

Solar panels for the home

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Silicon Energy MN says its new plant in Mountain Iron soon will be up and running. It hopes to sell to Twin Cities residential customers.

Minnesota's newest solar-electric panel manufacturer plans to start production next month on the Iron Range -- and it has its eyes on the Twin Cities residential market. "The building is complete, and the machinery is all in place," said Gary Shaver, president of Silicon Energy MN, which is opening a 25,000-square-foot factory in Mountain Iron, Minn. Shaver said 12 of the 15 initial employees have been hired and some are being trained at Silicon Energy's headquarters and sister plant in Marysville, Wash.

Silicon Energy is Minnesota's second solar panel manufacturer. Its panels will be marketed to residential and commercial customers who want to generate their own electricity from rooftop arrays and sell any excess power back to their utility using a two-way meter. Its primary market is Xcel Energy's service area in Minnesota, including the Twin Cities. That's because of a 2010 state law establishing a rebate for Xcel's Minnesota customers who purchase solar panels made in the state. When combined with Xcel's other solar incentives, customers are eligible for rebates of up to 60 percent of the installed cost of a solar-electric system.

The law was a key incentive to Silicon Energy. Without it, the company wouldn't have expanded into the state, Shaver said. Only Xcel customers are eligible for the Minnesota-made rebate because it is paid out of a renewable energy account funded by the utility's ratepayers. So far, only commercial customers have taken advantage of the program because the other Minnesota solar-panel maker, TenKsolar of Bloomington, founded in 2008, sells systems for flat roofs that are more common on commercial buildings. John Wold, manager of Xcel's solar programs, said the utility has \$4.6 million set aside each year for its Solar Rewards program, and \$4 million this year and \$5 million a year for the next three years for the Minnesota-made bonus. The company has an online application process and details at xcelenergy.com.

The rebates are important to Silicon Energy because its solar panels are expected to cost more than many competitors' units, though

Shaver did not reveal pricing information. He said the sandwiched-glass panels are designed to endure harsh winters, shed snow and last at least 40 years. Minnesota Power, the electric utility serving northeastern Minnesota, and three municipal utilities in southern Minnesota also offers solar-electric incentives to customers, though not the Minnesota-made bonus.

Built with incentives

The Mountain Iron Economic Development Authority built the Silicon Energy plant with a \$3.6 million state loan and has leased the building to the company. Silicon Energy also received a \$1.5 million equipment loan from the Iron Range Resources and Rehabilitation Board, an economic development agency. Shaver said the company has been training contractors to install the systems. He said he expects shipments to begin next month and production to soon ramp up.

Shaver said he co-founded the company in 2007, originally calling it Outback Power Systems. It soon changed its name to Silicon Energy, and was acquired last year by Newport Partners, an Irving, Calif., company that invests in renewable energy ventures and affordable housing. Shaver said Silicon Energy, a private company, does not disclose its financial results.

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