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President Barack Obama at Nellis Air Force Base as he speaks about using American Recovery and Reinvestment Act funds to invest in solar energy in Las Vegas. Photographer: Ethan Miller/Getty Images

Bloomberg News

Republicans Expand Complaints of Energy Loans Beyond Solyndra

By Jim Snyder on March 20, 2012

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House Republicans will open a new line of attack against President Barack Obama's energy loan program by focusing on two solar projects that won about \$1.6 billion in U.S. backing.

The Oversight and Investigations Committee yesterday released e-mails that Republicans said suggested the projects, developed by Tempe, Arizona-based [First Solar Inc. \(FSLR\)](#), weren't sufficiently innovative or different from one another to receive the guarantees. Democrats said Republicans cherry-picked from the thousands of pages of Energy Department e-mails to score political points in an election year.

A committee hearing today shifts the Republican focus beyond Solyndra LLC's \$535 million loan guarantee to the department's broader loan program funded by the 2009 economic stimulus. It also extends the use of Obama's energy policies as a line of attack for Republicans, who have sought to tie Obama to rising gasoline prices.

"It is now clear that the Department of Energy has spent the last three years supporting projects that have yet to deliver on innovation, accountability or job creation," Representative Darrell Issa, a California Republican and chairman of the oversight committee, said in a statement.

Solyndra, a Fremont, California-based solar-panel maker, filed for bankruptcy protection in September, two years after winning the loan guarantee.

Chu To Testify

Energy Secretary Steven Chu, who defended Solyndra's loan in a November appearance before a House Energy and Commerce Committee panel, is expected to testify at the hearing today.

Chu said in his prepared testimony, released yesterday, that the agency put in place "an aggressive monitoring system to ensure that the department and its grantees spend Recovery Act funds wisely and that taxpayers get the value they deserve."

Critics were selectively releasing e-mails to invent a "false and misleading controversy" surrounding the loan-guarantee program, Damien LaVera, a department spokesman, said in an e-mail.

"The department backed loans for two innovative solar projects that will support hundreds of jobs and provide clean power to tens of thousands of homes," LaVera said.

Antelope Solar

The two projects under scrutiny are Antelope Solar Valley Ranch in California and Agua Caliente in Arizona. [Exelon Corp. \(EXC\)](#), based in Chicago, bought Antelope, and [NRG Energy Inc. \(NRG\)](#) in Princeton, New Jersey, purchased Agua Caliente immediately after First Solar won the awards.

The projects, which will use solar panels produced by First Solar, are different than Solyndra, which won the loan guarantee to build a manufacturing plant. The First Solar loan guarantees are to build a solar field to produce electricity and already have utilities signed on to buy the power.

Projects tied to utilities carry less risk of default than Solyndra, according to an analysis of the loan guarantee by Herbert Allison, a former Treasury Department official. The Obama administration ordered the review amid Republican criticism of the Solyndra award.

"From the outset of the Obama administration's energy loan programs, red flags were raised about the risk to taxpayers, and a process open to mismanagement, abuse and missed opportunities -- with taxpayers

underwriting the risk and paying the bill,” Issa said.

Carbon Copy

In one e-mail cited by Republicans, which will probably be discussed at the hearing today, Dong Kim, the loan program’s technical director, said the Antelope project’s use of single axis tracker wasn’t innovative. The technology allows the solar panels to track the sun throughout the day.

“The record will show that we did not grade this as innovative during intake review,” Kim wrote in the June 23 e-mail.

Jonathan Silver, then the executive director of the loan program, in an e-mail dated Feb. 1, 2011, referred to the projects as alike in design.

“Where are we with antelope valley?” Silver asked energy official David Frantz. “Isn’t that a carbon copy of agua caliente?”

“It is,” Frantz responded.

An Energy Department rule states a company can only submit one application using a particular technology, Republicans said.

‘Unprecedented Size’

Dan Leistikow, an Energy Department spokesman, said on a blog posted on the department’s website that Kim, who was responsible for judging a loan applicant’s technical merit, found that Antelope as a whole met the innovation standard.

