



SolarCapital
CONNECTIONS

Connecting Investors with Developers Worldwide

Module Market Overview 7-29-21



Agenda

- Introductions
- State of the PV Module Market
- SCC Module Offering
- Q&A



Presenters



Bob Fryer-CEO SCC



Joseph Seymen-CEO Lucid



Bob Fryer

- Been in the industry for 12 years.
- Various levels of development, financing and consulting.
- Founded SCC in 2013 to help bridge the gap between the development side and the investment community.
- Over time our team has filled a void where others have failed and we see another void in the current Module Market, the lack of inventory, deliverables and shipping.



Joseph Seymen

- Joseph has over 15 years in the solar industry and currently he is co-founder of Lucid Solar Inc. which is owned by Seul Holdings. Joseph is also a board member at Seul Holdings.
- Between 2008-2013, he lived in China and became COO for a Nasdaq listed Tier-1 Solar company. At 2013 he founded his own solar module factory and produce OEM for Tier-1 brands reaching \$100M+ yearly revenue. Joseph has vast experience in solar cell and solar module manufacturing.



About Lucid Solar Inc



Lucid Solar is a global solar wholesaler with offices in USA, the Netherlands, India, Singapore and Turkey. Lucid Solar has license agreements with Tier-1 brands and experts in solar production with manufacturing locations in Cambodia, Vietnam, Thailand, Ukraine and Turkey. Lucid sold more than 2GW of solar modules worldwide.



State of the Module Market

- Market Trends
- Duties
- Logistics and Shipping
- Raw Materials
- Available Capacity for Projects
- What can be done to better navigate all of this?



Market Trends

- Pre-Covid, demand was for 72 cells 370W or 144 cells 400W modules
- Post-Covid, 500W+ and 600W+ solar modules are preferred to decrease cost for BOS and labor
- 500W+ modules need 182mm solar cells
- 600W+ modules need 210mm solar cells
- Not all cell suppliers can produce those types
- Not easy (or fast) to upgrade existing production equipment



Customs Duties

- Section 201 will end in February 2022.
- According to rumors, it may be extended.
- If it won't be extended, demand from the U.S. market will be much higher.
- Everyone is now rushing to make procurement.
- Lucid has signed contracts for 2023 deliveries.

Logistics Crisis

Q Search **Bloomberg** Sign In

Markets

Container Rates to U.S. Top \$10,000 as Shipping Crunch Tightens

By Brendan Murray
July 15, 2021, 9:00 AM PDT

- 'I don't see it really getting better this year,' CEO says
- The queue of anchored ships off L.A.-Long Beach persists

LISTEN TO ARTICLE

▶ 2:58

SHARE THIS ARTICLE

Facebook Share

Tweet

LinkedIn Post

Email

Supply Lines is a daily newsletter that tracks trade and supply chains disrupted by the pandemic. [Sign up here.](#)

Container shipping rates from Asia to the U.S. and Europe increased to new record levels over the past week, ensuring transportation costs will stay elevated for companies heading into a peak season for rebuilding inventories.

The spot rate for a 40-foot container from Shanghai to Los Angeles increased to a record \$9,733, up 1% from the previous week and 236% higher than a year ago, according to the Drewry World Container Index published Thursday. The Shanghai-to-Rotterdam rate rose to \$12,954. The composite index, reflecting eight major trade routes, hit \$8,883, a 339% surge from a year ago.

WESTERN FarmPress Serving: **West** Register Log In


Crops Livestock **Markets & Quotes** Farm Business

Max Armstrong Regions Events

< Trade

The shipping container shortage is getting worse

Paul Taylor / Getty Images



Container shipments of U.S. agricultural exports could slow even more in the coming months as maritime shipping companies favor the higher charges collected by shipping consumer goods from Asia to the U.S. Since the world economy began to reopen from the pandemic, maritime shipping companies have chosen to return empty shipping containers to Asia for quicker turn-around and higher paying loads of consumer goods back to the U.S.

On the eve of major West Coast specialty-crop harvests, sending products overseas is getting more expensive and taking twice as long.

Todd Fitchette | Jul 19, 2021

FREIGHTOS

Shipping & Freight Cost Increases, Freight Capacity, and Shipping Container Shortage [2021]

Last updated: July 15, 2021

Freight & Shipping Delays

With ongoing pandemic-related delays and closures, non-stop demand for ocean freight from Asia to the US, and a lack of capacity, ocean rates are still very elevated and transit times volatile.

While some major carriers are adding badly needed capacity, including on [Asia-Europe](#) lanes, some of these services will cater to premium shipments only. With virtually no spare ships to be found, these additions could come at the expense of capacity on other lanes.

