

The Oregonian

Solar developer plans Rivergate wafer plant

Industry - California-based Solaicx intends to employ 100 people by year's end, making products for solar cells

Wednesday, June 13, 2007

GAIL KINSEY HILL
The Oregonian

Santa Clara, Calif.-based Solaicx on Tuesday announced plans for a silicon wafer-making plant in Portland, handing Oregon public officials another win in efforts to make the state a hotbed of clean tech development.

Solaicx is the second solar energy company this year to commit to a major manufacturing facility in Oregon. In March, SolarWorld Group in Germany announced it would convert an idle semiconductor plant in Hillsboro into a solar cell facility that, when fully operational, would be the largest of its kind in the country.

Gov. Ted Kulongoski, who has made renewable energy a centerpiece of his legislative agenda, said the double-barreled announcements bolster arguments that clean technologies can power an economic surge.

Solaicx's expansion plans confirm the state "is on track to become the national leader in renewable energy," Kulongoski said Tuesday in a statement.

Solaicx has leased a 136,000-square-foot facility in Portland's Rivergate district for the manufacture of silicon ingots and wafers. The products are used to make solar cells, which go into the photovoltaic panels that are popping up on business and residential rooftops as a national green-energy movement gains momentum.

Company officials said they plan to invest \$52 million in the Portland plant and employ 100 people by year's end. Production capacity could double by the end of 2008 and eventually triple, said John Sedgwick, Solaicx co-founder and vice president of sales and marketing.

"We've been working on this for a long time," Sedgwick said. "We're ecstatic."

Sedgwick said the area's work force, with experience in the semiconductor industry and silicon making, attracted Solaicx to the area.

"The ready availability of skilled people was far and away the main reason for choosing Portland," he said.

Generous income tax breaks, relatively low-cost power and the metropolitan area's reputation as a green energy hub also drew the company to Portland, he said. Oregon allows renewable energy businesses, such as solar cell makers and wind farm developers, to take a 35 percent tax credit, spread over five years, on eligible projects costing up to \$10 million.

A bill making its way through the Legislature ups the credit to 50 percent and the project cost to as much as

\$20 million.

"We love the incentives," Sedgwick said. The expanded credit would be "icing on the cake."

Solaicx is a five-year-old company, with headquarters, research and development and a pilot manufacturing plant in Santa Clara. It will consolidate its manufacturing operation in Portland, using technologies that allow for the production of low-cost, high-efficiency silicon wafers, Sedgwick said.

A shortage of silicon and burgeoning demand has pushed up prices for solar panels. Solaicx intends to benefit from these conditions, tapping markets that are growing by 30 percent annually.

Solaicx plans to sell its wafers internationally. California beckons with a huge market for solar arrays as do global solar leaders Japan and Germany.

Sarah Garrison, a business development officer with Oregon Economic and Community Development Department, said the state is well-positioned to take advantage of the growth in solar technologies.

"It feels like the 1980s boom in semiconductor investment," she said. "We're really going from strength in the Silicon Forest with wafer fabrication plants to this as an emerging industry."

Gail Kinsey Hill: 503-221-8590; gailhill@news.oregonian.com