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Solyndra Files \$1.5 Billion Antitrust Suit Against China Solar Companies

Solyndra, the bankrupt Silicon Valley solar startup that received a \$535 million federal loan guarantee, has filed a \$1.5 billion [antitrust suit](#) against China's three biggest photovoltaic panel manufacturers.



The lawsuit filed Thursday in U.S. District Court in [San Francisco](#) alleges a wide-ranging conspiracy among Suntech, Trina, Yingli, their suppliers, banks and the Chinese government to destroy Solyndra and the U.S. solar industry by flooding the market with cheap photovoltaic panels.

"Recognizing that they could not keep pace with the innovation presented by Solyndra's technology, defendants entered into a conspiracy with each other and, pursuant to national and local policies directing commercial growth and dominance in the United States market, with key suppliers and lenders to dump product at predatory levels, and to drive Solyndra and other American solar manufacturers out of business," states the lawsuit that reads like a cloak-and-dagger thriller.

Solyndra even alleges that one of its German customers, GeckoLogic, conspired with Yingli to undermine the startup by scuttling a \$105 million deal.

"As part of a Solyndra beta system, GeckoLogic installed Solyndra panels on a rooftop in Germany and a webcam was setup to monitor the performance of the Solyndra panels," the suit states. "At some point after installation of the panels and webcam, the webcam stopped transmitting data back to Solyndra. Solyndra later learned that Yingli had interfered with Solyndra's agreement and installed its panels on GeckoLogic's roof – all of which was kept secret from Solyndra."

Robert Petrina, managing director of Yingli Green [Energy](#) Americas, said Friday that Yingli would fight the allegations.

"We just received notice of this complaint, but from our initial review, these are unwarranted and misguided claims from a company that has a clear

history of failed technology and achievements,” Petrina said in a statement.

The filing of the suit was first reported by Bloomberg Thursday night.

Like other Silicon Valley solar companies that attracted billions of dollars in venture capital investment over the past decade, Solyndra developed an advanced solar panel using a material called copper indium gallium selenide, or CIGS. Solyndra’s innovation was to deposit CIGS on glass tubes packaged into panels that captured sunlight from all angles to boost electricity production while lowering installation costs.

The suit claims Solyndra posed such a threat to China’s manufacturers of conventional crystalline silicon solar panels that Suntech, Trina and Yingli decided that the startup must die.

“Solyndra’s better solar panel system, with its lower cost of installation, created a barrier to defendants’ complete domination of the market – so long as Solyndra, and its technology, was available in the market, defendants would not have been able to dominate the commercial and industrial rooftop market,” the suit states.

Suntech America’s managing director, E. L. “Mick” McDaniel, dismissed the accusations as baseless.

“Though we are continuing to review the complaint, it is obvious that this lawsuit is a misguided effort by Solyndra to find scapegoats for its failure to commercialize its technology at a competitive price point,” McDaniel said in a statement on Friday. “As a global company and an American solar manufacturer, we are proud of the work we have done to make solar affordable for millions of Americans and people around the world.

“We intend to defend against these allegations vigorously,” he added.

Solyndra filed the suit a day after the U.S. Department of Commerce issued a [final decision](#) finding that Chinese solar manufacturers had illegally dumped photovoltaic cells on the American market and imposed a 36% tariff on Suntech’s products, a 24% tariff against Trina and a 31% tariff against Yingli.

Some of Silicon Valley’s highest-profile venture capitalists lost nearly all the \$1.2 billion they had invested in Solyndra, which now exists as a shell company in the wake of the startup’s liquidation.

In the suit, Solyndra attributed the bankruptcy or faltering operations of a dozen U.S. solar manufacturers to the alleged conspiracy among a cabal of Chinese companies that it says now control 52% of the American photovoltaic market.

Over the past three years, photovoltaic panel prices have dropped 75% as Chinese manufacturers ramped up production. As prices fell, CIGS companies struggled to increase the efficiency of their solar panels while reducing manufacturing costs. Two weeks ago, a [Chinese renewable energy conglomerate, Hanergy, acquired MiaSolé](#), a Silicon Valley CIGS startup, for \$30 million after investors had poured nearly a half billion dollars into the company.

“As part of the conspiracy to monopolize the solar market and as part of the Export Plan, the China Development Bank, the [Bank of China](#), and the Export-Import Bank of China loaned defendants over \$17 billion at below-market rates,” according to the suit. “Through a scheme known as “extend and pretend” the co-conspirator banks roll over loans from year to year,

rather than requiring payment when the loans are due. Suntech, which has nearly \$1.6 billion in loans due this year, has banked on the 'extend and pretend' scheme, intending to roll over most of its loans until (at least) 2013."

Left unmentioned in the suit is the fact that two of the U.S.'s biggest solar companies, [First Solar](#) and SunPower, continue to thrive despite Chinese competition.

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