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Solyndra collapse darkens Israel's PV industry

Israel should invest in PV research, ventures, and innovation in order to become one of the leaders in this industry.

2 November 11 11:47, **Dr. Eitan Yudilevich**

The collapse of California solar panel manufacturer Solyndra Inc. sent shockwaves across the US and raised questions in Congress over government loans to the company. Two other solar energy companies have also gone bankrupt: Massachusetts-based Evergreen Solar Inc. and New York-based SpectraWatt Inc., and BP Solar has closed its operations in Maryland.

In 2009, Solyndra received $535 million in US Department of Energy backed loans, under President Barack Obama's renewable energy program. At the inauguration of the company's plant in September 2009, Vice President Joe Biden said that the company would provide the jobs of the future.

These events should raise questions about Israel's solar energy industry. The primary causes of the companies' collapse are blamed on Chinese competitors, which have slashed prices for solar panels, and the US economic slowdown. But Solyndra's collapse turned into political theater, with critics claiming that the US government is playing at venture capital.

Despite Israel's global image, it is not at the forefront in photovoltaic (PV) technology, it has no PV cell technology that is the heart of these systems in terms of solar panels' performance and cost. In this field, 50% of the cost is the installed system, and the rest is for the electricity systems, installation, and other costs. In Israel, there are

companies that provide sophisticated electronic systems for optimizing performance, and there is also expertise on solar energy systems.

Start-ups have developed technologies that save silicon or other techniques for capturing sunlight at low cost. These companies are still struggling to take off, and that is no wonder in view of the situation that has resulted from the collapse of Solyndra.

Nonetheless, there are still opportunities for innovations and breakthroughs in the PV industry. Despite the sharp fall in prices for solar panels, especially for panels made in China, the price of electricity generated by PV solar energy is still far higher than the price of electricity generated by coal or natural gas.

A report by the Solar Energy Industries Association (SEIA) on the condition of the US solar energy market found that on one hand, prices of solar modules had fallen sharply, but that incentives for the installation of solar energy systems had been slashed on the other. Without the incentives, the cost of PV solar energy is far from competitive.

The global economic crisis has also slowed the pace of installing PV systems. Despite the slowdown, almost all PV systems for the generation of nearly600 megawatts were installed in the US in the first half of 2011. With the entry of China and India into the solar energy race, the world has apparently passed the point of no return in the use of solar energy.

Israel should invest in PV research, ventures, and innovation in order to become one of the leaders in this industry.

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