

“The SHC industry has to come to the table”

The US solar heating and cooling (SHC) market has been struggling for many years. But lately some new incentive programs have given hope to the industry. SUN & WIND ENERGY talks with Mike Healy, Adviser for the US Solar Energy Industries Association (SEIA), about challenges and strategies.

S&WE: Mr. Healy, how would you describe the situation of the solar thermal industry in the United States?

Mike Healy: There is a ton of opportunity. The industry is growing and there are a lot of new and innovative products and business models entering the market. While the industry has been small in the US in the past, I don't expect that to be the case much longer.

S&WE: The United States is a federal nation with different subsidy programs in various states. Is that a problem or an advantage?

Healy: Certainly a federal SHC policy, just like an overall federal renewable policy, would be beneficial to the industry. That said, we are seeing many states moving ahead with great SHC policy that will scale the industry and provide significant growth. California, for instance, is in the beginning stages of administering the California Solar Initiative Thermal Program, which is a multi-year US\$ 350 million program to develop the Californian SHC industry. Similarly, Maryland recently made solar thermal systems an eligible solar technology within the Maryland Renewable Portfolio Standard RPS-regulation and eligible to generate Solar Renewable Energy Certificates. Maryland's RPS program has been a leading program. I expect the inclusion of solar thermal will both spur significant growth in the market, and create many local jobs. It will serve as a model so other states can realize the value of SHC and include our technology as a solar resource within their RPS.

S&WE: What are the main challenges for the business today?

Healy: A large barrier in the US right now is that home and building owners, as well as public offi-



Mike Healy is responsible for government affairs within the system provider Skyline Innovations, Inc. and he also works as an Adviser for the SEIA.

Photo: Skyline Innovations

cial, are unaware of the benefits that SHC can provide. A lack of public policy support is also a major barrier to the market right now. SEIA is working hard to ensure the right public policies are in the place to ensure the market is able to scale and develop properly.

S&WE: Who should be the first group to be addressed: politicians or end-users?

Healy: Well this is the old chicken or the egg dilemma. Studies show that there is sup-

port for SHC; in fact according to a recent SEIA study, about 75 percent of US Americans believe that solar thermal technology is good for job growth and deserves government support.

S&WE: What steps are needed in your opinion to improve the market, first from the industry, second from politics?

Healy: The industry needs to come together to support itself. The PV industry has been so good at coming to the table, discussing their policy priorities and acting upon them in lockstep. Thermal has not done that and it is something the industry needs to do. If we all work together we will be successful. The tide lifts all boats, as they say. From the political perspective, I always suggest system installers and system owners reach out to their local representatives to show them a solar thermal system so they can really start to understand the technology and the positive energy and jobs impact SHC can have on this country. If politicians only knew all the jobs associated with SHC projects, supporting our industry would be at the top of the list. Now we need to go out and make sure they know about the positive local job impact that SHC can have.

S&WE: In your presentation at the SHC 2012 conference you mentioned the lack of data from industry which causes the branch to fail. How could that be changed?

Healy: The industry traditionally has not been good at collecting data on itself. This keeps us from realizing our full potential and being able to present our case and the role SHC can play in the US energy paradigm. SHC can play a major role in the US's energy infrastructure, but we need to be able to prove it.

S&WE: What role does SEIA play when talking about better conditions for solar hot water? What role do the different solar industry associations of the states play?

Healy: SEIA, along with industry, are primary drivers of moving the SHC markets forward in the US. SEIA works closely with local industry, local associations, including state SEIA chapters and other stakeholders to develop stronger, more stable SHC markets across the US.

S&WE: SHC is competing with very low gas prices. Do you see any possibilities to drop the SHC systems prices?

Healy: Yes, with policies that promote scaling the industry both through increased deployment of systems and increasing the size of the systems deployed, I think we can drop prices through labour efficiencies and a reduction in soft costs. One of the things that have held this industry back in the US is capping incentive programs so they are not conducive to commercial and industrial scale projects and I think this has been a mistake that kept prices high. By scaling the projects we can reduce system prices. Additionally, I am seeing a ton of new and interesting products enter the market that have the potential to reduce the dollar per BTU output of systems, from the low-tech end like polymer products to the high-tech end like combi and hybrid systems. It's really exciting to see what is coming into the market.

S&WE: How do you think the solar thermal industry will develop in the near future?

Healy: The Solar Electric Power Association released a report this year suggesting the market opportunity in the US for solar water heating alone is US\$ 123 billion. That's exciting stuff. When you include solar space heating, process heating, pool heating, and space cooling, and consider that SHC has the potential to reduce over 65 % of the average building's total energy consumption, I think you can see why I am bullish on the US SHC industry. Lastly, SHC projects provide good quality, high paying local jobs for tradesman like plumbers, welders, roofers, and collector installers and everyone is focused on job creation in the US; SHC can provide a solution to job deficits in the US.

The interview was conducted by Joachim Berner.



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