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## Solar Power boosts capital

### Roseville energy firm raises \$11.7 million through a private stock placement.

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*Published 12:00 am PST Tuesday, December 25, 2007*

Roseville-based Solar Power Inc. has raised \$11.7 million through a private stock placement that should allow the company to continue the rapid expansion it logged in the last year, chief executive Steve Kircher said Monday.

Solar Power went public in September, and last month reported third-quarter revenue of \$8.4 million, up from \$1.7 million a year earlier. The company had a net loss of \$1.4 million on the quarter, however.

Bradley Ferrell, the company's chief operating officer, on Monday projected that Solar Power would reach profitability in the first half of 2008 and exceed \$60 million in revenue for the year.

The stock placement, announced Thursday, adds 4.5 million shares to the 32.9 million already outstanding. The shares were sold to large investors for \$2.60.

"It really enables us to continue the growth that we've established on the sales side in the past year," said Kircher. "The thing about the solar business is that it's a big consumer of capital."

With the solar-panel industry growing rapidly, firms along the supply chain are investing heavily in new manufacturing equipment and passing those expenses on to their customers, Kircher said.

Solar Power is one of only two vertically integrated solar-panel firms in the United States, assembling panels at a factory in China and then installing them in North America. Still, the company faces rising costs for materials and components, he said.

Solar-panel projects typically cost about \$6.50 per watt of generating capacity, Ferrell said. He estimated the industry's 2007 revenue at roughly \$1 billion in California and \$2 billion nationwide. Business is concentrated in states that, like California, offer rebate and subsidy programs to support solar panels.

Solar Power brings in most of its revenue from relatively large solar installations for businesses and government buildings. It has installed a 308-kilowatt system for a Raley's supermarket in Lincoln, as well as 400 kilowatts of panels at the Placer County Juvenile Detention Facility in Auburn.

The company also has big plans for what it hopes will become a large chain of solar-panel franchise stores: "Yes! Solar Solutions." The first store launched in October in Roseville. As soon as the end of 2008, the company hopes to have three others open in the Sacramento region and a total of as many as 63 statewide, Ferrell said.

Monday, company shares closed at \$3.45, up 30 cents, or 9.5 percent, in trading on the Over-the-Counter Bulletin Board. When Solar Power began marketing the private placement in late November, the stock price fell to \$3 from roughly \$4 as investors took the issuance of new shares into account.

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