Power Markets, Regulation, and Utility Scale Solar in the U.S.

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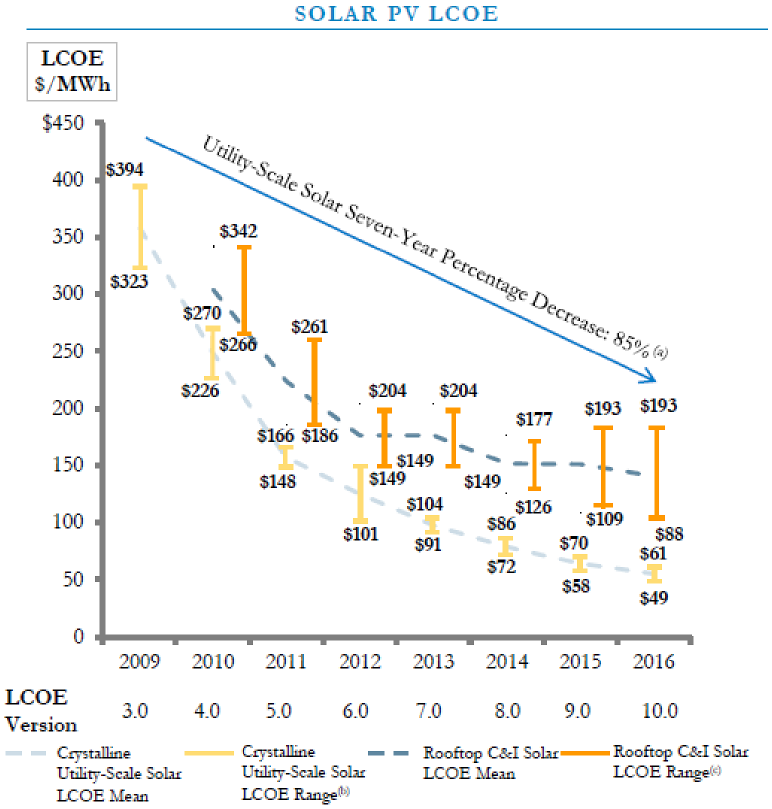
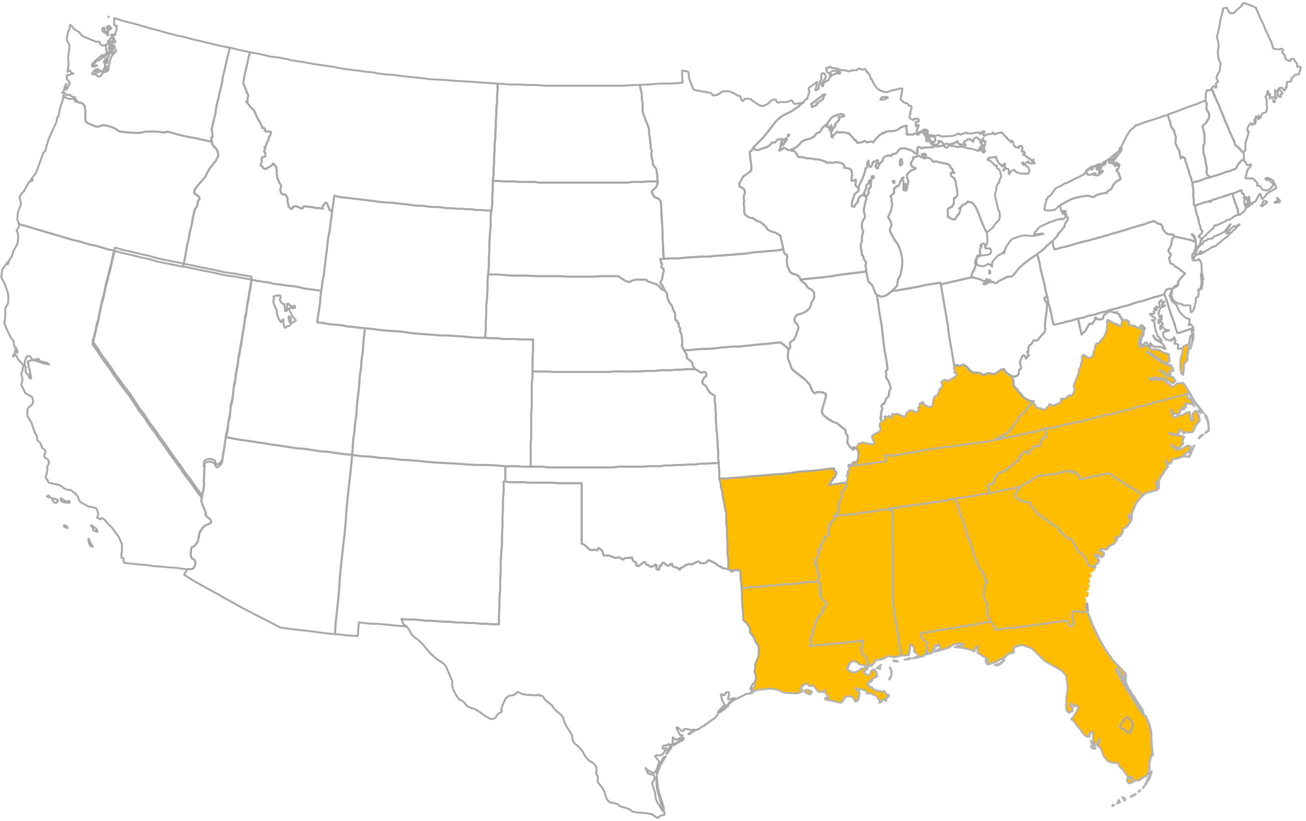
Solar PV: trends to look for



