

# Solar power competitive in five years, Cypress predicts

By David Manners

reporting from Monterey

Solar power will be competitive with mainstream electricity generation methods in five years, according to Cypress Semiconductor, which has a solar cell manufacturing subsidiary called SunPower.

"We're four to five years away from the point at which solar is cost-effective with traditional electricity generation without any subsidy," Norm Taffe, executive vice-president for Cypress's consumer and computation division, told this month's Globalpress Summit conference in Monterey.

SunPower is one of the growth drivers in the Cypress businesses. In the current fiscal year, it expects sales of \$210m compared to \$78.7m in fiscal 2005. "We use two tonnes of silicon a day," said Taffe. "The solar market has grown at 31 per cent compound annual growth rate since 1995 in terms of megawatts."

Although Cypress sees ways to reduce cost, it does not see a radical improvement in conversion efficiency. "The theoretical ceiling for conversion efficiency is 26.7 per cent and Cypress is at 20 per cent - higher than anyone else in the industry," said Taffe. We have the world's most efficient solar cell."

Cypress sold off 15 per cent of SunPower in an IPO last November which raised \$115m, assisted by a plug from California governor Arnold Schwarzenegger, whose state offers subsidies to promote solar generating facilities.

The solar power sector is soaring. The Nomura Solar Energy Index rose by 161 per cent in 2005 and by 56 per cent in January 2006. The sector's market capitalisation stands at over \$20bn, with European companies accounting for nearly half of that.

The current leaders in solar cell production are: Sharp, Kyocera, BP Solar, Mitsubishi Electric, Q-Cell, Shell Solar, Sanyo, Isofoton, SunTech Power, Deutsche Cell/SolarWorld Europe and RWE Shott.