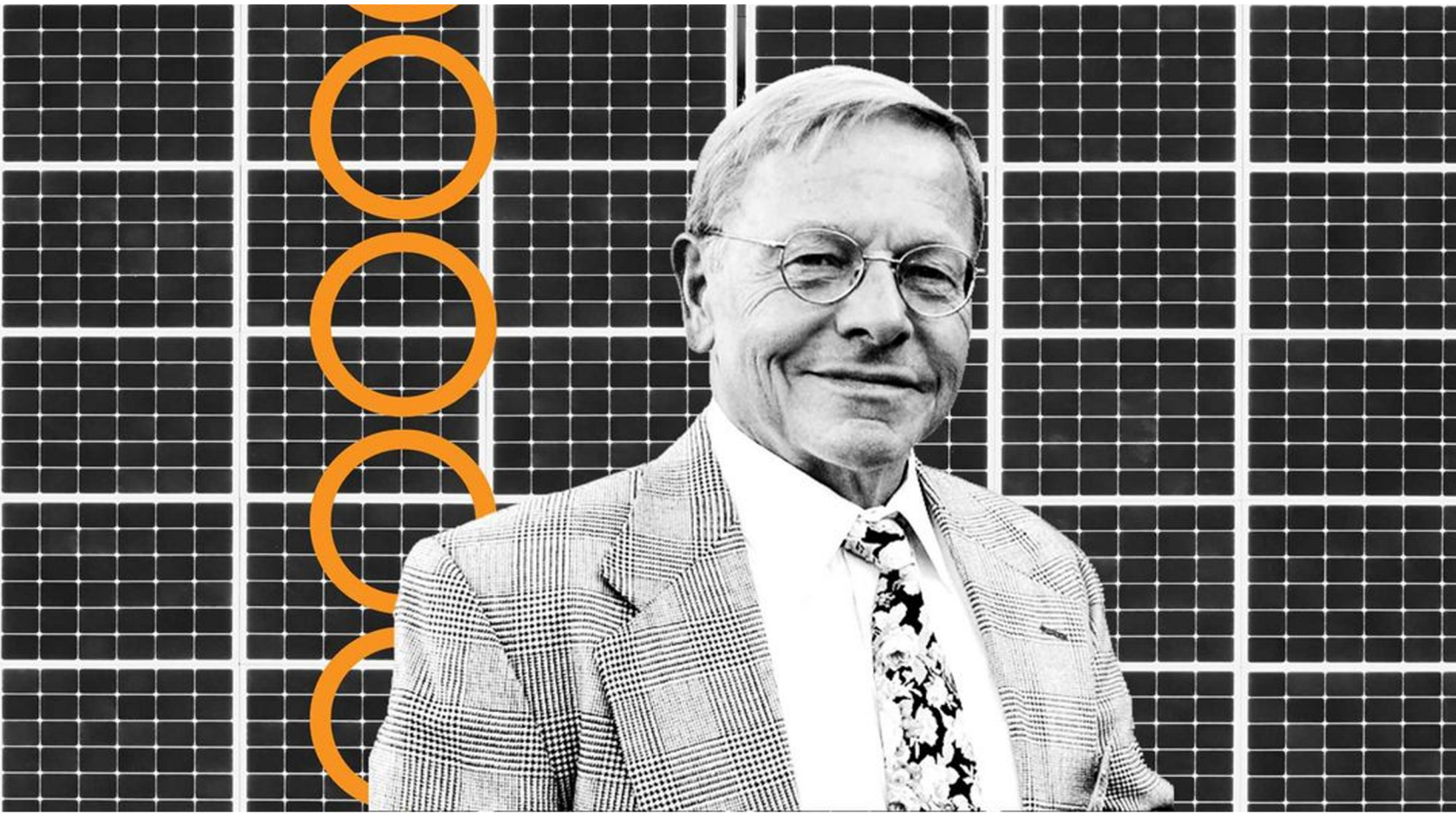


## TJ Rodgers has a plan for SunPower's second act

The long-time investor in the company has taken over post-bankruptcy. What happens next?

**LISA MARTINE JENKINS** | PUBLISHED OCTOBER 21, 2024



SunPower, post-bankruptcy, belongs to T.J. Rodgers.

Rodgers, whose semiconductor company owned more than half of the iconic solar panel maker before it went public nearly 20 years ago, now controls what remains of it. Emerging from retirement, he's convinced he can make SunPower valuable again.

"I used the bankruptcy laws to save about half the jobs of SunPower," Rodgers told Latitude Media. "And coming out of it, we will have a company that's [worth] about 500 million bucks, not billions. It was \$1.4 billion when it got in trouble."

SunPower, founded in 1985, emerged as an early leader in high-efficiency solar PV panels. After its IPO in the mid-2000s, SunPower became a leading vertically-integrated manufacturer, producing more than one billion solar cells. But fierce Chinese competition put pressure on the company, and it eventually divested from manufacturing to focus on distributed solar and its dealer network.

Then, a slowdown in the residential solar market caused new financial problems. Its subsidiary breached a credit agreement in December 2023; it restructured in April to eliminate its direct installation business; then it stopped offering lease or PPA sales in July. In the background, SunPower was fielding a subpoena by the U.S. Securities and Exchange Commission over its accounting practices, issued in February. Twice, the company has had to reissue over a year's worth of financial results.

