

Tennessee Developers Hope to Capitalize On Solar Projects

November 11, 2009

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The Knoxville News Sentinel

NASHVILLE - Nearly a year after Hemlock Semiconductor announced it would plant a \$1.2 billion manufacturing facility in the state, with German competitor Wacker Chemie quickly following suit with a project of similar scope, economic developers are working hard to land the peripheral benefits of those investments.

A site such as Hemlock's polysilicon production plant in Clarksville, Tenn., which is to begin operation within five to seven years and employ 500 people, will support more than 100,000 jobs farther along the supply chain as the raw material the company makes is transformed into the components that make up photovoltaic panels that are installed at homes and businesses to generate solar energy.

"You're looking at the potential for lots and lots of jobs," said Terry Strange, site manager for Hemlock Semiconductor.

Strange was one of several solar industry executives across the state at the Tennessee Solar Symposium, an event hosted by the Tennessee Economic Partnership and the Tennessee Department of Economic and Community Development. The gathering Tuesday focused on economic developers and site consultants throughout the state.

How many companies that use polysilicon made by Hemlock and Wacker Chemie remains to be seen, said Gary Homan, vice president and director of marketing and sales for Hemlock Semiconductor Corp. Many of the companies using material to make ingots and wafers that make up solar panels are located overseas.

Homan said those companies will reach a point when it's time to start a manufacturing operation closer to key suppliers - although exactly when that might be is hard to gauge. He said Hemlock is working with state and local economic developers to attract several "major companies" to locate satellite facilities near the plant, which could then attract solar industry farther down the food chain.

In East Tennessee, economic developers are hoping to capitalize on the nearby manufacturing projects as well as a stimulus-funded Tennessee Solar Institute, which will focus on basic and applied solar research.

"Companies are starting to call us," said Doug Lawyer, director of economic development for the Knoxville Chamber. "We're starting to see trickles of solar projects come along."

Some of those companies are start-ups, interested in the research capabilities at the lab as well as the industrial operations down the road, he said. Such prospects raise different kinds of issues for economic developers than recruiting more traditional established companies.

"What it's forcing the state and counties to do is say, 'how much are we willing to bet?'" Lawyer said. "It's forcing us to look at things differently."

Gov. Phil Bredesen, who offered Tuesday morning's keynote remarks, cautioned that in an industry as new as this one, the state couldn't simply replicate successful efforts of the past, such as attracting the automotive industry.

"I don't know exactly what aspects of renewable energy are going to play a role 10, 20 years from now," he said. "We need to just get our markers down."

And Tennessee is getting tough competition as other states, such as sun-drenched New Mexico and Arizona, go after the same businesses Tennessee is trying to recruit.

"This is a pretty obvious thing that other states and municipalities are going to jump on," said Ed Wegener of AGC Flat Glass's solar business unit. The company makes glass for solar panels at a plant in Kingsport. "Within a turbulent economy there is a lot of opportunity. The time is now ... to accelerate that before everyone decides they want to be a solar mecca."