

ENERGY

Key to solar power use is a price boost: CEO

RICHARD BLACKWELL

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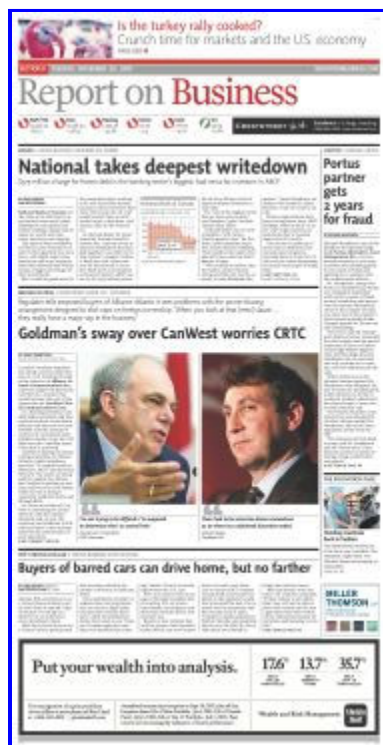
Governments must pay sharply higher prices for electricity generated by the sun if the solar industry is expected to thrive in Canada, the head of one of Canada's biggest alternative energy developers said yesterday.

Kerry Adler, chief executive officer of SkyPower Corp., told a solar energy conference in Toronto that even in Ontario, where the power authority pays dramatically more for solar-generated electricity than any other form of power, the price is not high enough.

Under Ontario's "standard offer program," the provincial utility pays 42 cents a kilowatt-hour for solar-generated electricity, almost four times what it pays for wind power, and roughly seven times what consumers pay for electricity.

But to make solar farms built at ground level economically viable, a price of around 50 cents per kilowatt-hour is necessary, Mr. Adler said. And rooftop systems only become economical at around 60 cents, he said.

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A handful of individuals and businesses in the province are now installing rooftop solar power systems that generate power from photovoltaic cells, with plans to sell some of the electricity back to the power authority.

However, if the price they get for excess power sent to the provincial grid were to increase, "people would be lining up to get their rooftops done," Mr. Adler said.

SkyPower is in the planning stages for a number of "solar farms" in Ontario, where large tracts of farmland will be covered with an array of solar panels to generate power. But the 42-cent price may not make it worthwhile to go ahead with the projects, Mr. Adler said.

SkyPower is partly owned by U.S. investment bank Lehman Bros., and that helps it get access to funds at lower financing costs.

Mr. Adler noted that several other countries, such as Germany, Japan and Spain, have thriving solar industries because the government subsidizes the generation of solar power.

But pricing is not the only issue making it difficult to proceed with large solar projects in Canada, Mr. Adler said. There are also huge hurdles in getting permits, and in convincing local politicians and residents that solar farms are a good idea.

To fix these problems, the approval process needs to be streamlined, he said, and there should be explicit rules dictating how far a solar farm needs to be from neighbours, for example.

Currently, it's easy for a single individual in Ontario to delay a project by filing a complaint to the Ontario Municipal Board, Mr. Adler said.

Yesterday, Ontario Energy Minister Gerry Phillips announced a new incentive program that will support the installation of solar water heating systems on commercial and industrial rooftops, but it did not involve the generation of electricity using photovoltaic panels.

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Phillip Crawley, Publisher