

# Solar Firm That Got DOE Loan To Declare Bankruptcy

Matthew Daly, Associated Press

WASHINGTON (AP) — A Colorado-based solar panel maker that received a \$400 million loan guarantee from the Obama administration said Thursday it will file for bankruptcy, the latest setback for an industry battered by the recession and stiff competition from companies in China.

Abound Solar of Loveland, Colo., said it will suspend operations next week, after talks with potential buyers broke down. The company received about \$70 million from the Energy Department before officials froze its credit line last year.

Abound is the third clean-energy company to seek bankruptcy protection after receiving a loan from the Energy Department under the economic stimulus law. California solar panel maker Solyndra and Beacon Power, a Massachusetts energy-storage firm, declared bankruptcy last year. Solyndra received a \$528 million federal loan, while Beacon Power got a \$43 million loan guarantee.

Abound said about 125 workers will be laid off.

Abound received the federal loan guarantee in 2010 to expand a plant in Longmont, Colo., and build a new plant in Tipton, Ind., promising to create more than 1,200 jobs.

But the company ran into difficulties when the price of solar panels collapsed, leading the Energy Department to suspend its line of credit in September 2011 — the same month Solyndra declared bankruptcy.

Abound cut its workforce by about 70 percent in February, firing about 180 full-time workers and 100 part-time employees.

The company said in a statement that it believes its thin-film technology could achieve lower costs per watt of electricity than competing crystalline silicon technology made in China. "However, aggressive pricing actions from Chinese solar panel companies have made it very difficult for an early-stage startup company like Abound to scale in current market conditions," the company said.

Abound said it supports a recent decision by the Commerce Department imposing stiff tariffs on Chinese imports, but said, "this action is unfortunately too late for the company."

In a preliminary ruling, the Commerce Department said in May that Chinese companies were improperly flooding the U.S. market with government-subsidized products. The ruling could lead to tariffs averaging 31 percent on Chinese solar-

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panel imports.

Damien LaVera, a spokesman for the Energy Department, called Abound's failure disappointing, but said it would not deter the Obama administration from continuing to push clean energy.

President Barack Obama and Energy Secretary Steven Chu "respectfully disagree with those who are willing to cede thousands of high-paying jobs and the innovations to come over the next decade and beyond to our competitors in China and around the world," LaVera said.

"Americans invented solar technology, and with the right support our companies can out-innovate and out-build any competitor, anywhere in the world," LaVera added.

Congressional Republicans compared Abound's failure to Solyndra's collapse and said more failures were likely.

"Our government is not good at picking winners and losers in the marketplace but has certainly proved it is good at wasting taxpayer dollars," said Rep. Jim Jordan, R-Ohio, chairman of a House oversight committee on stimulus spending.

Solyndra, of Fremont, Calif., was the first renewable-energy company to receive a loan guarantee under the 2009 stimulus law, and the Obama administration frequently touted it as a model for its clean energy program. Since then, the company's implosion and revelations that the administration hurried a review of the loan in time for a 2009 groundbreaking has become a rallying cry for GOP critics of the administration's green energy program.

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