

Abound Solar is latest government-backed bankruptcy

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Abound Solar received \$70 million in loans from the Department of Energy.

NEW YORK (CNNMoney) -- Abound Solar announced plans Thursday to file for bankruptcy and suspend operations, becoming the industry's latest government-backed firm to close its doors.

The solar-panel manufacturer was approved for a \$400 million loan guarantee by the Department of Energy in 2010, though the Department ultimately lent the company only \$70 million.

In a [blog post](#) on Thursday, DoE spokesman Damien LaVera wrote that because of "the strong protections we put in place for taxpayers," the government's loss on the Abound loan likely won't be more than \$60 million once the liquidation process is complete.

"While disappointing, this outcome reflects the basic fact that investing in innovative companies -- as Congress intended the Department to do when it established the program -- carries some risk," LaVera wrote.

Abound's bankruptcy follows last year's [high-profile failure](#) of Solyndra, which went bust after receiving a \$535 million loan guarantee from the Energy Department in 2009.

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[Beacon Power](#), which made energy storage devices, also filed for bankruptcy last year after receiving a DoE loan, costing the government \$12 million. Two other DOE-funded companies have also had trouble -- [Ener1](#) and [Fisker](#) -- though they received grants and are not in the loan program.

Abound's bankruptcy comes amid an escalating dispute between the U.S. and China over solar-panel manufacturing.

Last month, the Commerce Department imposed [stiff tariffs](#) on Chinese-made panels, accusing producers of "dumping" their products on the American market below production costs. U.S.-based manufacturers like Solyndra and First Solar ([FSLR](#)) have suffered from the resulting plunge in panel prices.

Abound said in a statement Thursday that its panels had the potential to achieve a lower cost-per-watt than those from its Chinese competition, but said these firms' "aggressive pricing actions" made it difficult to compete.

Some 125 employees will lose their jobs as a result of the bankruptcy. ■

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