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Soitec To Invest \$150 Million In California Solar-Panel Factory

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By Cassandra Sweet

Of DOW JONES NEWSWIRES

French semiconductor maker Soitec S.A. (SOI.FR) said Friday it is investing \$150 million in a San Diego factory where it will make super-efficient solar panels for the California and U.S. Southwest utility markets.

Soitec plans to employ about 450 people at the plant, which it bought from Sony Corp. (6758.TO, SNE). The new factory will create about 1,000 additional jobs for consultants and other workers not directly employed by the company, Soitec said.

California Gov. Jerry Brown said Friday he was pleased that Soitec would be manufacturing in California and that it shows the state's renewable energy law is creating jobs.

The factory, designed to produce 200 megawatts of solar panels a year when completed, will supply panels for solar projects under development in California and nearby states. The company aims to complete plant modifications and start operations by the end of 2012.

Soitec's California investment comes as larger solar-panel makers, such as First Solar Inc. (FSLR), scale back manufacturing amid weak global demand, plunging prices and an oversupply of panels from Asia.

Soitec isn't affected by the gyrations of the larger solar market because it targets only sunny regions of the world where its technology can compete against conventional power sources, said Soitec Chief Executive André-Jacques Auberton-Hervé.

"Solar energy is moving south to sunny places, where greater efficiency can be the driver for lower-cost electricity," Auberton-Hervé said in an interview. "We're not in the markets where others are, mainly in Europe and regions where...the sun is not strong."

Soitec has contracts to build or supply 300 megawatts of solar-power projects in southern California that will sell the electricity to Sempra Energy's (SRE) San Diego utility. Auberton-Hervé said the company hopes to build or supply additional projects in California, Arizona, New Mexico and other states.

Soitec has projects in 12 countries including Morocco and South Africa, where the government earlier this month selected Soitec to build a new 50-megawatt solar farm.

Soitec's solar panels use optical lenses to concentrate and focus sunlight onto a stack of semiconductors that extract different wavelengths of light to generate more electricity than conventional solar panels.

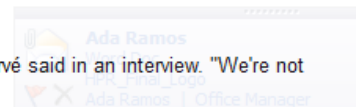
Soitec formed a joint venture with optic lens maker Reflexite Energy Solutions Inc. to make lenses for Soitec's solar panels at the San Diego factory.

Auberton-Hervé said electricity generated from Soitec panels are cheaper than power generated from rival panels--because they produce more electricity--and that the company's manufacturing is greener because it's located close to where projects are built and therefore don't require long-distance shipping.

"In the long run, people will value that," he said.

California utilities are required to use solar, wind or other renewable power sources for one-third of the electricity they sell by 2020, as part of the state's 2006 plan to combat climate change.

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