

# German firms join for solar-thermal push in the U.S.

August 18 2009, By Steve Gelsi

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German firms Solar Millennium AG and MAN Ferrostaal AG on Monday said they formed a joint venture to build up to three utility-scale plants in Southern California at a cost about \$1 billion each.

At least one other major project in Nevada is also on the drawing board, with Solar Millennium going from building the large-scale Andasol solar project in Spain to the United States, eyeing a new \$2.3 billion tax credit from the Obama administration for [renewable-energy](#) equipment manufacturers.

Solar Millennium will own 70 percent and MAN Ferrostaal's U.S. subsidiary, MAN Ferrostaal Inc. of Cleveland, will own 30 percent of the new venture, called Solar Trust of America LLC.

Pending approvals from state-utility regulators and others, Solar Trust of America LLC hopes to win financing to build plants that produce about 242 megawatts each -- enough power for 80,000 homes, through parabolic-trough technology that converts heat from the sun into steam to drive power generators.

Solar Trust of America obtained power-purchase agreements for up to 726 megawatts with Southern California Edison from Solar Millennium LLC of Berkeley, Calif., the U.S.-based arm of Solar Millennium AG headed up by Rainer Aringhoff.

The deal comes on the heels of Friday's launch of a tax-credit program

from the U.S. Energy and Treasury departments and funded under the American Recovery and Reinvestment Act.

Billed as the latest in the government's effort to create "green" jobs and encourage energy independence, the new program will provide tax credits to manufacturers who produce clean-energy equipment.

In the case of Solar Trust of America, the three plants now in the works would employ about 800 workers each.

"We expect to generate sustainable revenue throughout the value chain by developing, constructing and operating the plants, while helping the region meet its renewable-energy goals and stimulating its economies," Solar Trust of America said in a statement.

Solar Millennium on June 17 announced the execution of power-purchase agreements with Southern California Edison, a unit of Edison International (EIX). The 20-year agreements are subject to approval by the California Public Utilities Commission. These solar-thermal power plants are expected to begin operation between 2013 and 2014.

Solar Millennium's solar-thermal plants channel daytime energy into a tank filled with molten nitrate-based salt, which releases heat during the night. Over the summer months, the plants generate electricity 24 hours a day.

MAN Ferrostaal builds a variety of solar-power plants and other projects, including desalination facilities.

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