

## **Suntech CEO sees U.S. solar market growing 30-50%**

**By Michael Erman and Timothy Gardner REUTERS**

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NEW YORK – Suntech Power Co.'s chief executive said Friday he expects the U.S. solar power market to grow between 30 percent to 50 percent a year over the next decade. "The U.S. market will be very bullish," Zhengrong Shi said in an interview in New York. China's Suntech, the world's fourth-largest producer of solar power cells, opened its U.S. unit, Suntech America, last summer. Shi said U.S. sales already account for 15 percent of total production – its third-biggest market, after Germany and Spain. Annual growth in the U.S. market could accelerate from about 30 percent now if a \$3-per-watt solar subsidy being discussed in U.S. Congress becomes law, he said.

"If this was passed, I think the U.S. would become the biggest market in no time," Shi said. The country could become Suntech's biggest market in two or three years, and the company may consider building a U.S. panel manufacturing plant, he added.

The United States generates half its power from cheap coal, one factor that has limited solar to 0.1 percent of the U.S. power supply. But Shi said coal's price advantage should weaken over the next decade as efficiencies in making solar panels could slash costs to 20 to 25 cents per kilowatt hour, about the cost of grid power in California. In 20 years, renewable sources of power would provide 15 percent to 20 percent of global electricity, he said. His company is primarily an exporter – only about 10 percent of its business is in China – and Shi does not see this changing until prices for photovoltaic cells drop sharply. "As long as Chinese manufacturers can sell the product globally, we don't need to depend on the local market," he said.

### **NO SILICON OVERSUPPLY SOON**

Tight silicon supplies have hampered panel production from small solar companies. Many silicon refiners closed during the technology meltdown earlier this decade, but analysts say more silicon refining will come on line next year. Even though many manufacturers of the material say they are expanding their operations, Shi said he expects supply to remain relatively tight at least through 2010. Still, he is not considering using any other materials for Suntech's photovoltaic cells. "Silicon is sand," Shi said. Eventually, he said, "it should be the cheapest and most abundant material. Competition in solar power has recently grown very robust as companies move to take advantage of incentives for renewable energy.

Shi said once the industry becomes more mature, the successful companies will consolidate and the rest will likely go out of business. Still, he said while the company always looks at potential acquisitions, "so far, we haven't found any targets."

He also shrugged off the possibility of Suntech being acquired by a larger energy player.

"I don't think we intend to do that because we think we can become one of the more important players in the sector," Shi said. "It would have to be a big check."

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