



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## **Bankrupt Solyndra Spells Warranty Trouble for Customers**

The much publicized bankruptcy of solar equipment maker Solyndra has cost the American public millions of dollars in taxpayer money because the company was granted a \$535 million loan guarantee by the Obama Administration to build a new plant manufacturing its unique tubular thin photovoltaic solar cells. An auction of Solyndra assets is scheduled for October 27. But the federal loan guarantee is not the only cost for taxpayers.

For the many Solyndra customers, they are left in a quandary for lack of customer support and worse still, a warranty that may not be honored by the company. This could potentially cost money assuming the likely situation where no buyer steps in to continue manufacturing Solyndra's solar cells. All Solyndra cells are guaranteed for 5 years against workmanship and material defects. In terms of power output, the guarantee is at least 90% for the first 10 years and no less than 80% for 25 years.

Solyndra filed for bankruptcy when it failed to compete with cheaper China-made photovoltaic cells that flooded the market, although its own unique product held huge potential. The special quality of Solyndra's solar cells is their glass make and tubular shape lined with photovoltaic cells that can capture light from 360 degrees. They are designed for flat, preferably white or reflective rooftops. The systems were made to sit on rooftops anchored by their own weight, thus eliminating the risk of penetrating a customer's roof.

*<http://tampabankruptcy.pro/blog/>*

The bankruptcy court has approved an application by Solyndra to set aside 1.5% of its reserves as warranty reserves under a warranty repair program. But the use of any of this fund is subject to agreement by creditors and approval of the bankruptcy court.

On the bright side, there is not much likelihood of damage or breakdown as the 40-tube modules were made to keep operating even if a single tube goes bad. The installations are designed to stay fixed against winds of up to 130 miles per hour, and withstand golf-ball-sized hail in standard Underwriters Laboratories tests.

Some authorized dealers for Solyndra may keep spare stocks of solar cells but beyond that, customers would be hard pressed to find replacements for any solar panels that break down. Furthermore, due to voltage and other differences, it's not possible to integrate standard PV panels into Solyndra installations.

The best case scenario is a buyer buys up the company and continues its operations. But don't hold your breath waiting.

If you or your business want to file for bankruptcy protection, call us at (813) 200 4133 for a free consultation.