
Department of Energy

Former Chrysler Plant Changes Gears to Solar

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Workers at Abound Solar -- who are about to get more than 1,000 new colleagues -- make a thin-film solar panel. | Photo courtesy of Abound Solar

A shuttered Chrysler transmission factory in Tipton, Indiana, could set a new record once Abound Solar is finished with it.

Thin film in Indiana

Based in Loveland, Colo., Abound makes thin-film cadmium telluride solar panels for commercial and large-scale solar installations. Unlike conventional photovoltaic solar panels, which are typically made of rigid silicon, thin-film photovoltaics create electricity using very thin layers -- nanometers or micrometers wide -- of semiconducting material on a substrate like aluminum.

Mark Chen, director of marketing for Abound, says the Indiana factory is part of a major expansion for his company, which is also growing its first factory in Longmont, Colo.

Market-driven expansion "We need to expand capacity to meet customer demand," he says. "The market for photovoltaic solar modules is looking like it's going to be twice as

large this year as it was last year, which says a lot in an economy that's essentially flat."

What's important to the people of Tipton County, about an hour north of Indianapolis, are the potential jobs. Abound expects to employ 1,200 to 1,500 people in an area that already has a strong manufacturing base.

According to the Indiana Department of Workforce Development, manufacturing accounted for a little more than a quarter of Tipton County's private employment in 2008.

Indiana's skilled workforce was one reason Chen cited for choosing Tipton. Another was the site's proximity to glass suppliers, whose products Abound uses in its panels.

The existing Chrysler manufacturing site was a third advantage.

"There isn't a huge selection of million-square-foot-plus facilities that are empty and have passed environmental review," Chen says.

Abound's existing Colorado factory has one line of production with a capacity of 65 MW a year -- which, if used to replace conventional energy, can eliminate 9.61 million tons of carbon dioxide emissions.

When the expansion is complete, Abound will have 200 MW of annual capacity in Colorado, along with 640 MW of capacity in Tipton. And the company will expand from about 350 employees right now to a total of 1,400 to 1,750 when the plant is built -- mainly in manufacturing jobs.

Beyond grid parity

The twin expansions benefit from twin incentives provided by the Recovery Act.

To fund both projects, Abound has a \$400 million loan guarantee, which means the federal government will back a loan of up to that amount with Recovery Act money. Abound also separately won a \$12.6 million tax credit under the Recovery Act.

Chen says the project cost is expected to exceed both of those amounts and end up in the hundreds of millions of dollars.

Though this will cost plenty of money, Chen says it will also help drive down customers' costs in the long run by giving Abound access to economies of scale.

In fact, lowering manufacturing costs and speeding up the client's energy payback are major priorities for the company. Abound already uses a fully automated, proprietary manufacturing process to keep down labor and equipment costs -- driving down the cost of production and making its panels less expensive. Ultimately, this helps Abound's its products compete better with conventional energy.

"The faster we can increase our manufacturing scale, the faster we can be competitive," Chen says. "It's not just grid parity. It's how to reduce the cost continually."

What are the key facts?

Abound's factories is projected to employ 1,050 to 1,400 people.

The project uses a \$12.6 million tax credit and a \$400 million loan guarantee.

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