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Global Investment in Smart Grids to Double by 2015

Investments to reach nearly \$200 billion in 2015; \$1.0-billion semiconductor market.

Smart grids and advanced metering infrastructure (AMI)—with the installation of “smart meters”—promise to bring major changes to home appliances and other residential electrical systems so that they can interact and communicate with power-utility companies and customers.

IC Insights estimates that total global spending on smart grid technologies will reach about \$100 billion in 2011, and those annual investments are forecast to nearly double to \$196.9 billion in 2015 (Figure 1). These annual figures exclude renewable energy systems, power plants, and “smart” home appliances, but cover the smart grid infrastructure, electrical storage systems, smart meters, and information technology investments.

MORE INFORMATION CONTACT

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Global Smart Grid Investment Forecast

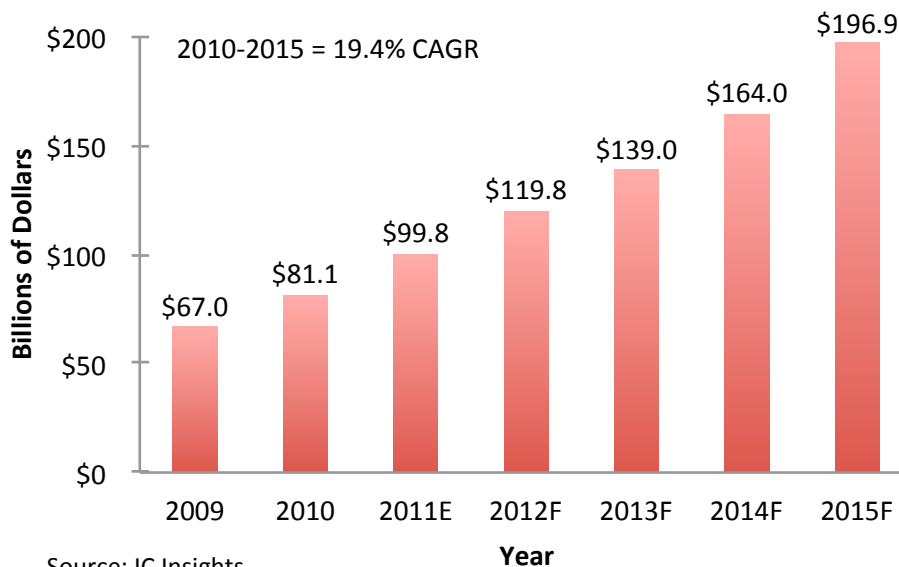


Figure 1

Smart grids will have the ability to communicate with energy-efficient buildings and “smart” home appliances to save electricity costs and automatically balance loads (consumption) with the output of

existing power plants and the network's overall capacity. Future grids will also employ distributed electrical-energy storage systems to handle peak-demand periods while lowering the need for additional power plants. And, smart power grids are also being designed to accommodate large-scale recharging of electric vehicles and plug-in hybrid gasoline/electric cars later this decade. Smart-power grid technologies are also necessary to add new renewable energy sources to the public electricity networks—such as solar-photovoltaic panels and wind turbines.

New “smart” household systems and home area networks (HANs) are being equipped with AMI interfaces to the power grid's smart meters. With these interfaces, home appliances and other residential systems will have the ability to automatically schedule and adjust their operations and energy use based on variable electricity rates and the preferences of owners.

Smart meters and connected energy-aware home and business systems promise to be a huge new marketplace for semiconductors, especially microcontrollers and embedded processors, analog mixed-signal devices, radio-frequency integrated circuits, power discretes and transistors, non-volatile flash memories, and communications ICs. A number of IC suppliers are offering application-specific system-on-chip (SoC) solutions for smart meters and AMI-connected systems—such as smart household appliances, smart wall plugs, sub-meters, intelligent thermostats, and energy management systems.

Worldwide revenues for semiconductors in smart meters are forecast to become nearly a \$1.1 billion market in 2015 compared to \$524 million in 2010. This constitutes a 2010-2015 average annual growth of 15.3%.

Further information about the smart power grid and meters market and other critical electronic systems driving the IC market such as smartphones, smart TVs, tablet PCs, automotive electronics, wireless networking, and the “Internet of Things” is provided in the new 2012 edition of IC Insights' *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*.

Report Details

IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits examines the leading applications for ICs and evaluates the potential growth for new applications that are expected to fuel the market for ICs through 2015. Price: \$3,090 for individual user; \$6,190 for multi-user corporate license.

About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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