

Do Old Energy And Government Fear The Rise Of Solar Energy?

The solar industry in the US today is tiny, and worldwide represents only one percent of the total energy generated, so why would governments and energy companies fear it? While solar energy is currently proportionately insignificant, it is an industry which is growing fast, and much of this growth is taking place off grid; behind the meter as it were.

The price of solar panels is falling, and the quality is improving. Installation is easier and cheaper, and many more homeowners are understanding the benefits and savings that they can make.

In fact, solar panels are the fastest growing renewable technology in the world. Since 2000 the global capacity has increased from 1.5 gigawatts to 136 gigawatts. Jon Wellinghoff, chairman of the Federal Energy Regulatory Commission, thinks that solar energy could double every year, and could be growing fast enough to one day take over as a leading energy source.

The industry is moving from strength to strength, and consumer sized installments are making up a large chunk of this growth, with experts commonly in agreement that this trend will increase as the price decreases. Eventually it is expected rooftop solar energy will cost less than energy provided by the grid. Some experts think that it already does in some places such as in Arizona, Germany, and Spain where subsidies make it cheaper for consumers.

The governments of the world might fear this because it gives them less control over their population. The old energy corporations may [fear the rise of solar](#) because it could become a major competitor, with commercial businesses and families choosing roof top panels over the grid energy which they supply.

The fear has manifest in the quest for new policy, and a reduction in subsidies. The utility companies have suggested that it is unfair that customers benefit from generous policies, and express concern particularly with “net metering” which requires the utility companies to buy back excess solar energy for the grid at a retail price. Arizona Public services says that the current regulations allow solar panel users to use the grid for free.

Major companies are [lobbying to reverse subsidies](#), and some are even suggesting a green energy tax! The pressure applied by the big utility companies, which make up large amounts of jobs and a large percentage of the economy, could be affecting the decisions of governments. With one of the main factors for the solar energy industries growth leaning on the price, this could effectively shun the growth before it has even fully begun.

In some instances new regulations have already been introduced, and old regulations dampened and replaced. For example, some local Australian governments have slashed subsidies for energy sold back to the grid, and are charging huge connection fees for solar panels. In Queensland the connection fee has recently been raised by a massive 1142%.

Spain has forced, without even making it law, solar panel owners and businesses to connect to the grid and pay tax on consumption, effectively destroying the incentive for installation, and stopping attempts to get off the grid. Since then the number of panels installed has fallen dramatically.

In 2013 Arizona became the first state to introduce a solar energy tax for those who are connected to the grid, of only around \$5 a month for most people. Although this amount is small, green energy tax