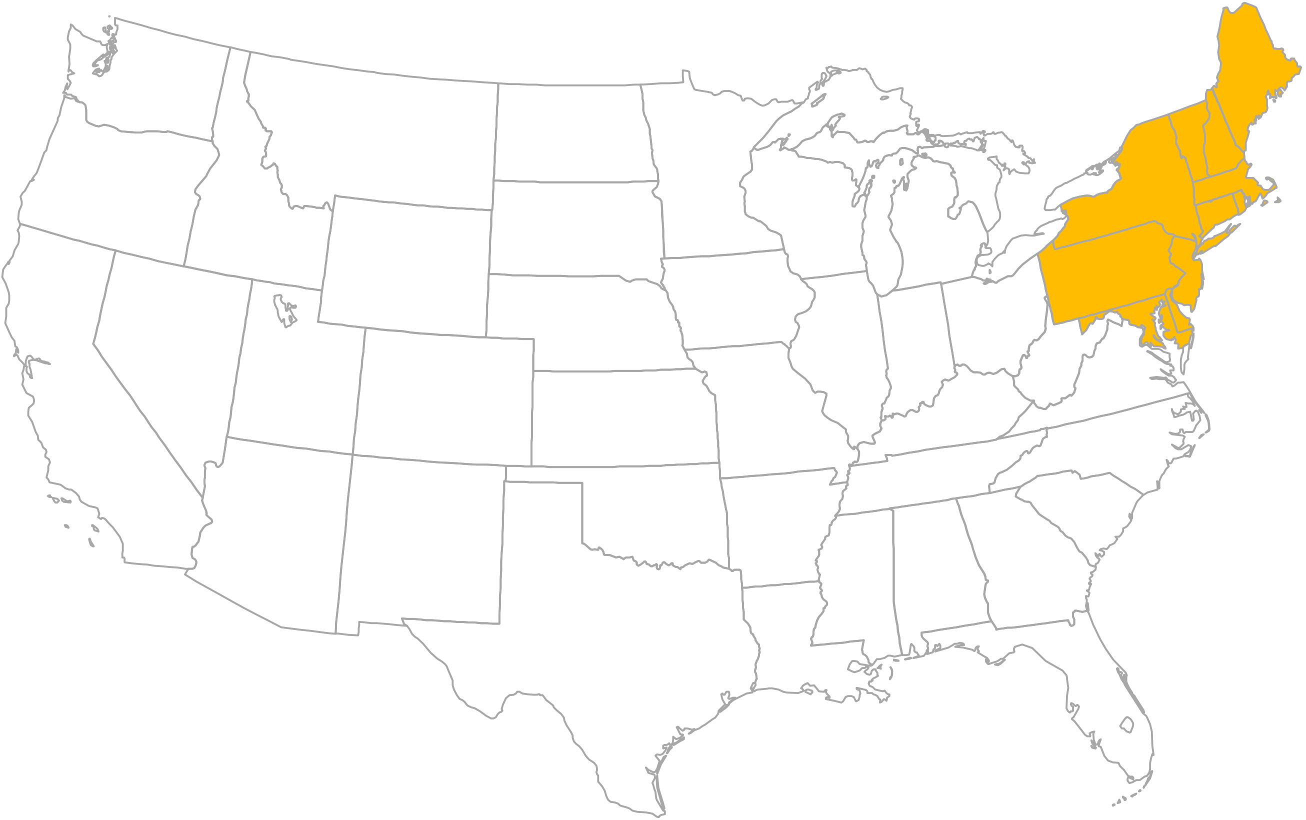
- Global module prices fell ~25% from Q4 2015 to Q4 2016
  — Not necessarily reflected in 2016 installed costs
- Utility-scale solar increasingly procured through non-RPS mechanisms
  — Integrated Resource Plans
  — PURPA
  — C&I PPAs
- Residential installations shifting from lease to ownership model
- Community solar picking up steam