Air cargo rates are stable as importers and exporters [seek alternatives to sea freight](#) – despite the expense and possible financial loss – as a way to guarantee inventory and build customer loyalty while their competitors may be sold out due to logistics delays.

Freight Market Explainer

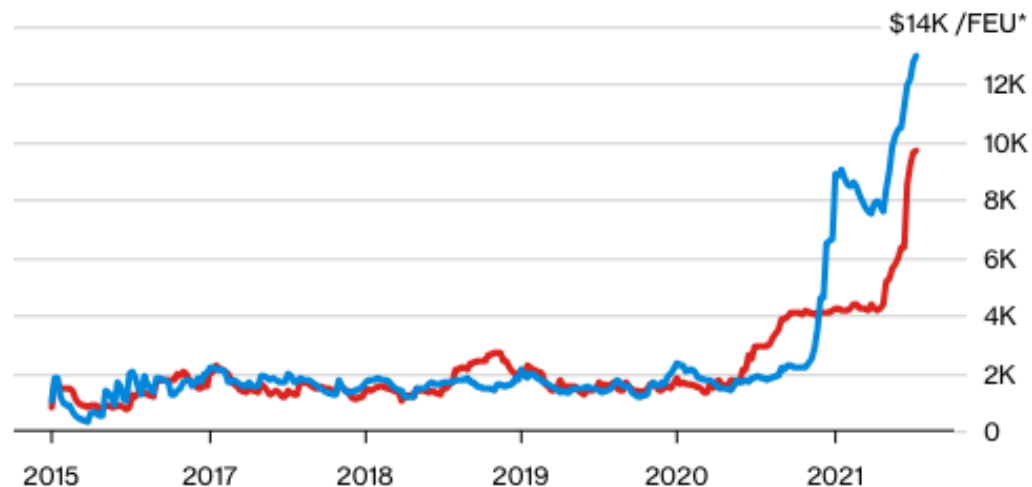
With everything that's going on in freight today, Freightos.com CMO **Ethan Buchman** and Head of Research **Judah Levine** got together to summarize what's happening, why it's happening, and what importers and exporters can expect in the coming months.

- In 2020, delivery from Asia to Long Beach port was approximately **\$0.012/W**
- Currently delivery to Long Beach port is approximately **\$0.045/W**

Ocean View

Spot rate for 40-foot shipping container from China to U.S. hits new high

— Shanghai to Los Angeles — Shanghai to Rotterdam



Source: Drewry World Container Index

*Note: FEU refers to a 40-foot container

Raw Materials

- Over the last several quarters, critical components for solar equipment – polysilicon, steel, aluminum, semiconductor chips, glass copper and other metals – have become increasingly supply-constrained.
- Increasing demand for solar, combined with pandemic-related macroeconomic realities (such as increased shipping costs, microchip availability, and a residential home renovation boom) have led to increased commodity prices and delivery delays.



U.S. Solar Figures

- In Q1 2021, the U.S. solar market installed just over 5 GWdc of solar capacity, a 46% increase over the first quarter of 2020 and the largest Q1 on record.
- With Q1 additions, cumulative solar capacity in the U.S. has officially surpassed 100 GWdc and is expected to pass 100 GWac next year.
- Commercial solar and community solar volumes declined from Q4 2020, as is typical for these market segments. Commercial solar increased 19% over Q1 2020 and community solar declined 15% from Q1 2020.



U.S. Solar Figures

- Utility-scale solar set a record for first-quarter installations at 3.6 GWdc.
- Texas made up the largest share of this capacity, with more than 1.4 GWdc of installations.
- A total of 6.2 GWdc of new utility-scale solar power purchase agreements were announced in Q1 2021, on par with Q1 2020. The total utility-scale contracted pipeline has grown to nearly 77 GWdc.

Tier1
Bloomberg
NEW ENERGY FINANCE

Phono® Solar

ReneSola

 ZNSHINESOLAR

 **SolarCapital**
CONNECTIONS
Connecting Investors with Developers Worldwide

SCC Module Offering



Available Capacities

- 2021 : 20-25 MW
- 2022 : 410 MW
 - Q1 : 40MW
 - Q2 : 95 MW
 - Q3 : 115 MW
 - Q4 : 160 MW
- 2023 : 1,200 + MW





SCC Module Offering

- You will via SCC work directly with the manufacturer (no middle person).
- SCC provides status reports on the manufacturing and shipping of your order. SCC takes away the angst in the process.
- We shorten the timeline in the quoting process.
- Customizable options for modules thus reducing engineering/reengineering costs.
- Priority access to excess inventory.
- Flexible shipping and delivery timelines (order now save later).



Q&A



Thanks for Attending!

Info@solarcapitalconnections.com

704-677-5789