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## DOING WELL WHILE DOING GOOD

### A German-Canadian businessman is building the world's largest solar plant in California

– By Katja Ridderbusch



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Uwe T. Schmidt likes to think big. He believes in big business, in an entrepreneurial spirit that can shift horizons – and mostly in the fact that a man can be doing well while doing good; for the environment, for example. “Capitalism and environmentalism don’t have to be mutually exclusive,” Schmidt said.

He plans to practice what he preaches. Born almost 50 years ago in England to German parents, Schmidt holds a German and a Canadian passport and today serves as Chairman and CEO of Solar Trust of America. His company is currently building the world’s largest solar plant near the city of Blythe, California.

Just over 7,000 acres of public land will soon be transformed into an ocean of glistening parabolic troughs. The solar thermal plant is designed to generate about 1,000 megawatts of power, which is nearly three times the electricity produced by the country’s largest existing solar plant, and provide roughly 800,000 households with electricity.

Solar Trust expects the first of four plant units to be operational in 2013. The overall costs are projected to be \$6 billion. Construction began in December, just in time for the project to be eligible for lucrative federal grants. US President Barack Obama has made supporting renewable energy projects a priority in the government’s stimulus package.

Cleveland, Ohio based Solar Trust is owned by German companies, solar technology producer Solar Millennium and industrial services provider Ferrostaal Group. Both shareholders hit the headlines in 2010 – Ferrostaal because of far reaching allegations of corruption, and Solar Millennium because of corporate governance quarrels.

The shareholders’ domestic worries don’t seem to have much of an impact on the Blythe project. Members of Congress and industry experts praised Solar Trust’s economic vision. Even environmental and wildlife protectionists had no major objections against the Blythe solar plant, particularly after Solar Trust assured that it will relocate endangered species like the Mojave Desert tortoises, and build several channels designed to reroute water from nearby mountain ranges. Over all, said Illeene Anderson, a scientist with the Center for Biological Diversity in Los Angeles, the Blythe construction site “has not given us as much heartburn as some of the others.”

Solar Trust now has to make sure the financing is solid. Schmidt intends to get approximately \$2 billion of the required project capital through the loan guarantee program of the US Department of Energy. The official approval came in December. Also, Solar Trust has hired experts from Deutsche Bank and Citibank as financial advisors.

“It will certainly be a challenge to find enough investors,” said Gunar Hering, an expert for renewable energy at the Boston Consulting Group in Berlin. But “Solar Trust has administered the project development and permitting processes very thoroughly,” Hering added, something he believes will foster the company’s credibility in the industry.

Schmidt, for his part, has no doubt that the Blythe project will be a huge success. The entrepreneurial spirit seems to run in his blood: His family has been involved in the steel and heavy industry business for four generations. His father built a trade organization in England and moved the family to Canada in the 1960s. Schmidt spent his teenage years in Toronto and later studied economics in Ontario. He was hired on the spot by German steelmaker Thyssen Krupp, for whom he opened operations in

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Australia and Southeast Asia. He became CEO of Ferrostaal's US operations and founded Stahlschmidt, Inc., an international commodity trading and investment company. In August 2009 he founded Solar Trust of America. The company started with only 15 employees; today it has grown to about 120.

Entering the solar business was also a "personal issue," Schmidt said, not just a smart business move. The Blythe facility would take some two million tons of carbon dioxide out of the atmosphere every year. While Schmidt may not consider his primary mission to be saving the planet – "after all, we are in the business of making money" – he feels that it doesn't hurt when a lucrative deal also helps the environment. The project will create 7,500 jobs in the first two phases of construction, so it will be a boon for the struggling US economy as well.

California seems to be the perfect place for the solar thermal expansion. The sun's radiation is 25 times more intense there than in the south of Spain. Within a 250-mile radius of Blythe, 10 percent of the entire US population can be reached. "In Blythe, we have the ideal combination of radiation and access to population," Schmidt said. Also, California has the strictest environmental laws in the US. Twenty percent of the state's energy consumption is required to be generated from renewable sources. In 2020, it will have to be a third.

Energy expert Gunar Hering is convinced that the Blythe solar plant will be a success. After all, it is a high profile global project. "The entire world will be watching and wondering: Is this going to work?" After a quick pause, he said, "And I bet it will."

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