Southeast Solar Outlook



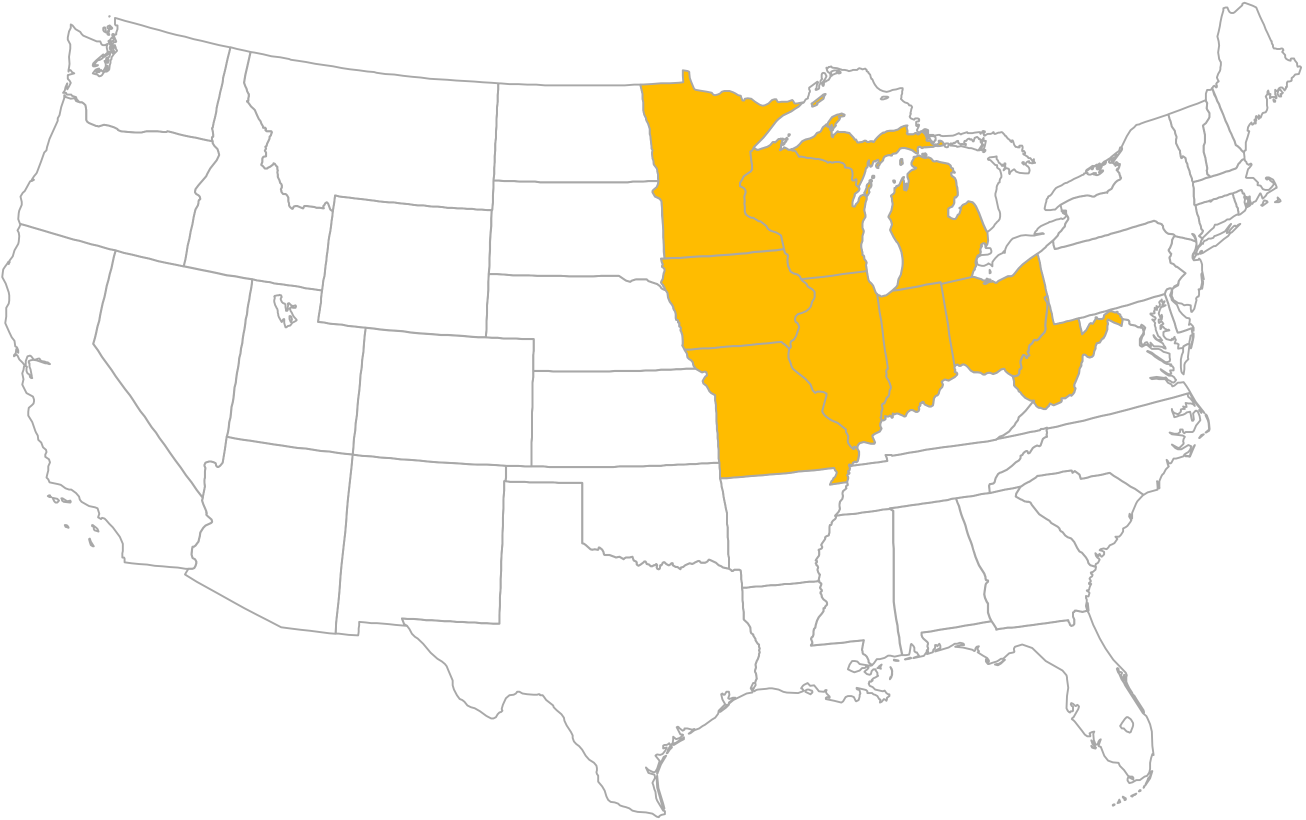
- **Utility-scale procurement:**
  - IRPs
- **Distributed PV adoption**:
  - NEM & regulatory hurdles

