



German firms create new U.S. solar thermal company

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* Solar Millennium, MAN Ferrostaal create new US company

* Solar Trust of America to build US solar thermal plants

* Company expects to have 20 percent of the US market

LOS ANGELES, Aug 17 (Reuters) - German solar thermal company Solar Millennium AG ([S2MG.DE](#)) and plant builder MAN Ferrostaal AG have joined forces to capture a chunk of the growing U.S. market for solar thermal power.

The two companies said on Monday they have created a new company, Solar Trust of America LLC, which was formed through the acquisition by Solar Millennium and MAN Ferrostaal of Solar Millennium's U.S. arm. Terms of the deal were not disclosed.

Solar Trust Chief Executive Uwe Schmidt said the company aims to have 20 percent of the U.S. market for solar thermal energy, also known as concentrating solar power, or CSP.

Unlike photovoltaic solar panels, which use the sunlight to create electricity, CSP plants use the sun's heat to create steam that turns a turbine to generate power.

Solar Trust's technology, which uses parabolic mirrors to concentrate the sun's heat, has already been deployed at solar power plants in southern Spain.

In an interview, Schmidt said he expects Solar Trust to be a major player in the U.S. market because its technology has been proven over 25 years and therefore will have an easier time attracting financing.

"There is a clear sense of urgency. There are many good companies out there and a lot of exciting ideas and new technologies that people are looking at developing," Schmidt said. "We see these, but today in the timeframe of the Obama administration to have shovels in the ground in 2010 ... the only real technology we see today that is bankable is the parabolic trough technology."

Solar thermal plants are capable of producing more power than their photovoltaic counterparts, and Solar Trust said it aims to build plants that are capable of generating 242 megawatts of power and up. One 242 MW plant costs about \$1.2 billion to build, Schmidt said.

Through its purchase of Solar Millennium LLC, Solar Trust acquired the company's agreement to build two plants for California utility Southern California Edison (EIX.N) as well as a memorandum of understanding with NV Energy Inc (NVE.N) to build a power plant in Nevada.

The company has five more plants in the works in the southwestern United States, Schmidt said.

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