Security Guards Only Workers Left at Plant Aiming to Produce Solar Panel Materials

POCATELLO, Idaho (AP) — An estimated $400 million polysilicon plant in eastern Idaho now has only eight workers, all security guards, after its last engineer exited last month amid dwindling hopes the facility will ever produce materials for solar panels.

Hoku Scientific Inc., based in Hawaii, started building the plant in Pocatello about five years ago, as interest in solar energy grew and polysilicon prices rose. The company predicted it would provide hundreds of higher-paying jobs in the region. But polysilicon prices began to plummet, and Hoku laid off 100 employees in May 2012, just before production was to begin.

The Idaho State Journal [1] reports the company's last engineer, Ken Gibbs, stopped working at the plant last month.

Gibbs says he and other employees had spent the last several months trying to figure out a joint consolidation plan to save the plant from financial ruin and get it online, but they were unsuccessful. He said prospective partners for the facility all balked, as Hoku may eventually be forced to relinquish it for pennies on the dollar.

"Why should a big company go into a joint venture when they can wait and buy it in bankruptcy," Gibbs said.

In 2012, Honolulu-based Hoku announced it was delisting its stock from Nasdaq, saying it had been unable to maintain a minimum $1 bid price for its stock, a violation of the exchange's listing requirements.

That's after Chinese investors in 2011 had propped the company up, a move that lent hope the Pocatello facility would be completed.

That was short-lived, however, as tumbling polysilicon prices meant the new facility was incapable of producing material for solar panels without losing money in the process. The problem: Solar manufacturers worldwide are saddled with production glut, rock-bottom prices and U.S. allegations of predatory Chinese pricing, just as Italy and Germany slashed incentives that propped up their solar industries.

In Pocatello, Gibbs said the problems with contractors and others escalated during his tenure.

"It was always, 'When are we going to get paid?'" he said.

If the idle Pocatello plant is sold in a federal bankruptcy proceeding, Gibbs sees some hope it will eventually operate, though he now concedes that it may have to

be retrofitted to produce something else. Another possibility: Its gleaming new equipment could eventually be dismantled and sold in pieces, to help satisfy liens against the company filed by contractors that helped build it.

If that happens, Gibbs predicts they'll get little of what they were originally promised.

"Hoku never made money," Gibbs said. "And you can't borrow money forever."

Company officials didn't respond to emails or phone calls from The Associated Press seeking comment.

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Information from: Idaho State Journal, http://www.journalnet.com [2]

Source URL (retrieved on *07/14/2014 - 1:05pm*):
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