



Solar

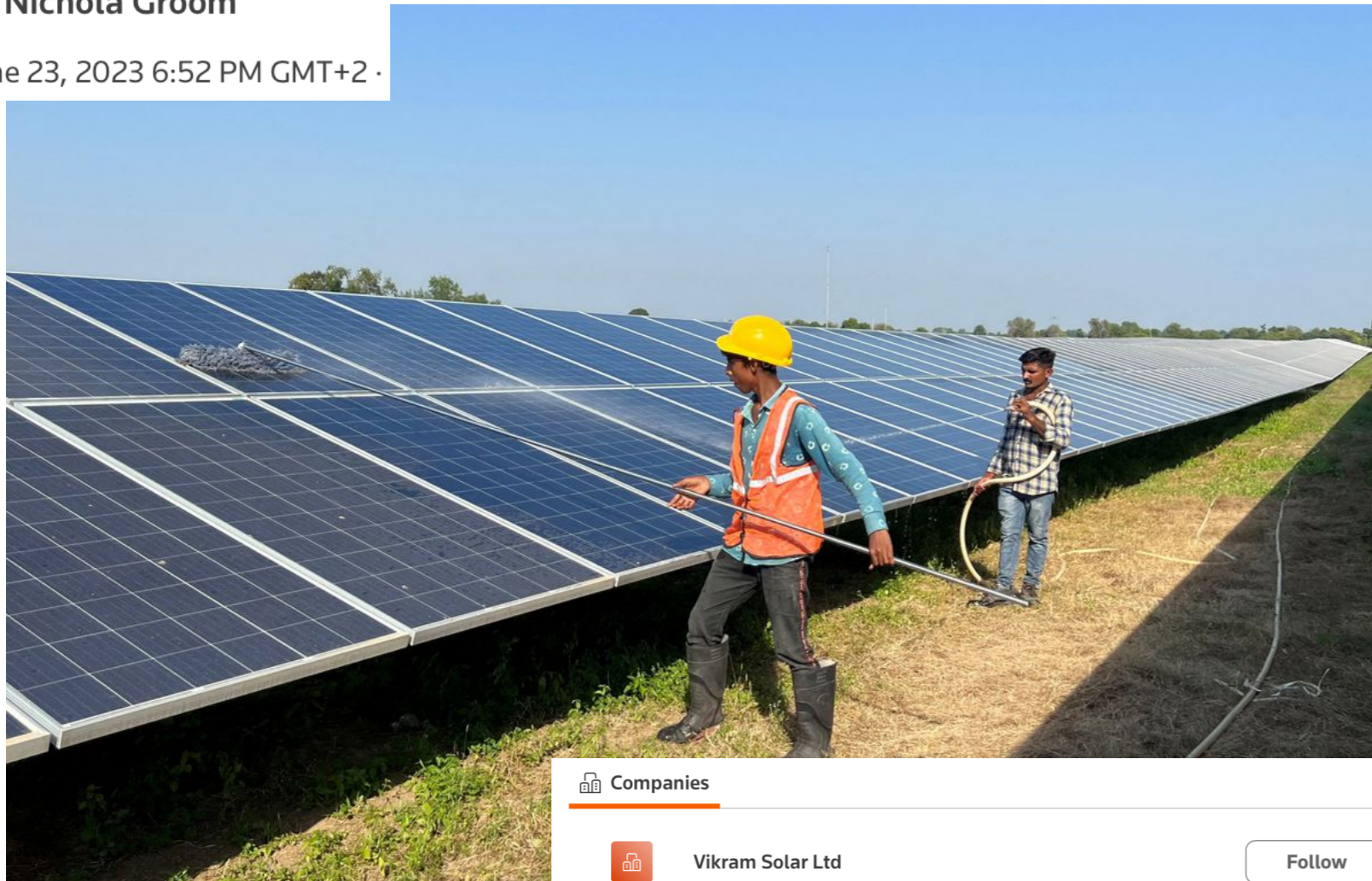
Climate Change

Clean Energy

# Exclusive: Group backed by India's Vikram Solar to invest \$1.5 billion in new US factories

By Nichola Groom

June 23, 2023 6:52 PM GMT+2 ·



Companies



Vikram Solar Ltd

Follow

June 22 (Reuters) - (This June 22 story has been refiled to remove stock symbol in paragraph 1)

A new venture backed by Indian solar panel maker Vikram Solar Ltd said on Thursday it will invest up to \$1.5 billion in the U.S. solar energy supply chain, beginning with a factory in Colorado next year.

The newly formed company, VSK Energy LLC, aims to leverage India's extensive solar manufacturing know-how in the U.S. push to build a clean energy manufacturing sector to compete with China.

The announcement is the latest by an [overseas manufacturer seeking to capitalize on incentives](#) in President Joe Biden's landmark climate change law, the Inflation Reduction Act (IRA), to boost renewable energy production.

VSK is a joint venture between Kolkata-based Vikram and two New York-based partners - sustainability-focused private equity firm Phalanx Impact Partners and Das & Co, an investment and development company with solar holdings in both the United States and India.

"It's a great thing for us to be bringing an Indian company to the table here," said Sriram Das, a managing director at Das & Co and chairman of the joint venture. "You've seen a number of Indian companies get into the manufacturing space and do quite well, and Vikram is the best of them."

The company will begin producing modules in Brighton, Colorado, next year and plans to open a second facility in an undisclosed southern state in 2025 that will produce cells, wafers and ingots, the building blocks for solar panels.

The \$250 million Colorado facility will create more than 900 jobs and be capable of producing 2 gigawatts (GW) of modules a year initially, with plans to double that amount.

Colorado Governor Jared Polis called the announcement "a big deal" for his state, which was able to attract the facility with its educated workforce and central location near large U.S. solar markets. The state is also offering VSK up to \$9.1 million in tax credits tied to job creation.

"We're excited as a state to be able to be a major manufacturing center for the renewable energy economy," Polis said in an interview.

VSK will invest up to \$1.25 billion in its second factory, which is expected to create more than 1,500 jobs.

Gyanesh Chaudhary, chairman of Vikram Solar, said the investment decision was based largely on U.S. policies encouraging clean energy manufacturing.

"For us to take this step forward is because of all of the positive policy initiatives by the government and the Biden administration to promote renewable energy," he said in an interview.

Under the IRA, [solar projects built with panels containing domestically made cells](#) may receive a lucrative bonus tax credit worth 10% of a project's cost. Most solar components in U.S. projects today are imported from Asia.

Biden wants to decarbonize the U.S. power grid by 2035, an ambitious goal aimed at both fighting climate change and creating jobs.

Like the United States, India has [subsidized domestic solar production and taxed imports](#) to reduce its reliance on Chinese imports and is on track to be self-sufficient by 2026, according to the Institute for Energy Economics and Financial Analysis.