
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 25, 2006

SunPower Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-51593
(Commission File No.)

94-3008969
(I.R.S. Employer
Identification No.)

3939 North First Street, San Jose, California, 95134
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:
(408) 240-5500

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On April 25, 2006, SunPower Manufacturing Philippines, Ltd., a wholly owned subsidiary of Sunpower Corporation (“SunPower”) entered into a silicon supply agreement (the “Agreement”) with M.Setek Co., Ltd. (“M.Setek”). The Agreement provides the general terms and conditions relating to our agreement to purchase from M.Setek monocrystalline silicon ingots and/or wafers through the year 2010.

Item 7.01. Regulation FD Disclosure.

On May 1, 2006, SunPower issued a press release announcing its entry into this Agreement. A copy of the press release is attached to this report as Exhibit 99.1. In accordance with General Instruction B.2 of Form 8-K, the information set forth herein and in the press release is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The information set forth in Item 7.01 of this report shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirement of Regulation FD.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---------------------------------|
| 99.1 | Press Release dated May 1, 2006 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 1, 2006

SunPower Corporation

By: /s/ Emmanuel Hernandez

Name: Emmanuel Hernandez

Title: Chief Financial Officer

FOR IMMEDIATE RELEASE

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SunPower Extends and Expands M.Setek Silicon Supply Agreement

Deal Solidifies Companies' Partnership for Five Years

SAN JOSE, Calif., May 1, 2006 – SunPower Corporation (NASDAQ: SPWR), a Silicon Valley-based manufacturer of the world's highest-efficiency, commercially-available solar cells and solar panels, today announced that it has extended and expanded a major silicon supply agreement with a key supplier and partner, M.Setek Co., Ltd. M.Setek is the world's leading high-quality manufacturer of monocrystalline silicon ingots and wafers for the solar industry.

SunPower extended its existing agreement with M.Setek by two years, through 2010. The new agreement increases M.Setek's 2008 silicon supply to SunPower while offering the potential for additional supply in 2007. The value of the agreement over its five-year term is estimated to exceed \$500 million.

"SunPower is pleased to expand our relationship with M.Setek, one of our most valued partners," said Tom Werner, CEO of SunPower. "The solar industry requires a reliable, high-volume silicon supply in order to maintain rapid growth. This agreement is a key element in SunPower's silicon supply strategy."

"We are happy to announce the extension of our agreement with SunPower," said Ritsuo Matsumiya, M.Setek's President. "We are always striving to strengthen our customer relationships. As we plan to grow our silicon ingot manufacturing and polysilicon refining capacity, we see SunPower as an attractive partner due to their technology advantages and strong business prospects."

As previously announced, M.Setek is constructing its first polysilicon refinery, scheduled to begin operation in late 2007, to provide a guaranteed source of raw material for its ingot-puller manufacturing operation. Ingots are used to create silicon wafers—the starting material for SunPower's high-efficiency solar cells.

“We believe that the solar industry’s rapid growth is currently limited by the supply of silicon,” continued Werner. “Because SunPower’s solar technology converts more sunlight to power than anyone else in the industry, we are also among the leaders in silicon utilization efficiency,” Werner said. “We credit our technological leadership for our success in developing long-term silicon supply partnerships such as our relationship with M.Setek. We particularly thank Mr. Matsumiya for his leadership in growing mutual opportunities for our companies.”

About SunPower

SunPower Corporation (NASDAQ: SPWR) designs and manufactures high-efficiency silicon solar cells and solar panels based on an all-back contact cell design. SunPower’s solar cells and panels generate up to 50 percent more power per unit area than conventional solar technologies and have a uniquely attractive, all-black appearance. For more information on SunPower or solar technology, please visit the SunPower website at <http://www.sunpowercorp.com>. SunPower is a majority-owned subsidiary of Cypress Semiconductor Corp. (NYSE: CY).

Forward Looking Statement

Statements herein that are not historical facts and that refer to SunPower’s plans and expectations about its supply of polysilicon, ingots and wafers, general market supply of polysilicon, ingots and wafers, as well as the anticipated aggregate value of purchases under the five-year supply agreement with M.Setek Co., Ltd., are forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Such statements are based on our current expectations as of the date of the release, which could change or not materialize as expected. Our actual results may differ materially due to a variety of uncertainties and risk factors, including but not limited to business and economic conditions and growth trends in the solar power industry, our suppliers’ ability to provide adequate supply of polysilicon, ingots and wafers to manufacture our products and the price we pay for such material and other risks described in our Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Except as required by law, we assume no obligation to update any such forward-looking statements. We use words such as “estimated,” “believe,” “plan” and “expect” and similar expressions to identify forward-looking statements that include, but are not limited to, statements related to our future supply of and pricing of polysilicon, ingots and wafers used in the manufacture of our products.

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