Northeast Solar Outlook



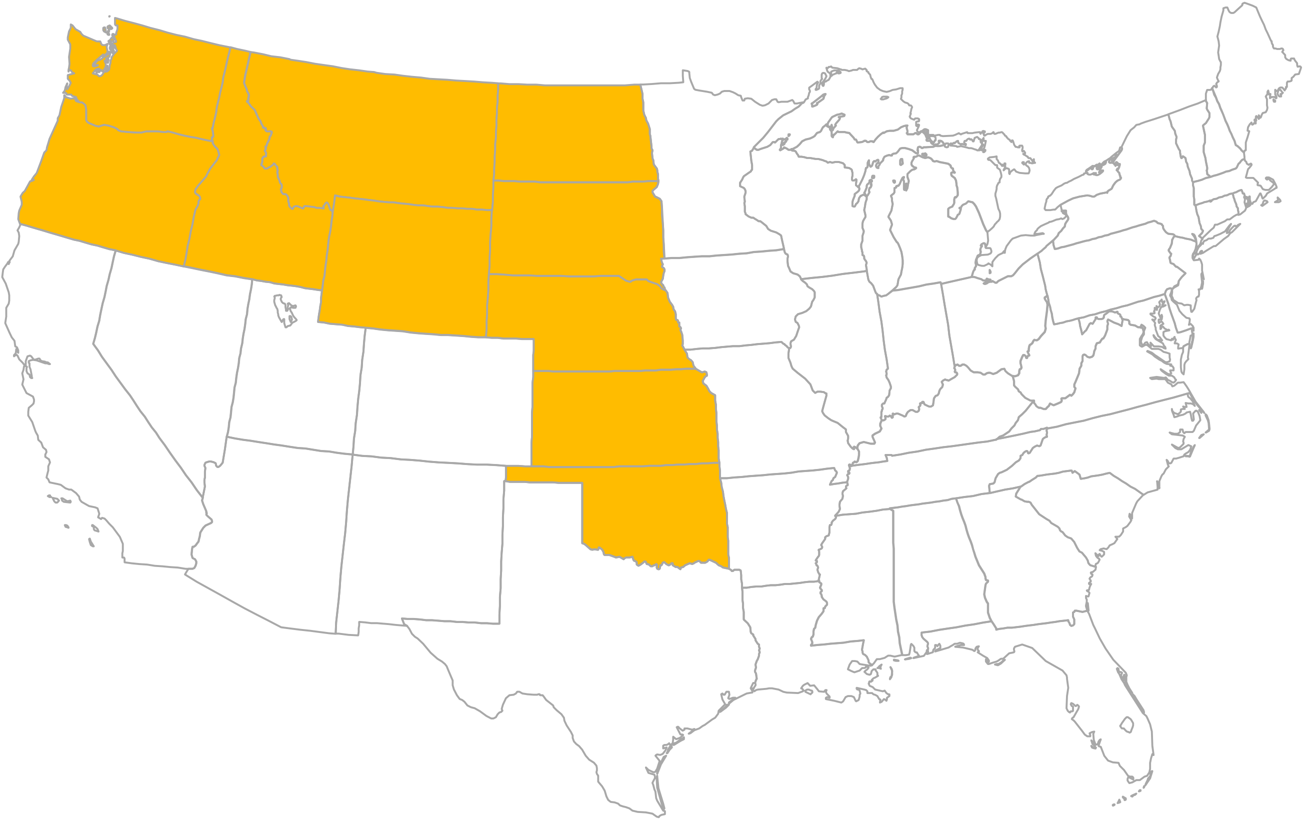
- **Utility-scale procurement:**
  - RPS driven
- **Distributed PV adoption:**
  - Strong DG incentives
    - (NEM, rebates)
  - Third party ownership
  - High retail prices

