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Solar plant courted

Austin co. ready to build but NM, NY offer deals

Austin Business Journal - by [Kate Harrington](#) ABJ Staff

An Austin-based solar company ready to build a major manufacturing plant is again at the center of a nationwide fishing expedition, and some Austin business leaders are worried Texas may not hook the facility.

Solar Array Ventures, an Austin-based startup that plans to begin making large solar panels, secured funding in late 2008 and wants to build a plant that in its first phase would span about 250,000 square feet and employ 250 people. A second phase would require another 250,000 square feet and employ an additional 250 people, according to a Dec. 8 press release from U.S. Sen. Charles Schumer of New York. The company has initial sales orders scheduled for the second quarter 2010, Schumer's press release said.

New York and New Mexico are among the states heavily courting Solar Array Ventures, a graduate of the University of Texas' Austin Technology Incubator. Solar Array Ventures executives declined to comment, except to say that the company has not picked a location for its plant, and to confirm that New Mexico and New York have made some "pretty attractive" incentive offers.

City of Austin economic development department officials declined to comment and state economic development officials couldn't be reached.

It's not clear what incentives Texas, Austin or Travis County may or may not offer Solar Array Ventures to locate its manufacturing plant in Central Texas. But New York state and Oswego County have offered the company tax credits and savings, and have proposed additional incentives to lure it to a specific business park, Schumer's press release said.

Angela Talbot, senior business development manager with New Mexico Partnership, part of that state's economic development department, said New Mexico has made a concerted effort to target solar and clean tech companies. While she declined to talk about Solar Array Ventures specifically, Talbot said the state offers an alternative energy product manufacturers tax credit, technology jobs tax credits and job training incentives programs among other incentives to lure clean energy companies.

David Porter, senior vice president of economic development with the Austin Chamber of Commerce, said solar manufacturing is capital- and labor-intensive, and requires similar infrastructure as semiconductor manufacturing, an industry in which Austin is well versed in. He said solar companies routinely shop for sites in places such as Albany and Albuquerque — as well as Austin.

"But we aren't in the same league from an incentive standpoint with many of these projects, and maybe that's why we only have one major solar [manufacturing] project in the state, Heliovolt," Porter said.

Solar Array executives and Austin Technology Incubator leaders declined to say how much funding Solar Array recently received or where it came from.

A scenario similar to this played out in late 2007 after Austin-based HeliVolt Corp. secured a round of funding and began shopping for a solar manufacturing plant site. While the city of Austin offered HeliVolt incentives, Travis County did not.

HeliVolt ended up locating its manufacturing in Austin, not because the city gave the best financial offer but because of the plant's proximity to HeliVolt's engineering operations and because Austin demonstrated a desire to foster clean energy technology, HeliVolt executives said at the time.

Susan Davenport, vice president for business retention and expansion with the Austin Chamber of Commerce's economic development department, declined to talk about Solar Array Ventures specifically.

But she said chamber and local officials work hard in general to ensure homegrown companies stay in this area and provide job opportunities here. But Texas undoubtedly needs to be more competitive in order to help Austin reach its goal of making clean technology a hub of the region's economic development, she said.

Sources said Solar Array Ventures is highly experienced with silicon and has been hunting several months for a place to put a solar photovoltaic plant. That hunt may include Austin as a possible location, and the company is likely talking with the state, city and county, a local clean technology expert said.

But the state in general has not generated the aggressive incentive proposals that New Mexico and New York in particular have.

"The environment in Austin is attractive to clean tech companies, and getting more so with the Pecan Street Project, but we as a city don't have the resources to compete with a state," said Isaac Barchas, head of the Austin Technology Incubator.

Last March, New Mexico state leaders celebrated the groundbreaking of Schott Solar's new \$500 million solar equipment manufacturing plant, which is expected to open this year and create up to 1,500 jobs. Local and state officials in New Mexico courted the company vigorously, and committed at least \$3 million in public money to build out the plant's infrastructure and provide worker training.

Hot Topics in Solar

December 2007: HeliVolt Corp., which makes thin-film solar energy panels, chooses Austin for its manufacturing plant.

December 2008: Austin, University of Texas and business leaders announce the Pecan Street Project, an initiative to establish the infrastructure and business model for a vibrant clean energy sector in Central Texas.

January 2009: The Austin City Council considers entering into a \$250 million contract with San Francisco-based Gemini Solar Development Co. LLC for a large solar plant.

February 2009: SmartSpark Energy Systems Inc. announces it will move its headquarters from Illinois to Austin.

Courtesy of JB Goodwin