GE Plans Largest U.S. Solar Factory

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NEW YORK (AP) — General Electric Co. will build the largest solar factory in the U.S. near Denver.

The company, which had announced in April it would build the factory, said Thursday it had selected Aurora, Colo., a suburb east of Denver, as the location.

GE is a leader in manufacturing natural gas turbines and wind turbines, but it had mostly stayed away from solar until it acquired PrimeStar Solar, a small panel maker, earlier this year.

GE is entering the solar business at a brutal time for makers of solar panels, the squares of crystalline silicon or thin films of metal that turn the sun's rays into electricity.

Solar installations are growing fast, but solar panel prices have fallen precipitously in the past year, driven in part by a glut of panels on the market. The addition of new solar panel factories around the globe has coincided with reduced demand for solar in Europe and especially Germany, by the far the world's largest solar market.

The falling prices have led to the bankruptcies of three solar panel makers in the last two months, including Solyndra, a panel maker that collapsed despite receiving a $535 million loan guarantee from the federal government.

Vic Abate, who runs GE's renewable energy business, said in an interview Thursday GE expects to push solar panel prices down ever further, and will profit as it does so. He said the company has had similar experiences with wind and other energy technologies.

"It's a challenging industry for sure, but the cost of solar had to come down for it to become a mainstream power source," he said.

The factory will be built without federal subsidies, he said. Abate said Aurora was picked because it had large facility available and it is close to GE's test manufacturing line.

The factory, which will be bigger than 11 football fields, will have an annual capacity of 400 megawatts. That's enough to supply electricity to about 80,000 homes.

Last year 878 megawatts of solar were installed in the U.S.

Abate says this is one of many factories the company expects to build, both in the U.S. and abroad. He predicts 75,000 megawatts of solar will be installed worldwide in the next five years.

"For us to be one of the top players, we are going to have to get much larger," he said.

GE, which is based in Fairfield, Conn., says the factory will employ 355 people in Colorado. It will begin producing panels in 2012 and begin selling them in 2013.

The factory will produce so-called thin film panels made from cadmium telluride. These panels are less efficient at converting the sun's rays into electricity than traditional crystalline silicon panels, but they are cheaper, and therefore produce power at a lower cost.

It is the same type of panel produced by First Solar, Inc., a Phoenix-based panel maker and solar developer that is the biggest solar company in the world by market capitalization.

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