



Written by [James Heiser](#) on September 8, 2009

## Solar Panel Companies Face Financial Troubles

With the ink barely dry on the resignation letter of self-proclaimed one-time communist Van Jones as President Obama's Green Jobs Czar, the USA Today is reporting that one area of the "green economy" that is faltering is its virtual mascot: solar power.



[According to the USA Today,](#)

Market leaders, including First Solar (FSLR) and SunPower (SPWR), for instance, are down 12% and 30% this year, even as the benchmark Standard & Poor's 500 index is up 13%. And the Market Vectors Solar Energy ETF, which tracks stocks in the industry, is down 6% this year.

Unlike the big drops in other once-hot stock groups, solar's troubles aren't just caused by speculators rushing out. There are some real problems in the industry behind the sell-off of the stocks.

Environmental alarmists around the world are eagerly awaiting the [upcoming UN environmental conference in Copenhagen](#). If all goes according to plan, the December conference will adopt a substantial expansion of the Kyoto Protocol, with a document perhaps 10 times the length of the 1997 protocol overseeing broad sectors of the economies of the nations of the world — all in the name of saving the environment.

At the same time, why are the companies that make solar power panels suffering such financial difficulties? With the globalists' cries alternating between the crescendoes of global-warming hysteria and "green economy" hype, how could solar power be in financial trouble? In part, because solar is still not economically competitive and in part because the European government contracts that helped drive the "boom" in the solar industry in recent years are being dramatically curtailed. According to the *USA Today*:

Thanks to generous programs to encourage green power, European nations have been top buyers of solar modules. However, many are scaling back their subsidies, causing more softness in demand.

Last year, for instance, Spain put a cap on its solar incentive program, causing the demand from a country that accounted for a big piece of the market to shrink 80%, [Nathaniel] Bullard [of New Energy Finance] says. Of even more concern is Germany, the largest solar consumer in the world, which is mulling a cut to incentives to buyers of solar power, [Christine] Hersey [of Wedbush Morgan] says. "Since Germany is the largest market, it sets the tone," she says, adding some solar companies get 60% of revenue from Germany. The subsidies have become unpopular because much of the money is going to Chinese, not German, solar companies, she says.

In short, in the midst of the global economic meltdown, solar power has become a luxury that the



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Spanish and German governments have decided they can no longer afford. But if the economic costs of “going green” are already leading European powers away from alternative energy, how can they — or the United States — bear the burden of far more sweeping, even fundamental, changes to the global economy as part of the globalists’ agenda at Copenhagen? If “cap and trade” drives the cost of energy to stratospheric levels — and thus simultaneously drives up the cost of *every* business, and cripples household budgets already strained to their limits because of the on-going economic crisis — the bill will come crashing down on the heads of those people who are barely hanging on right now.

Not only are the cutbacks in European “green energy” programs hurting the solar panel business: the *USA Today* also cites an attendant glut of solar panels, and the difficulties that companies and consumers are experiencing getting loans as contributing factors weakening the companies producing the panels. The irony is that solar power is now more reasonably priced than it has been: according to the *USA Today* report, an oversupply of solar panels has cut the cost of home system in half, to around \$10,000— a price that consumers should be free to weigh as they determine how best to provide for their energy needs within their household budgets, and as they consider what might happen to their energy bills if “cap and tax” is approved and the successor to the Kyoto Protocol is adopted in December.



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