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U.S. NEWS | February 29, 2012, 7:18 p.m. ET

# More Trouble for Solar-Energy Program

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By [CASSANDRA SWEET](#) and [RYAN TRACY](#)

A solar-panel maker in line for \$400 million in federal loan guarantees said Wednesday it was laying off 280 workers and putting off plans for a new factory, in the latest sign of trouble for the Obama administration's renewable-energy program after last year's collapse of Solyndra LLC.

Abound Solar of Loveland, Colo., has drawn down about \$70 million of taxpayer-guaranteed funds; further funds could be delayed if the company misses milestones as a result of changes to its business plan.

The company said it would stop making solar panels at its existing Colorado factory and focus on upgrading the equipment to make more-efficient panels, a project it said could take six to nine months. It also delayed plans for a new factory in Tipton, Ind., that some of the federal money was supposed to back.

Solyndra's bankruptcy left taxpayers with up to \$528 million in losses.

Solar-panel prices have plunged with rising competition from China, leaving panel makers in a pinch. "The way the solar market is today, everything everyone is making they're selling below cost," said Abound's chief financial officer, Steve Abely, in an interview. "Not just small guys like us—substantial Chinese manufacturers are selling below cost. They can't do it for a sustainable period, and we can't either."

Mr. Abely said his company has a different technology from Solyndra that is "much lower cost" and expressed confidence that the panels from the upgraded line would attract customers.

The Department of Energy agreed to a delay in Abound's schedule, Mr. Abely said. The department said it was working with Abound to get through the problems.

"While the challenges facing solar manufacturers have been widely reported, we continue to believe that supporting innovative companies like this is important to ensuring our nation has the ability to compete for the clean energy jobs of tomorrow," said Damien LaVera, a department spokesman.

The department has become more cautious in handing out support for clean-energy ventures in the wake of the furor on Capitol Hill over Solyndra and charges by Republicans that the Obama administration is wasting taxpayer funds.

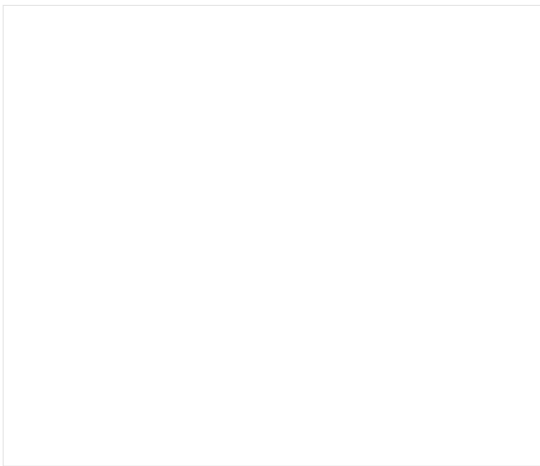
[SunPower](#) Corp. said Wednesday that the government has temporarily held up funds for a 250-megawatt solar farm in California. The Department of Energy issued a \$1.237 billion loan guarantee for the project in September.

The department "has rigorous standards for loan guarantees and those standards are becoming increasingly rigorous," said SunPower Chief Executive Tom Werner in an interview. Mr. Werner said SunPower has met the requirements and expects a payment on the loan in March.

Also on Wednesday, Bright Automotive Inc., a hybrid-delivery-van start-up, said it was winding down operations after giving up on getting \$400 million from the Department of Energy. The company said it faced repeated delays and was asked to meet "outlandish" terms. The department's Mr. LaVera said the sides couldn't agree on "terms that would protect the taxpayers."

The department has withheld funds on a loan to Fisker Automotive Inc., a maker of luxury plug-in hybrid sports cars. The company said Tuesday that it hopes to resolve the issue but is revamping its business strategy to move forward without the U.S. government money.

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