In August, SunPower announced it would wind down operations. And Rodgers, CEO of Complete Solaria, said he would purchase three of SunPower's five business units for \$45 million in cash. In late September, the court approved the purchase.

Within days, many of SunPower's employees had a new boss in Rodgers, and a new logo on their pay stubs from Complete Solaria — which until recently was a relatively small company. As Rodgers put it, "it's kind of like a minnow swallowing a whale." The company is hiring about 1,000 of SunPower's employees onto its 100-person team.

Rodgers has a deep history with SunPower. He met the company's founder and long-time CEO Dick Swanson in their shared PhD program in the 1970s, and later was an early equity investor in the company, contributing his own personal funds. That investment — made when SunPower's path to profit was in question — ultimately earned him millions.

Rodgers' company, Cypress Semiconductor, also invested in SunPower in the early-aughts, and was the majority shareholder for several years; it was, as Rodgers described it, an "uncontroversial, benign dictatorship." When Sunpower went public in 2005, though, Cypress began to divest from the company. In 2008 Rodgers' investors "forced" him to spin it out, and the company gave away its remaining stake.

Rodgers has long been a fixture of the clean energy world, though arguably an unlikely one; he has rejected the fact of human-caused climate change and considers himself a libertarian. He is strongly anti-subsidy, as elaborated in a 2022 Wall Street Journal op-ed where he said he sits on the boards of four solar companies "that are being harmed badly by existing U.S. tariffs and threats of new ones," especially because of high manufacturing costs.

"We'd be much better off if we had a truly free market, we didn't get help from the government, and we simply did our business," he said in an interview. "Solar, in the very beginning, would have ramped more slowly. Today, solar is being impeded by that."

That said, he believes strongly in the potential of a new and improved SunPower. And he is explicit about his aggressive plans to bring it back from the near-dead.

"I demand that the business run well," he said. "I am not in the carbon dioxide removal business; I am not a green zealot. I'm a businessman and to me the most important thing you can say about solar is that it is worthy of a business. It is truly clean energy, and we truly have to shift to it."

### The new SunPower

Currently, Rodgers is CEO of a merged entity: Complete Solaria and SunPower's three business units. (Complete Solaria itself is the result of a 2022 merger between Rodgers' Complete Solar with the digital power management system and solar panel maker Solaria.)

The plan is to replicate some of SunPower's early success, which involved three main segments: a solar manufacturing and equipment supply operation, a commercial operation that sold systems and panels to C&I customers, and a residential operation that included both direct sales and leases as well as O&M for homes. Complete Solaria has acquired SunPower's direct-to-consumer unit (Blue Raven), its new home business, and a sales business for non-installing dealers.

Rodgers found out about SunPower's bankruptcy just one day before the general public. He said he got a phone call from Tom Werner, the company's executive chairman, giving him the news and imploring him to think about investing. At the time, Rodgers hadn't been involved with SunPower in nearly two decades.

So he asked what went wrong. In short: "A very bad economy hit them. They weren't doing a good job at cost control. And their burn rate was something on the order of \$80 million per quarter," Rodgers summarized.

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*T.J. Rodgers, CEO of Complete Solaria*

Rodgers became a stalking horse buyer, and raised money to acquire the business units. Just a month later, he sent a cashier's check for more than \$46 million (just a bit more than the original \$45 million bid).

"I'm retired!" Rodgers insisted. "But I was getting bored." Today, he is the chairman and CEO of this new company. He admits he is "kind of winging it."

SunPower's dealer model network has entirely absorbed Complete Solar, which was Rodgers' much smaller solar leasing operation. He will continue operating SunPower's new homes unit. Those two divisions will comprise a "leaned-down" version of what SunPower once was — minus the parts of the company that "didn't make sense."

Rodgers, who loves analogies, characterized the bankruptcy acquisition as a "Noah's Ark merger." "I'm the Ark. I've got money; I've got a boat; and it's starting to rain," he said. "And there are 1,000 tickets to get on the boat, and about 2,000 people that want to get on the boat."

One of the core values of Cypress, the semiconductor company Rodgers led for more than three decades, is "we do not tolerate losing." And he plans to bring that philosophy to the SunPower employees who remain.

"They're now going through their boot camp experience," Rodgers said. "I've been telling them it's going to be tough. 'You're right, I'm mean,' et cetera...I'm discouraging people, and they're very enthusiastic anyway. They kind of know they should have done better, and they kind of want to give it another shot."

(Rodgers acknowledged that his reputation for being a "hardass" is a deserved one.)

His vision is to create a company where each employee does more work per person, and financial oversight is "tighter."

As for what it will be called? Rodgers faced a claim from a Chinese company saying it had the right to the name SunPower. "It was a shabby effort" that was rejected by the bankruptcy judge who determined the name is part of the estate, said Rodgers.

The company is currently listed as an "over the counter" stock after being delisted from the primary market. Rodgers said the company plans to petition to become Complete Solar with a symbol SPWR once the Nasdaq is done with the name.

"And sometime after that, we will change our name," he said. "I want to be away from the mess in time before we do it, but I've been associated with that name since 2000."

Despite it all, he added, SunPower is "an iconic name in Silicon Valley and it's worth a lot of money."

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