

## Solar Power: It's ready now, so why the wait?

### Solar potential

Residential, commercial and public sector electricity demand is responsible for about half of global electricity consumption. Solar energy can be a powerhouse behind our commercial and residential buildings even in colder climates. The integration of photovoltaics (PV) cells, which convert sunlight into electricity, into roofs and facades could turn buildings from net users of energy into net generators. Switching from fossil fuels to solar will make a major contribution in preventing dangerous levels of climate change.

### Solar power's Catch-22

Global business analysts KPMG have assessed the current status of solar photovoltaic industry and its potential for expansion. KPMG concluded that the technology was ready for mass-production but business and governments were not ready or willing to take that step<sup>1</sup>.

KPMG explain that it is not technology or financial barriers that are holding PV out of a mass market but a simple supply and demand Catch-22. The price of photovoltaic cells is too high so only a few people buy solar, but because the market is small manufacturers won't go into mass production. Someone has to bite the bullet and act.

### Solar factory solution

BP was the main company behind a 1996 report for the European Commission which showed that a large manufacturing plant producing 5 million solar panels a year would make clean solar electricity cost-competitive with electricity from polluting sources. Today PV electricity is five times more expensive than it could be if it were mass-produced. If the solar impasse is not broken then solar PV will only gradually become cost competitive and reach the mass market, a process that could take 30 years. A solar factory would achieve this in a few years rather than a few decades.

### BP'S challenge

BP Amoco says, "Solar's time has come. This will be one of the great business enterprises of the 21<sup>st</sup> century"<sup>2</sup>. BP has received considerable publicity by installing solar panels on some of its petrol stations and through its ownership of the world's largest solar manufacturing company, BP Solarex. However, the reality is that BP Solarex annual revenues in 1998 were less than a quarter of 1% of BP Amoco's global annual revenues of \$68.3 billion.

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<sup>1</sup> Solar Power: From Perennial Promise to Competitive Alternative. KPMG.

<sup>2</sup> Imagine a new world of energy. BP Amoco 1999

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The cost of a solar factory to mass-produce photovoltaic cells has been estimated by KPMG to be around \$660 million – still less than 1% of BP-Amoco global revenues. It is also equivalent to the lower end estimates for the cost of BP Amoco's proposed Northstar project in the Arctic.

If BP is serious about sustainable energy it must break the solar Catch-22 and switch its investment from Arctic drilling to a solar factory.

**For further information please contact Greenpeace Press Office on 0171 865 8255/6/7/8.**