

Solar plant's opening may light Salem future

By Michael Rose

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Sanyo Solar of Oregon LLC officially has started making products at its new Salem factory. On Monday, the company dedicated its \$80 million manufacturing plant with speeches from VIPs and a toast with Oregon-brewed sake.

Sanyo now has about 100 employees in Salem, and by next year the local work force is expected to expand to 200, company officials said. The plant, which makes silicon ingots that are sliced into wafers for solar cells, is at 5475 Gaffin Road SE.

On the count of three, local dignitaries and Sanyo executives broke open casks of sake with mallets as part of the opening ceremonies.

"May this plant be successful and bring joy to the community and pride to its workers," Tetsuhiro Maeda, a vice president of Sanyo Electric Co. Ltd., the Japan-based parent company of the local operation, said during a toast.

Then the crowd sipped sake, made by a Forest Grove company, from square wooden cups.

But the festivities also had a serious side: State and city officials hope the arrival of Sanyo will usher in a new era for Salem as a location for renewable energy companies.

"This new investment is proof that focusing our efforts on clean technology and renewable energy, even in volatile economic times, is working and is the right strategy for Oregon's economic future," Oregon Gov. Ted Kulongoski told the crowd at the grand opening.

In the past two years, a half-dozen companies in the solar



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Mitsuru Homma (from left), executive vice president of Sanyo Electric Co.; Salem Mayor Janet Taylor; Gov. Ted Kulongoski; and Tetsuhiro Maeda, a vice president of Sanyo Electric, break open a cask of sake Monday as part of the Sanyo Solar of Oregon grand opening ceremony at the new facility on Gaffin Road SE in Salem.

About Sanyo

The Salem operation is part of Sanyo Electric Co. Ltd., which began its initial research with solar energy in the 1970s. Sanyo has set a goal of more than doubling its solar cell production capacity by 2010.

Source: Statesman Journal staff reports

power industry have opened operations in Oregon. The solar energy companies have brought more than 1,000 good paying jobs to the state, Kulongoski said.

Oregon's Business Energy Tax Credit has been a big draw for the solar industry, including Sanyo. The incentive provides a tax credit that is as much as half of the energy facility's cost. If issued, the tax credit is claimed over five years.

The governor said he expected other solar energy companies soon will announce plans to make more than \$100 million worth of investments in Oregon. That could bolster the state's economy with hundreds of new jobs, he said.

Yasuyoshi Kawanishi, the president of Sanyo's Salem plant, said it was only a span of 10 months from building the plant to production. Sanyo will do its best to contribute to the community and provide local jobs, he said.

"We are now at a new starting point," Kawanishi said.

Sanyo's plant occupies a 19.77-acre site. Ownership of the land is in the process of being transferred to Sanyo, which has already paid the city about \$1.74 million for the property.

Salem leaders hope the remaining 59 acres of city-owned property on Gaffin Road SE site will attract other companies and become known as a renewable energy and technology park.

"This will enable us to develop a cluster of sustainable companies and provide more family wage jobs for our area," Salem Mayor Janet Taylor said.

The positive spin-offs from Sanyo, and companies like it, also include property taxes to support city services, she said.

Taylor had her initial meeting with a Sanyo official about five years ago, she said.

A year ago in September, Sanyo publically disclosed its plans to open a plant here.

City councilors signed off on enterprise zone tax breaks for Sanyo, which provide tax abatement on new construction and equipment. They also agreed to extend the standard three-year enterprise zone tax break to five years.

Commitments the company have made to receive tax incentives require Sanyo to maintain an average salary and benefit package of \$50,000 per worker and employ a minimum of 200 people in Salem.

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Coming Sunday

Sanyo in Salem: An in-depth look at the the city's facility.