Midwest Solar Outlook



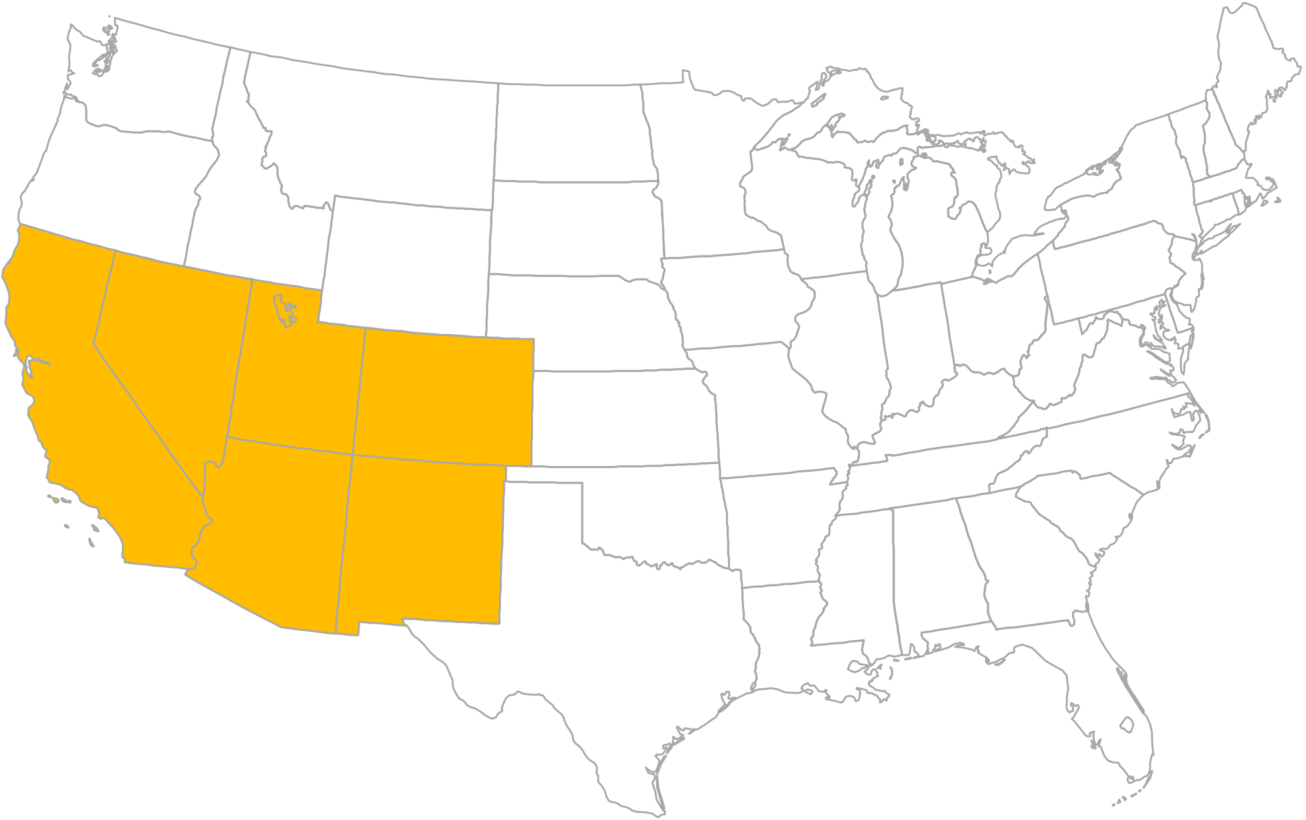
- **Utility-scale procurement:**
  - IRPs & RPS
- **Distributed PV adoption:**
  - DG incentives
  - Third party ownership
  - NEM challenges starting