Kim said in an Aug. 4, 2010, e-mail released by the department that the technical team concluded Agua Caliente included “new and innovative components” and that Antelope was sufficiently different to be eligible for a loan guarantee.

The projects were “unprecedented in size and scale,” according to Ted Meyer, a spokesman for First Solar, the world’s largest maker of thin-film solar panels.

They can provide enough power for 175,000 homes and displace 360,000 metric tons of carbon dioxide each year, the equivalent of taking 70,000 cars off the road, Meyer said in a statement.

Representative Elijah Cummings of Maryland, the senior Democrat on the oversight committee, said the Republican-led investigation hasn’t backed up allegations from Issa that the loan program was a “broad scandal.”

“The committee has identified no evidence that the department’s decisions were the result of political favoritism or corruption,” Cummings wrote in letter to Issa yesterday.

‘Freakish Missive’

Democrats also noted Republicans have supported the projects now being scrutinized.

Jeffrey Solsby, a Republican spokesman for the committee, said in a statement that Cummings

mischaracterized the committee's work.

Sending "this freakish missive on energy loans speaks volumes about his own deficiencies as a congressional investigator," Solsby said.

Michael McKenna, an oil-industry lobbyist, said he anticipates more such exchanges as investigations into the loan program move forward. Congressional investigations may help Republicans say Obama hasn't lived up to his 2008 campaign pledge to change the culture of Washington, McKenna said.

"We're going to spend more time on it for sure, because there is more out there," McKenna, president of MWR Strategies Inc. in Washington, said in an interview.

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#GraspingAtStraws Republicans and oil lobbyists can't have it both ways: it's either too risky or not risky enough. Complaining about the use of low-cost modules for financially viable solar projects shows they are grasping at straws.

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[Dave Kozin](#), Today 09:37 AM

#GraspingAtStraws Republicans and oil lobbyists can't have it both ways: it's either too risky or not risky enough. Complaining about the use of low-cost modules for financially viable solar projects shows they are grasping at straws.

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Barbara Dayan, Today 02:57 AM

Mitt Romney would have quickly stuck Solyndra's loan application straight into his paper shredder!

Solar panels had zero demand in March 2009 when Energy Secretary Steven Chu awarded a \$535 million loan guarantee to Solyndra.

America was in the midst of the worst recession since the Great Depression!

Solyndra's stock price was cut in half by the time they received this taxpayer lottery prize.

They were already on the road to insolvency yet the DOE ignored the glaring warning signs that were obvious to everyone.

Taxpayers were told DOE does due diligence yet this loan was fast-tracked to Solyndra in less than two months!

We hope Darrell Issa, the Sherlock Holmes of government corruption will get to the bottom of this disaster!

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Barbara Dayan, Today 02:43 AM

Mitt Romney would have put Solyndra's loan application straight into the paper shredder!

There was no demand for solar panels in March 2009 when Energy Secretary Steven Chu awarded a \$535 million loan guarantee to Solyndra.

America was in the midst of the worst recession since the Great Depression!

Investors had no faith in this firm and cut Solyndra's stock price in half by the time this loan was awarded.

Solyndra was already on the road to insolvency yet the Department of Energy ignored the warning signs that were obvious to everyone.

Taxpayers were told DOE ensures risks are mitigated and due diligence performed before loans are made however, this loan to Solyndra was rushed through in less than two months!

Is this gross incompetency or just plain fraud?

Darrell Issa, the Sherlock Holmes of government corruption will certainly get to the bottom of this mystery.

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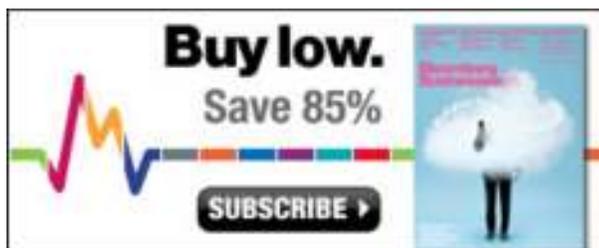
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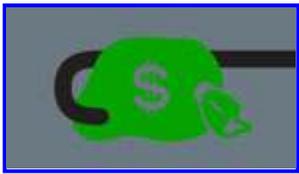


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