

San Diego solar factory moves to Tijuana

Written by

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A Spanish firm which once employed 130 people assembling solar panels in Otay Mesa has moved manufacturing to Tijuana.

Siliken Solar's move to Tijuana was prompted by lower labor costs there and a lack of interest in American-made products, said Jorge Molina, director of plant operations for Siliken Solar.

"We've decided at this time to turn the Otay facility into a distribution point versus a manufacturing plant," Molina said.

A wall in the reception area of Siliken's Otay plant bore the signs from where the company's logo had been ripped.

"The demand for made-in-America modules, even locally in San Diego, it just didn't materialize as aggressively as we needed it to," he said.

The Tijuana factory, which uses equipment moved from San Diego, opened in March. It is twice the size and employs 250 people.

Salary and benefit costs in Tijuana come to \$4 to \$5 an hour, compared to \$15 in San Diego, he said. "It's a significant reduction."

The loss of the factory is a hit to the local economy, said Cindy Gompper-Graves, chief executive of the South County Economic Development Council.

"California, in particular, needs to position our companies to compete with the rest of the world," she said. "In some cases, that means incentivizing our companies to create jobs in California."

Instead, state government is moving to reduce support for programs like enterprise zones and redevelopment areas.

"We need those manufacturing jobs," she said. "Without those middle-income jobs, we don't have the bridge for people to go from low-paying jobs to middle-income jobs to higher-paying jobs."

The Otay factory opened in 2009 and was touted just months ago as an example of how San Diego could play a role in green manufacturing.

Workers in three shifts assembled the panels, encasing egg-shell thin cells from Asia into frames that could be installed on rooftops and which could be sold as made in the U.S.A.

That was important for some customers, and essential to others, such as government agencies.

At the time, company officials said other benefits made up for the extra expense of manufacturing in the United States even as Chinese competition has driven photovoltaic panel prices down.

Some government projects require American-made products.

Other projects supported through federal stimulus funds require North American products, Molina said. As a result, the Tijuana panels still have an advantage over Asian competition.

Siliken recently opened a factory in Ontario, Canada.



In October, 2010, Giovana Berumen worked with a 230-watt solar panel during the production process at Siliken California in Otay Mesa. — Howard Lipin / U-T

Molina said the company has proven it can get a factory up and running quickly, and is open to returning to San Diego if markets change.

"We're hoping in the next three, four years, that military bases, universities, schools, the library, the stadium... We're hoping they look at American products," he said.

Kyocera, another San Diego solar panel maker, also has a Tijuana factory, but says it is adding a third shift north of the border.

It is marketing a U.S.-made system for home use, said spokeswoman Cecilia Aguillon. "We need to find markets for our products."

The move by Siliken, she said, is not surprising, given pressure on costs and competition, and the expense of manufacturing in California.

But she noted that Kyocera has a long history in San Diego, and the solar line is part of a diversified factory in Kearny Mesa.

A third manufacturer is Poway's Energy Innovations.

Meanwhile, Soitec, a French company, has announced plans to develop a \$100 million solar panel factory in San Diego County.

That factory is to supply solar farms in San Diego and Imperial counties that are to sell electricity to San Diego Gas & Electric.

Last week, Siliken executives hosted Tijuana government officials and Mexican media at the grand opening of their maquiladora.

"I assure you that you will find good workers here," said Tijuana Mayor Carlos Bustamante Anchondo, according to El Informador newspaper.

In October, San Diego Mayor Jerry Sanders said something similar when asked about the Siliken factory.

"It's kind of validating some of the economic development work we've been working on," he said. "It makes other people look at us and realize we're a hotbed in that type of technology and that kind of investment."