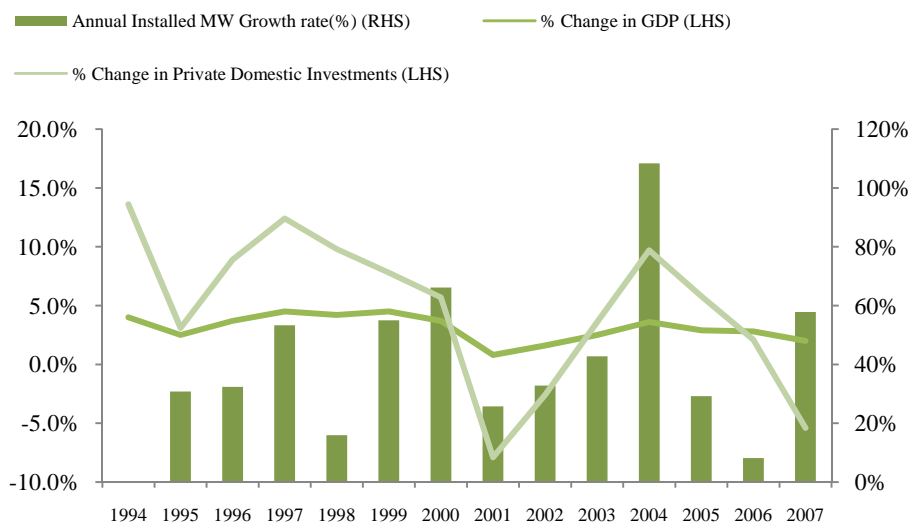
The credit crunch will decrease and /or delay capital investments by solar adopters. Despite government subsidies, potential residential and commercial solar installers are looking at a lowered IRR as they face higher financing costs. Utilities and energy companies are in a similar situation because the windows of opportunity to raise debt remain limited and sporadic.

Chart 6 Goldman Sachs' Module Supply (MW) Forecast Summary 2006-2012E



Source: Gao Hua Securities Research estimates, Goldman Sachs Research, October 7, 2008

Chart 7 Annual Installed MW Growth Rate Follows the Path of GDP Growth Rate



Source: BEA.gov and IEA-PVPS Trends in Photovoltaic 2008

Unprecedented price compression coupled with lower profit margins are making module suppliers think twice about their business model. In order to avoid the fate of the semiconductor industry, where commoditization caused rapid margin deterioration and destroyed value, solar module suppliers are thinking strategically and taking measures to protect their companies from such phenomena.

One strategic move taken by module suppliers includes partnering with downstream players. Recently, First Solar (NASDAQ: FSLR), a leader in the thin film module manufacturer, made a \$30mm investment in solar servicer SolarCity -a major player in the downstream operation. Additionally, forging relationships with servicers is an important step in ensuring the survivorship of a particular technology - First Solar also locked in a delivery of 100 MW of thin film panels to SolarCity over the next four years. In a similar fashion, solar module manufacturers are increasingly seeking investment and vertical integration opportunities downstream before modules become commoditized.

## Solar Servicers /Installers

The last piece of the solar value chain, solar servicers / installers, is one area we see poised for growth. As in most growing industries, innovations and financial resources are two ingredients needed for further expansion and success. For mass solar adoption to be realized, we view innovation in financing just as important as innovation in technology. Despite a lowered ASP, solar consumers continue to be challenged by hefty upfront cost, which on average takes 6-7 years to pay back.

Recently, solar servicers (Table 5) are adopting a new business model where they are selling Power Purchase Agreements (PPAs) to consumers. A solar PPA consumer does not pay for installation or solar equipment. Instead, the consumer is locked-in at an attractive monthly rate for 15-20 years. PPAs allow consumers to lower their upfront cost and risks, thus creating and driving new residential and commercial demand.

Table 5 Recent Solar Servicers Funding

Date	Company	Description	Funding	Investors
2/4/2009	Solar Power Partners	Developer and owner of solar energy facilities: markets PPAs	\$32mm	United Commercial Bank, Globespan Capital Partners, Energy Investors Funds, Carrelton Asset Management, Dry Creek Venture, Silicon Valley Technology Group, The Enlightened World Foundation
9/30/2008	Solar Power Partners	Developer and owner of solar energy facilities: markets PPAs	\$100mm	Globespan Capital Partners, Dry Creek Ventures, Silicon Valley Technology Group, Energy Investors Fund
8/19/2008	Aquus Energy	Provider of solar energy systems to commercial and residential customers in the mid atlantic and northeastern regions	Undisclosed	Oppenheimer & Co
7/16/2008	Recurrent Energy	Developer and owner of solar energy facilities: markets PPAs	\$75mm	Hudson Clean Energy Partners
6/24/2008	SunRun	Markets PPAs for residential use	\$12mm	Foundation Capital
5/27/2008	SunEdison	Developer and owner of solar energy facilities: markets PPAs	\$131mm + \$30mm debt	Greylock Partners, HSH Nordbank, Applied Ventures, Black River Commodity Clean Energy Investment Fund, MissionPoint Capital Partners, Allco Renewable Energy

