Powering the People

SMARTER ENERGY, SMARTER FUTURE

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Tom Werner, SunPower Corporation Chairman, President, and CEO, focuses on critical partnerships and how solar companies are adapting to stay competitive

At the Institute for Electric Innovation's recent "Powering the People: Smarter Energy, Smarter Future" event, Tom Werner, Chairman, President, and CEO of SunPower Corporation, looked back over the solar industry's dizzying ascent before addressing its future.

Solar had a very modest 500 megawatt (MW) footprint in 2003, Werner noted, when he and SunPower were just getting started. Here are a few parts of that story:

- SunPower's first factory produced ten solar cells a day. Today its four factories produce 1 million solar cells a day. The cost of a solar panel has come down 70 percent in five years. Werner cautioned that making solar modules is "a terrible business, absolutely brutal."
- Beginning in 2007, a growing SunPower began to broaden its portfolio, packaging solar with energy efficiency and moving into the C&I market. Today, companies like SunPower and its partners, electric companies and vendors, are linking solar energy with demand management and storage. This is a potent package.
- In 2008 SunPower was one of six companies to respond to a PG&E solicitation, winning the right to build a 250 MW solar project. SunPower continued to bid on solicitations and built what is still America's largest solar power plant: 750 MW, on 25 square miles, with 7 million panels!

Today, solar generation stands at 65 gigawatts (GW) and is on a steep growth path. Solar owes a big debt to electric companies and grid-scale solar, Werner said, for helping the industry scale and reduce costs. Today, you can buy large scale solar for $30 to $40 a megawatt-hour (MWh). Tax incentives also helped drive this, but incentives are becoming less important. As soon as an auction is reported, every buyer immediately wants that price. It's intensely competitive.

And, more cost cutting can be expected. Today, SunPower can make a solar cell in the lab that's 25 percent efficient – the former theoretical maximum. Its projects have eliminated lots of steel, simplified panel mountings, changed cabling, improved inverter efficiency, and made big reductions in ground-mounted systems. But the price every solar project can expect grows ever lower, and companies have to respond to that, Werner said.

The future? The cost cutting trend will continue. But look for SunPower to integrate other parts of the value chain to become more of a solar energy company, not just a solar panel company. SunPower looks forward to partnering even more with electric companies, Werner said, "to bring the future to electricity customers."