



'Perfect storm' sank Solyndra

By Daniel Poneman

The International Energy Agency projects that solar power will grow steadily, producing nearly a quarter of the world's electricity within four decades. Conservatively, that means more than \$3 trillion worth of solar panels will need to be manufactured – a vast economic and employment opportunity to be seized by companies that succeed in this sector.

Our competitors know this, and are playing to win. Winning will require substantial investments. Last year, for example, the China Development Bank offered more than \$30 billion in financing to Chinese solar manufacturers, about 20 times more than U.S.-backed loans to solar manufacturers.

Unfortunately, expanding production has coincided with short-term softening demand, a product of the banking crisis in Europe and its wider economic effects. The combination has had a dramatic effect on the price of solar cells, which has plummeted 42% in the past nine months. This has taken a serious toll on solar manufacturers everywhere, including the U.S.

This month, Solyndra, a California-based company, filed for bankruptcy. Solyndra had been named one of the world's 50 most innovative companies and reported sales growth of 40% to \$140 million last year. In 2006, the company applied for a federal loan guarantee. It underwent years of rigorous internal and external review before being approved – before the perfect storm of deteriorating market conditions.

Government support has an important role to play in developing new industries and emerging technologies, where private financing is not sufficiently available to support investment at commercial scale.

When it comes to clean energy, we have a choice to make. We can compete in the global marketplace – creating American jobs and selling American products – or we can buy the technologies of tomorrow from abroad.

Historically, our government has supported emerging industries, from transcontinental railroads to aviation to the microchip. These investments strengthened our nation and leveraged the private investments that drove our prosperity. In that spirit, our loan programs are today supporting a diverse portfolio of more than 40 companies that plan to employ 60,000 Americans and give us a chance to compete and succeed in the global clean energy race.

Now is not the time to stop investing in our nation's future.

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<http://www.usatoday.com/news/opinion/story/2011-09-13/Solyndra-solar-bankruptcy/50393418/1>