

Abound Solar to cut 280 jobs in Longmont, Colo.

By Mark Jaffe The Denver Post The Denver Post

Posted:

DenverPost.com

Longmont-based Abound Solar, recipient of a \$400 million federal loan guarantee to expand solar-panel production, said Tuesday it is laying off 280 workers and delaying a new factory in Indiana.

The layoffs represent 180 full-time workers and, according to the Longmont Times-Call, an additional 100 part-time employees. That is about a 70 percent reduction in Abound's Colorado workforce.

"We are facing tough market conditions and falling prices," said Steve Abely, Abound's chief financial officer.

Abound will take six to nine months to install new equipment and develop a solar panel that will be 20 percent more efficient and more cost competitive, the company said.

"Hopefully by then the market will recover," Abely said.

The price for solar panels has collapsed — dropping almost 60 percent to \$1.10 a watt between 2009 and 2011, according to industry consultant Solarbuzz.

The decline was caused by Chinese manufacturers, backed by low-cost government loans, ramping up production, Abely said.

In July 2010, Abound received a \$400 federal loan guarantee from the same Department of Energy program that financed Solyndra, a California panel-maker that went bankrupt.

Taxpayers are responsible for covering Solyndra's \$535 million loan.

Abound has used \$70 million of its loan guarantee and will not be able to use any more until it again begins production and hiring, Abely said.

"Solyndra cells were never cost competitive," Abely said. "We are competitive."

The aim is to begin rehiring workers toward the end of the year in Longmont, Abely said.

The biggest part of Abound's loan guarantee is for a new plant in Tipton, Ind., that was slated to have 1,200 workers.

Initially, Abound said the plant would start operation at the end of 2012, but the company said in a statement that it would have an "update" on the facility in the middle of 2013.

Mark Jaffe: 303-954-1912 or mjaffe@denverpost.com