

Solar-panel maker picks Goodyear site

7 comments by [Ryan Randazzo](#) - Jan. 28, 2010 12:00 AM
 The Arizona Republic

Goodyear will house a new factory for Chinese solar-panel maker Suntech Power Holdings Co., which development officials said Wednesday paves the way for more factories and raises hope for a more diversified Arizona job market.

At least 54 renewable- are looking at the region for possible factory sites, said Barry Broome, president and CEO of the Greater Phoenix Economic Council, which helped lure Suntech to the state.

He said he is hopeful Arizona sees at least three more factory announcements before April and at least six for the year, which would help the state recover from the current and housing crisis.

"We need to be aggressive about this, you have to execute," Broome said, citing state tax incentives created last year that helped attract Suntech and other companies to Arizona.

He said the state and development officials

need to work to ensure Arizona remains competitive with the incentives offered and with its business climate as other states strive to attract factories.

Renewable-energy-component factories could offer Arizona an alternative to the construction industry that historically drives the job market, Broome said.

Among the attractions that brought Suntech to Arizona were tax breaks passed by the Legislature and signed by the governor last year. Those incentives offer renewable-energy equipment factories income- and lower property taxes based on how much they invest in their factories and what they pay their workers.

Suntech could get \$1 million to \$1.5 million in state based on its plans, Broome said, although the investment is not large enough to trigger reduced property taxes, and Goodyear will provide Suntech with a \$500,000 credit for job training.

Suntech also could get a \$2.1 million from its investment in the Arizona facility. Five other companies could get those federal tax credits for new or expanded factories in Arizona, according to a recent report from the Department of Energy.

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Some of the new companies scoping out factory sites are suppliers for Suntech and Tower Automotive, a Michigan company that recently announced plans for a \$50 million solar-component factory in the area, Broome said.

"These are the elite companies in the industry," he added. "This gives real legitimacy to Arizona's position in the solar marketplace."

Suntech will spend \$10 million to \$15 million setting up an assembly factory for solar panels in an existing building in Goodyear that it will lease, officials said.

The factory initially will employ 75 people and turn out enough solar panels a year to power about 7,500 houses at once. Officials want to expand the plant over time to four times that capacity, employing 250 people.

"Jobs, we all love the sound of that song," Gov. Jan Brewer said when announcing the factory's location at a forum sponsored by AZ4Solar in Phoenix.

The Arizona Suntech factory should be in production by September, allowing the company to serve the Southwest with panels made in the U.S., said Steven Chan, chief strategy officer.

"It has always been a trend to have manufacturing go east to Asia from the U.S.," Chan said. "There is demand for products made in Arizona, made in the U.S."

Chan said Suntech will strive to match the cost efficiencies of its factories in China because while customers want a domestically produced product, price is more important to U.S. consumers.

"U.S. customers are not willing to pay more for something made in the U.S.," he said.

The new factory will be a small part of the company's operations and not process silicon wafers into silicon solar cells, as Suntech does in China. Workers will assemble the premade cells with glass and frames into the panels used on roofs and in large fields for power plants.

In 2008, Suntech's existing factories produced 498 megawatts of solar panels, most of which were sold to Europe.

The Arizona facility will have an initial capacity of 30 megawatts, with 120 megawatts of capacity if and when it expands.

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to supply about 250 homes at once.

Suntech spent more than two years on a nationwide site search, surveying more than 28 in Greater Phoenix and even considered locations just over the Mexican border, Chan said.

Six cities in the Phoenix area presented proposals to Suntech, Broome said when the company announced its plans in November.

Tempe apparently was the company's top choice at one point, because Suntech listed the city on its application for a federal tax break.

"It was a very careful process," Chan said. "The state incentives were important."

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