Source: Venturebeat, Fairview Capital

Two examples of innovative servicers:

- 1) Sungevity is using the internet and satellite imagery to bring down the overall cost of installation. Consumers can log-on to the Sungevity website, enter address and monthly electric usage, to see if solar would be suitable for the property (Chart 8). The satellite imaging employed by Sungevity allows the servicer to estimate sun exposed areas of the property and shading as well. This service is currently only available in California.
- 2) Akeena Solar partnered with Fat Spaniel Technology to help consumers monitor performance of their installed solar systems (Chart 9). The company still employs an in-person evaluation model but its real-time and web based cost monitoring may win over solar skeptics.

As mentioned above, the commoditization of solar panels is forcing upstream manufacturers to focus on margin expansion and gaining market share through vertical integration. Solar installers/servicers are key pieces of the solar value chain that remain untapped by upstream players. In our opinion, vertical integration within the value chain points to a clear exit strategy for venture backed solar servicers/installers.

Chart 8 – Sungevity’s Sample Quote

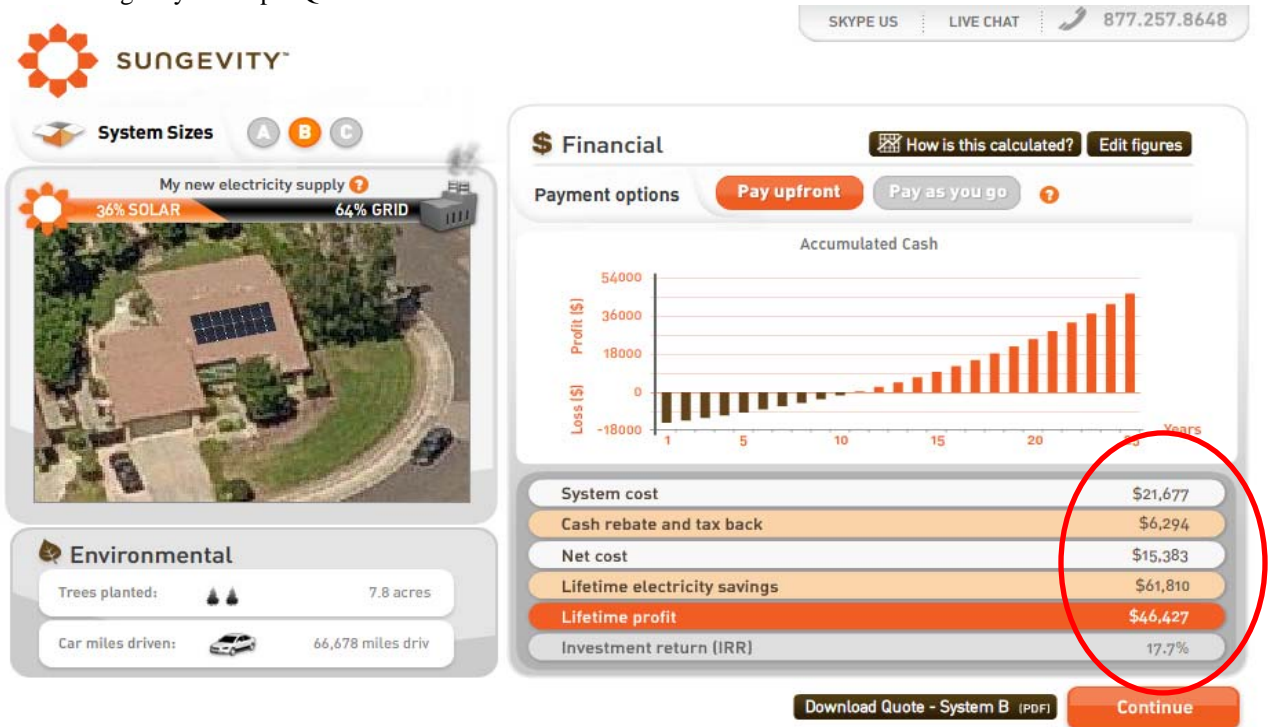


Chart 9 – Akeena’s Web-Based Monitoring  
*Napa Valley Home*



- Monitors solar usage and savings
- Monitors greenhouse gases avoided; this may be helpful if cap-and-trade occurs

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## **Solar Thermal**

Much of this research article has been focused on Solar Photovoltaic technologies. However, this report would not be complete without a discussion of solar thermal and its place on the alternative energy spectrum.

