

# Solar Tier 1,2 and 3 Report

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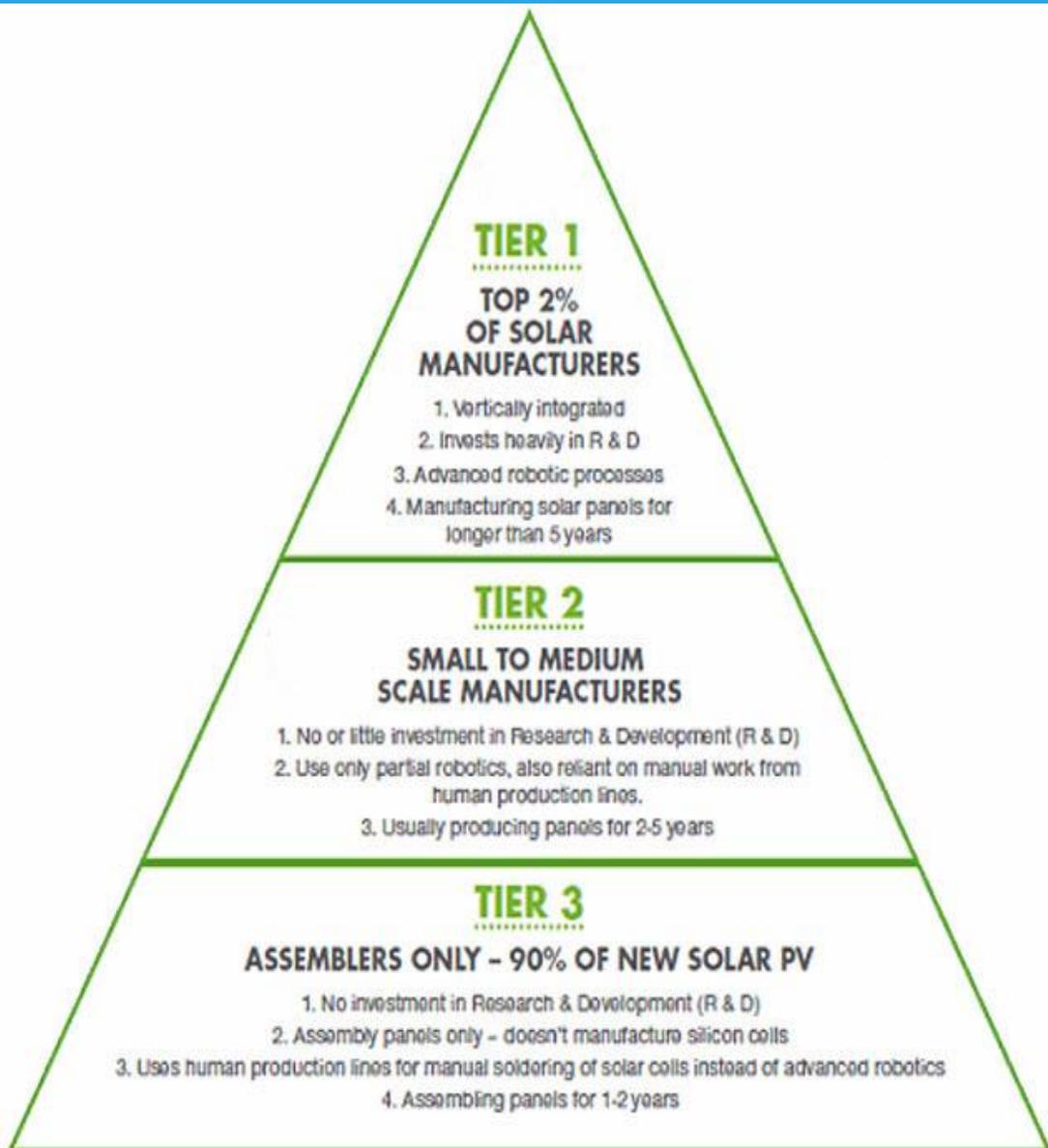
[www.solardynamics.com.au](http://www.solardynamics.com.au)

- \* **What is a “Tier 1” solar panel? Tier 2 or 3?**

- \* When purchasing a solar system, the quality of the components to be used is frequently a key consideration. However, differentiating one brand from another may not be so simple, especially in the case of solar panels, of which there are hundreds of brands on the Australian market. The terms ‘Tier 1’, ‘Tier 2’, and ‘Tier 3’ are often heard with regard to solar panel manufacturers as a way of distinguishing the wheat from the chaff. This article is a brief overview of the difference between the solar panel tier rankings.

- \* **What makes a Tier 1 solar panel?**

- \* The pyramid below, by Pike Research, lays out its version how it differentiates the 3 tier rankings of solar panels manufacturers from one another. Other organizations and research firms may have different methods for determining the tier ranking of a solar panel manufacturer, but they are all roughly in the same ballpark as Pike’s. According to Pike, Tier 1 manufacturers represent only a small slice (2%) of the total number of manufacturers on the market, but a number of factors set them clearly apart from their competitors.
- \* -First of all, they are **vertically integrated**, meaning that they don’t simply assemble solar panels using other companies’ products, they manufacture their panels from the ground up. This means that they control the production process for everything from the silicon cells to the modules frames and ultimately panel assembly.
- \* -Tier 1 installers **invest heavily in research & development (R&D)** and continually innovate in order to improve their products and processes.
- \* -Tier 1 installers also use **highly automated manufacturing techniques** that are conducive to a standard level of quality, while (in many cases) saving money on manufacturing costs at the same time.
- \* -Finally, **at least 5 years’ history producing solar panels** is the other criterion for being considered Tier 1 for Pike Research. Having been around for at least this amount of time in what is a relatively young industry is testament to a company’s commitment to its own longevity as well as to its customers, and is indicative of the likelihood that that company will still be around in 20+ years’ time to service its warranties.



(Source: Pike Research)

## **Tier 2 solar panel manufacturers**

Manufacturers ranked as Tier 2 are the 'middle ground' between Tier 1 and Tier 3, comprising about 8% of the market. Although they have been producing panels for longer than Tier 3 manufacturers (2-5 years), they still invest relatively little money in R&D compared to Tier 3 manufacturers. Robotic automation does not always play a major role in their panel production lines. Many Tier 2 manufacturers doubtless have Tier 1 aspirations, but may not have the wherewithal or experience to yet make the cut.

## \* **Tier 3 solar panel manufacturers**

- \* Tier 3 manufacturers comprise the bulk of the market (90%), according to Pike Research, but have the least experience. Their operations are limited to assembling panels using components manufactured by other companies (i.e. no R&D operations of their own), and their production processes are highly reliant on manual labor. With solar panel manufacturers across the globe facing hard times due to a massive glut of stock, it is not unreasonable to think that many of these companies will not be around in the next few years as the industry consolidates.

## **Here at Solar Dynamics and as a registered reseller we only offer**

- \* Canadian Solar Products being a Tier 1 Panel Manufacturer  
and
- \* BLD Solar being a Tier 2 Panel Manufacturer
- \* We offer no Tier 3 Products in our range