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Chinese solar panel manufacturer scopes out Austin

\$20 million plant to employ about 300, sources say

Austin Business Journal - by [Jacob Dirr](#) ABJ Staff

Austin is competing with San Antonio and a handful of sites in other states to house a manufacturing hub for one of China's largest solar-electric panel makers.

Yingli Green Energy Holding Co. Ltd., a 4,700-employee company with \$1.1 billion in revenue in 2008, is close to choosing a site for a \$20 million photovoltaic panel plant that initially will house about 300 employees, according to sources close to the process.

Such a project could be a catalyst for Austin's ambitions to become a player in the solar energy market. The area has had some industry success by growing local solar companies, such as manufacturer [Heliovolt Corp.](#), but it still hasn't lured a major employer from elsewhere. In the past year Heliovolt has invested tens of millions of dollars to build a plant here but it has not yet begun manufacturing as expected.

"We need real companies with new jobs to say there is a wave that is actual and happening," said Hector Aguilar, [Austin Community College](#)'s chair for electronics and advanced technology. "Getting 300 jobs is not a huge number, but it is a huge move. It is a huge mind-set change. If we win a company, hopes are up, proof is there."

Yingli is among a handful of Asian solar companies, mostly from China and India, seriously considering operations in Central Texas, according to industry sources.

Suntech America, the U.S. subsidiary of China's largest solar company, [Suntech Power Holdings Co.](#), also plans to select a site for a manufacturing plant either in Texas or Phoenix by the year's end, a spokeswoman said in an email.

At least two people familiar with Austin's efforts in the solar industry said that, compared to Suntech, there is much more optimism that Yingli will locate in Texas.

Yingli has selected five potential cities. It is expected to pare its list to two or three finalists in coming weeks, then begin negotiating incentives with remaining contenders.

Mayor Lee Leffingwell declined to comment on specific projects, but said his staff has met with several companies, including solar makers.

"I am excited to work on total packages of incentives to bring these companies to Austin," he said.

In July, Yingli established U.S. coastal operations in New York and San Francisco to support a growing North American customer base.

It also formed a wholly owned subsidiary in the United States called **Yingli Green Energy Americas Inc.**, also called Yingli Americas.

“We see the U.S. market obviously as a market with tremendous potential,” Robert Petrina, U.S. managing director, said during a second-quarter earnings call.

Despite potential, there was a “tremendous amount of difficulty” financing projects in the first half of the year, Petrina said in mid-August.

Conditions are improving, and Yingli has customers ready to “give us a substantial part of their business, going forward,” he said during the mid-August call.

Rob Stone, managing director and senior research analyst covering alternative energy for New York-based Cowen and Company LLC, said Yingli is targeting the United States for good reasons.

America has “the largest electric power market in the world,” Stone said. “On top of that, we have excellent solar resources.”

Companies like Yingli also hope to benefit from **U.S. Department of Energy** funding, either in loans or grants, that could offset or negate the lull in traditional financing, sources said.

Much like foreign automakers have done by providing jobs for U.S. workers, foreign solar companies can cultivate an affinity to buy locally produced goods.

Texas’ abundant sunny skies provide almost twice the sunshine as Germany, the world’s largest solar market, Stone said.

The entrance of bona fide solar makers will likely benefit Texas in other ways, given the concentration of semiconductor companies in the state, which are suffering through the downturn and shifting jobs overseas.

MEMC Southwest Inc., near Dallas, already has a multibillion-dollar deal to supply Suntech with solar-grade silicon wafers well into the next decade.

Unlike most solar panel makers that buy silicon wafers, Yingli makes its own.

Yingli Green Energy Holding Co.

Ticker: [NYSE](#): YGE

Headquarters: Baoding, China; U.S. locations in San Francisco and New York City

U.S. managing director: Robert Petrina

Total employees: about 4,700

2008 revenue: \$1.1 billion

Web: www.yinglisolar.com

Courtesy of JB Goodwin