

# Elon Musk takes on carbon with solar, battery bets

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In this June 18, 2010, file photo, U.S. Senator Michael Bennet, D-Colo., center, helps as SolarCity employees Jarret Esposito, left, and Jake Torwatzky, install a solar panel on a home in south Denver. SolarCity, one of the nation's largest installers of rooftop solar systems, on Tuesday, June 17, 2014 announced it is buying Silveo, a solar panel manufacturer. (AP Photo/Ed Andrieski, File)

The energy world is not keeping up with Elon Musk, so he's trying to take matters into his own hands.

Musk, chairman of the solar installer SolarCity, announced Tuesday that the company would acquire a solar panel maker and build factories "an order of magnitude" bigger than the plants that currently churn out panels.

"If we don't do this we felt there was a risk of not being able to have the solar panels we need to expand the business in the long term," Musk said Tuesday in a conference call.

Musk is also a founder and the CEO of the electric vehicle maker Tesla Motors, which is planning what it calls a "gigafactory" to supply batteries for its cars.

In both cases, Musk's goal is to make sure that the components critical to his vision of the future—electric cars and solar energy—are available and cheap enough to beat fossil fuels.

Musk's future customers could ignore traditional energy companies completely. They would have SolarCity panels on their roof that would generate enough power to also charge up a Tesla in the garage. A Tesla battery could then power the home at night with stored solar power.

It's a far-off vision—solar power is still much more expensive than conventional power, even before the enormous cost of a battery backup. And electric cars are less than 1 percent of the total auto market. But Musk has made a career of thinking far into the future. He is also the CEO of SpaceX, the rocket company with an ultimate goal of enabling people to live on other planets.

SolarCity, based in San Mateo, California, is one of the nation's largest installers of rooftop solar systems. It was founded and is now run by Musk's cousins, CEO Lyndon Rive and Chief Technology Officer Peter Rive. The company also offers financing for solar systems, and last year it bought a manufacturer of mounting systems used to hold panels in place.

The acquisition of Silevo is a risk for Musk and SolarCity because it gets the company into panel manufacturing at a time when a global glut of panels has decimated the profits of panel makers. Some, including onetime industry leader Suntech Power, were forced into bankruptcy. Others were forced into solar development and installations, the kinds of things SolarCity already excels at.

Terms of the deal were not disclosed. SolarCity shares were up almost 14 percent in midday trading Tuesday.

SolarCity says it won't try to turn out more of the

garden-variety panels now clogging the market. Instead, it wants to make panels that are more efficient, and make them at a low cost in huge factories in order to reduce the overall cost of solar electricity. Silevo's relatively complex panels generate more power per square foot than typical panels.

SolarCity said it is negotiating with the state of New York to build what would be among the biggest factories in the world in the next two years. It would manufacture enough panels each year to produce 1 gigawatt of peak power—roughly enough panels to outfit 200,000 homes with a typical-sized rooftop system.

That would be "just a start," Musk said. Future factories would produce 10 gigawatts worth of panels.

And these panels wouldn't even look like typical solar panels, he said. Just as he drew customers to electric vehicles by making sleek, fast sports cars, Musk wants to attract homeowners to solar with pretty panels.

"We want to have a cool-looking aesthetically pleasing solar system on your roof," he said.

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