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THE WALL STREET JOURNAL

WSJ.com

JUNE 2, 2009, 10:26 AM ET

Solar Land Grab? First Solar in Spotlight for OptiSolar Deal

Investors in thin-film solar companies already had cause for concern as plunging polysilicon prices made traditional solar panels more competitive.



Now that was a land grab

Now, investors in one thin-film solar company in particular —Tempe, Ariz.-based First Solar—might have a [fresh worry](#): The federal government.

Following up on a citizen's complaint, the Department of Interior's Bureau of Land Management is investigating First Solar's acquisition this spring of smaller rival OptiSolar and its pipeline of solar-energy projects. At issue is First Solar's purchase of OptiSolar's applications to use about 130,000 acres of federal land to build new solar-power facilities.

First Solar [told](#) the L.A. Times yesterday that the OptiSolar deal was about building a pipeline of new solar projects: "The applications were an important part of it for us," a spokeswoman said. OptiSolar's manufacturing division was not included in the \$400 million [acquisition](#), completed in April.

At issue is whether the rush to build new sources of clean energy is creating a land grab. Or as Cassandra Sweet of Dow Jones Newswires [puts it](#), "The concern is that such applications [for federal land] could become unofficial currency amid a land rush spurred by increasingly aggressive renewable energy requirements in California and other western states, and as Congress considers a national renewable energy mandate."

More broadly, this raises the question of whether land grabs are really ever a good idea. In a telling sign that acreage in the sunny Southwest near power lines is becoming a hot commodity, this Saturday, Phoenix, Ariz.-based [Vermaland](#) will auction off about 2,000 acres of land it acquired around Phoenix, acreage the company says could host about 388 megawatts of solar power facilities.

Companies, especially in states that have renewable-energy targets, are scrambling to build new renewable-energy sources—both solar power and wind power requires more land than traditional power sources.

But as frenetic activity in the natural-gas patch shows, land grabs aren't always good business: Plenty of companies spent top dollar snatching up potentially valuable land for new natural-gas production, only to see a supply glut and the recession kneecap the price of natural gas.

6/9/2009

Solar Land Grab? First Solar in Spotlig...

Natural-gas companies that got very invested in snapping up prospective acres, such as Chesapeake Energy, have paid the price in recent months. Are solar companies following the same script?

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