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Borrego Solar gets \$30 million for solar financing

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By [Poornima Gupta](#)

SAN FRANCISCO (Reuters) - U.S. solar power system installer Borrego Solar Systems said it has received \$30 million from Taiwan's Walsin Lihwa to offer financing to solar power project customers.

The privately held El Cajon, California-based company, a solar power contractor that serves mostly the commercial sector, said the funding will help it sell services to schools, companies and government organizations interested in renewable energy.

The funding from Walsin Lihwa, a Borrego investor and manufacturer of bare copper wire and specialty steel, comes as the solar industry is grappling with a dearth of financing for solar projects.

Many potential solar customers find it difficult to afford the steep upfront installation costs, making financing an important component for expansion of solar energy.

Borrego will be offering power purchase agreements, or PPAs, which are long-term contracts to buy power, where the customer pays typically for the power used and not for the installation of the solar system, Chief Executive Mike Hall said in an interview.

Hall said he sees "tremendous growth" in 2010 for the market with financing for solar projects improving, aided by government programs.

Hall said Borrego, which had previously received \$14 million in February to help expand its business into the mid-Atlantic region and develop lower cost systems, may seek another round of project funding early next year.

The funding would be similar to the most recent round, he added.

Hall said he is looking for triple-digit growth next year, both for the company and the U.S. photovoltaic market.

"This year remains challenging and I think we will be about flat," he said. "We are looking for a pretty big year" in 2010.

Borrego could also access the public markets through an initial public offering, Hall said.

"We are not married to any particular path," he said. "We definitely think about it."

Borrego ended 2008 with \$58 million in revenue and more than \$90 million in contracts.

(Editing by Richard Chang)

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