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## I-COMMERCE



# Is BloombergNEF's Tier 1 list a measure of solar module quality?

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Four times each year, Bloomberg New Energy Finance (BloombergNEF) creates a Tier 1 list of module manufacturers. Some installers have historically seen the list as a guide to determine which solar panels are the best on the market. But this isn't what it's intended for – at all.

## What is the BloombergNEF Tier 1 list?

BloombergNEF is a strategic research provider that assesses ways for various industries to adapt to the transition to a low-carbon economy. The company assists with commodity trading, corporate strategy, finance and policy to navigate change and generate opportunities. As an industry resource for information to support renewable energy, BloombergNEF publishes more than 700 analyst reports per year that cover a large range of energy and related industries. (One of its reports covered the expected growth in energy-storage devices, a [new marketplace vertical for Inxeption](#).)

In the solar module world, BloombergNEF's biggest influence comes in the form of the Tier 1 list, a ranking of PV module manufacturers. But the ranking only boils down to one aspect: bankability. This essentially means that BloombergNEF knows banks have confidence in the manufacturer's financial stability. This does not mean that the manufacturers on the list have the best solar panels on the market.

The Tier 1 list is not intended to be a measure of quality. In the past, this has led to confusion. But [BloombergNEF addresses this directly](#): "We strongly recommend that

module purchases and banks do not use this list as a measure of quality, but instead consult a technical due diligence firm.”

## **Why does the BloombergNEF Tier 1 list matter?**

Unless an installer is relying on financing for a huge project like a utility-scale solar farm, the list probably doesn't matter much. Again, the list is in no way a reflection of the quality of the panels. However, the list does indicate that a given manufacturer is financially stable enough to be in business for a long time – time enough to honor warranties.

Because solar equipment degrades slightly with time, efficiency can decrease. Manufacturers and sellers offer product warranties to cover wear and tear, and linear power warranties to guarantee a specific amount of output will still be achieved over a particular amount of time. Some of these warranties go up to 30 years. But if the manufacturer isn't around long enough to honor those warranties, that is a problem.

The list, of course, is not a total guarantee of financial viability for the long haul. Remember, the list is updated quarterly. However, it can provide some degree of confidence as you make your buying decisions and consider your project forecasts.

## **How does the Tier 1 list fit into a solar module procurement strategy?**

By now, it should be clear that selecting a solar panel manufacturer that isn't near the top of BloombergNEF's list doesn't mean you're working with a subpar manufacturer. When planning a solar module procurement strategy, it's more important to think about diversification. But what does that mean?

### **1. Mix up your inventory.**

Installers all likely have a favorite module, but it's important to not rely too much on one manufacturer. Inception Energy President Erin Clark recommends working with two or three manufacturers. To prevent future financing issues, select one brand on BloombergNEF's list.

### **2. Stock up on the same power class.**

After you select the three manufacturers, make sure to stock similar modules from these companies in the same power class. Doing this will protect you from raw material slowdowns and other production delays.

### **3. Check your component specs.**

Found similar products from all three manufacturers? Clark cautions that installers need to triple-check the specs. Nobody wants installation crews to run into installation issues.

### **4. Look for similar product warranties.**

When diversifying, it's smart to make sure all the panels have similar warranties.

*At Inxeption Energy, we know the Tier 1 list isn't everything, and that's why we offer vetted, high-quality solar energy products from superior, trusted solar manufacturers. Instead of making sure every company we carry is on the list, we focus on providing installers with access to a wide diversity of panels, industry-leading financing terms and seamless delivery. [Browse Inxeption's inventory of solar panels.](#)*

Solar module procurement activity is increasing, so working with more than one manufacturer is becoming more important. But how do you find new module manufacturers? Can you just look at the BloombergNEF Tier 1 list?

Read below to learn how to create a diversified solar module procurement strategy, then see how Inxeption can help.

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