Solar thermal technology is by far the cheapest solar option available today but has less room for technical advancements; the technology, in its most simplistic form, utilizes conventional devices such as pipes and reflectors. There are four major solar thermal technologies: Parabolic Trough, Power Tower, Dish Design and Fresnel Reflector (Table 6).

Table 6 Comparison of Solar Thermal Technologies

Technology	Description	Conversion Efficiency	Advantages	Drawbacks	Examples
Parabolic Trough	Long, rectangular, U-shaped mirrors focus sunlight on fluid-filled pipe; hot fluid then heats water to drive steam turbine	15-20%	Tried and tested technology means significant knowledge base; only single-axis tracking required to follow position of the sun; thermal storage means dispatchable power	Inefficient use of space; installation limited to flat surfaces; uses more expensive parabolic mirrors	Solar Energy Generating System in CA, Nevada Solar One
Power Tower	Array of flat, moveable mirrors concentrate sunlight on collector tower where fluid-filled receiver is placed	15-20%	Lens need to flatten area- can be constructed on hillside; uses flat mirrors, which are cheaper; thermal storage means dispatchable power; easier to accommodate thermal storage	Double-axis tracking is required to synchronize with movement of sun	Solar one/Solar Two in CA, PS 10 in Spain
Dish Design	Large, reflective parabolic dish concentrates sunlight at single point	25-31%	More space efficient; significantly higher conversion efficiency; can be constructed on hillsides; modular design means can be distributed as well as centralized	More moving parts induces maintenance costs; tracking must be dual-axis; parabolic mirrors; produces electricity without storing thermal energy, so to dispatch requires battery or some other means to store electricity which has been cost prohibitive in the past	Sandia National lab in NM, Stirling Energy Systems expected to come on-line in 2009
Fresnel Reflector	Long, narrow, shallow-curvature mirrors focus light on one or more linear reflectors positioned above	10-15%	Cheaper mirrors, receivers are shared between several mirrors meaning lower installed costs; thermal storage means less intermittent power	Low conversion efficiency mean more land and collector area required to produce a MW of output	Prototype built in Australia, Belgium and US; Ausra has 177MW contract with PG&E over the next 20 years

Source: Goldman Sachs Research, Fairview Capital

There are untapped ideas related to solar thermal. In September 2008, SolarReserve claimed its solar thermal design can store solar power at 99% efficiency; this is a significant point of differentiation for solar thermal as most solar technology only works when the sun is shining and venture investors are increasingly focused on storage for intermittent renewable energy.

SolarReserve's basic technology is similar to eSolar and SunDrop Fuels. Recently, SunDrop Fuels licensed eSolar's structural ideas to produce hydrogen with sunlight, also known as solar reduction of carbon dioxide ("Solarec"). According to SunDrop's corporate presentation, the aforementioned process should be a viable alternative to solar thermal as it generates electricity at an even lower cost.

We believe disruptive technological advancement in solar thermal is limited. Nevertheless, emerging / spin-off technologies, such as solar hydrogen, utilizing pieces of thermal's existing infrastructure, may be an area not yet oversubscribed to by venture capitalists.

## Potential Downside Risks

- **Weak Capital Markets** will negatively impact both solar investments and solar end-users. In weak capital markets, venture capitalists cannot exit their investments via IPOs. Thus, realizations from investments would be delayed.

Furthermore, potential solar consumers face longer pay-back periods as debt financing becomes expensive or impossible to obtain. This would ultimately drive down solar module demand and postpone further adoption of the technology.

- **Energy Prices** continues to fluctuate with oil prices below \$50 a barrel. Continual decrease in energy prices does not bode well for solar as there would be less urgency to innovate towards an alternative source of energy or adopt a new technology.
- **Government Tax Rebates** are keeping incentives high for installers and adopters to join the solar plan. As we face economic woes, governments may be less inclined to offer favorable incentives; although the Obama administration appears to support an economy where renewable energy will be driving growth.

In the U.S., the federal level tax rebates have been extended for eight more years. However, at the local and state level, it remains to be seen if generous rebates will be provided in an environment where tax collection is lowered due to job loss, a decrease in real estate values and corporate revenues. We continue to monitor the new administration for further indication of its renewable energy policy going forward.

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