Satcon Files For Chapter 11 Bankruptcy Protection

The Associated Press

BOSTON (AP) — Satcon Technology Corp. on Wednesday filed for Chapter 11 bankruptcy protection following years of financial struggles and a severe downturn in the solar power industry.

Steve Rhoades, Satcon's president and CEO, said that after considering its alternatives, the company's board decided that the Chapter 11 filings were a "necessary and prudent step" that would allow the company to continue to operate while it reorganizes.

The Boston company, which makes products for large-scale solar power installations, filed its petitions in the U.S. Bankruptcy Court for the District of Delaware after defaulting on a portion of its debt earlier this month.

Satcon has struggled financially for several years. Its power-conversion devices and other products were in steady demand in 2011, but never translated to profitability. The company posted losses each year from 2005 to 2011, and it reported a loss for the first six months of 2012.

In January, Satcon announced plans to cut 140 jobs, or about 35 percent of its workforce, and close a factory in Canada, blaming a drop in demand for solar power installations around the world.

The solar power industry has struggled for the past few years, hit by intense competition from Chinese companies and then a steep drop in global demand.

Last year, Solyndra LLC drew national attention after it filed for bankruptcy protection, leaving taxpayers on the hook for $528 million in federal loans. Evergreen Solar, which also received millions in state aid, and Abound Solar have also filed for bankruptcy protection over the past two years.

Satcon also said Wednesday it expects its secured lenders will allow it to use collateral that will give it access to the funds needed to operate its business.

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