Plains & PACNW states Solar Outlook



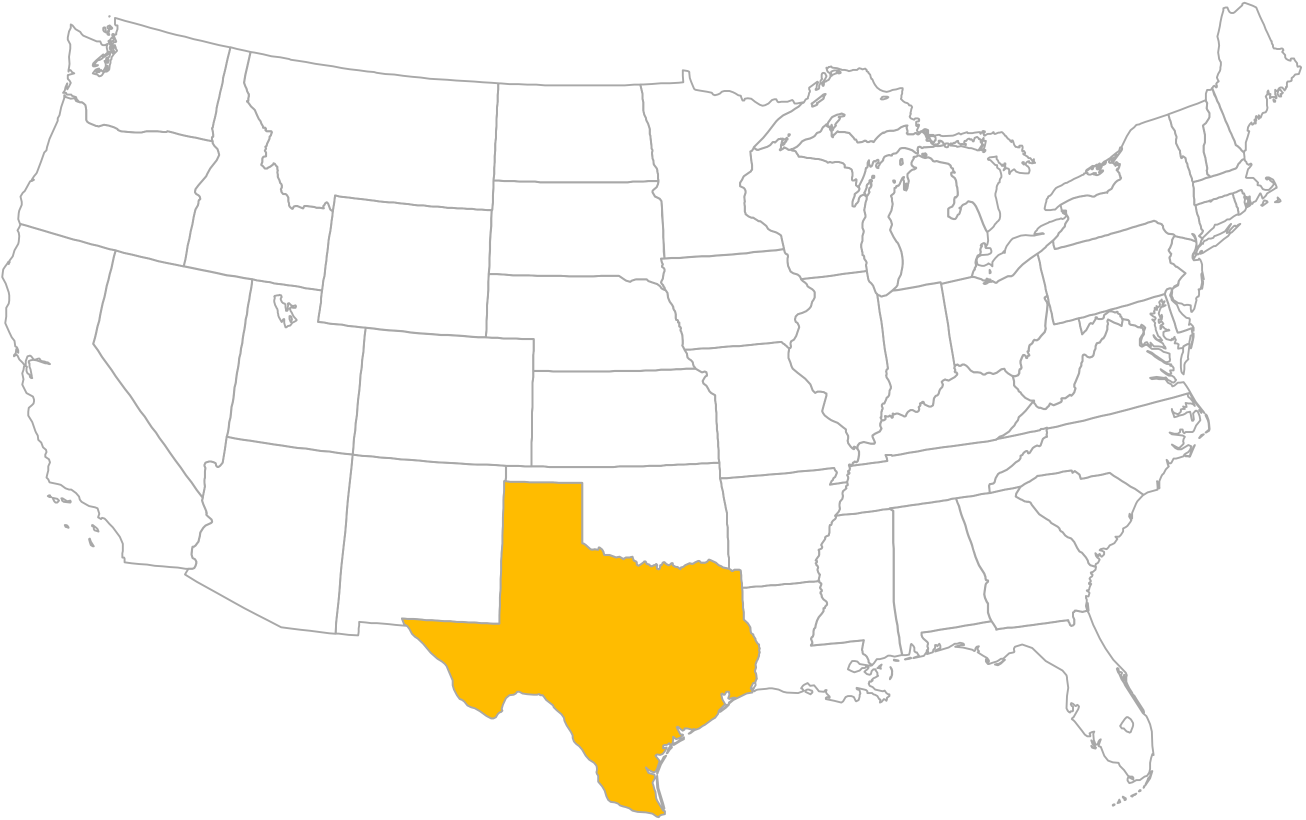
- **Utility-scale procurement:**
  - — IRP, C&I
  - — Excellent wind resource
- **Distributed PV adoption:**
  - — Mixed DG policies
  - — Low retail prices

Southwest states Solar Outlook



- **Utility-scale procurement:**
  - RPS, C&I
  - **Distributed PV adoption:**
  - Strong DG incentives
  - Market saturation => NEM challenges

Texas Solar Outlook



- **Utility-scale procurement:**
  - PPAs with generation owners, C&I
- **Distributed PV adoption:**
  - Competitive retailers offer voluntary NEM
  - Minimal DG support outside of San Antonio & Austin