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# Solar companies say Taiwan government incentive program unrealistic

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Taiwan government's planned incentive program to encourage photovoltaic (PV) investment is not very much appreciated by market players, as a critical portion of the act is still pending to be discussed by Taiwan's legislature (Executive Yuan), and real benefit that industry players will enjoy still remains a doubt.

The Taiwan government plans to invest a total of NT\$1.08 trillion, which will be targeted to consumers and industry players, with the goal being to encourage semiconductor and solar companies to boost their competitiveness and target domestic demand.

The industry players estimate approximately NT\$900 million of the annual budget would go to the "Solar Top" program that subsidizes households. Assuming that the budget will be completely used for solar cell procurement, that only translates to a 9-10 peak megawatt (MWp) of solar cell demand, or the equivalent to 1/60 of leading solar-cell maker Motech Industries' 2008 capacity, the players pointed out.

The most practical way to boost local demand is to execute a renewable energy law, which was first introduced for discussion in the Executive Yuan in 2002, the industry players stressed. Despite several proposals being submitted, an absence of discussions means no progress has been made at all, they complained.

As Taiwan Power Company pays less than NT\$2/watt to buy solar power, which is lower than the standard electric price offered by Taiwan Power. This implies under the current system, constructing a solar power plant in Taiwan is not a viable business. Only having a renewable energy law passed that raised the subsidy amount to about the NT\$10 level would spur more households to install solar power generation systems, the industry players noted.

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