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Business



A Tesla Powerwall storage battery is shown installed at a school in Auckland, New Zealand. Some 30 schools there have the system. Getty Images

Musk to unveil SolarCity roofing product next month

Product will be focus of South Buffalo plant

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Elon Musk is planning to show off a new roofing product that combines SolarCity's solar panels with Tesla Motors' batteries late next month in San Francisco.

The unveiling, which Musk announced on Twitter, would provide the first glimpse at a product that is expected to be the focus of SolarCity's solar panel factory in South Buffalo when it first begins production next summer.

Musk, who is SolarCity's chairman and Tesla's CEO, provided some details on the new product in his tweet.

"Aiming for Oct. 28 unveil in SF Bay Area of new Tesla/SolarCity solar roof with integrated Powerwall 2.0 battery and Tesla charger," he wrote.

The tweet gave the first indication that the roofing product, which SolarCity is counting on to rev up its sales, would include a battery to store the electricity generated by the solar panels and a charger for Tesla's electric vehicles.

It would be the most elaborate example of the type of collaboration that Musk envisions between the two companies, which he hopes to merge in a \$2.3 billion deal. Musk has cited the potential benefits of

combining solar energy and battery storage products within a single company as one of the main reasons for wanting to combine Tesla and SolarCity into a single entity.

Working separately, Musk says, creates too many potential conflicts of interest and makes collaboration complicated – hurdles that would be eliminated through a merger.

SolarCity is counting on the new integrated roofing product to spur sales of its solar energy system. Its once-rapid growth has slowed and the residential solar market faces more intense competition and more regulatory hurdles in some states.

SolarCity executives have said a solar roofing product would give it access to a whole new group of potential customers whose roofs are too old to handle a rooftop solar system expected to last upward of 20 years. The solar roofing product could potentially expand SolarCity's customer base by 30 percent to 40 percent, they said.

"It's a solar roof, as opposed to a module on a roof," Musk said during a conference call last month. "It's not a thing on a roof. It is the roof."

Musk also has said it is important for solar installers to have products that are seen as improving the look of a customer's home.

Incorporating solar panels with a second generation of the Powerwall battery that Tesla first introduced last May would allow consumers to store electricity from the solar panels to use at night or when it's cloudy. A Tesla charger would provide a renewable energy-charging system for owners of Tesla's vehicles.

The merger between SolarCity and Tesla still must be approved by shareholders at both companies. Tesla said this week that the shareholder votes could be delayed by four lawsuits that have been filed by investors alleging that company's directors breached their fiduciary duty.

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