



CAMPAIGN 2012

## Beltway Confidential



# Solar company bankrupt despite 'win-win' DOE loan

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by [Joel Gehrke](#) *Commentary Staff Writer*

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In keeping with the recent trend of so-called green companies going into the red, another solar energy company supported by President Obama's top administration officials declared bankruptcy today.

Solar Trust for America received \$2.1 billion in conditional loan guarantees from the Department of Energy -- "the largest amount ever offered to a solar project," [according to Energy Secretary Steven Chu](#) -- for a project near Blythe, Calif., but [declared bankruptcy](#) within a year. It is unclear how much of the guarantee, if any, was actually awarded.

Senior officials in Obama's administration had very high hopes for the Blythe project. Interior Secretary Ken Salazar attended the groundbreaking ceremony, which [he described](#) as "a historic moment in America's new energy frontier" and "another important step in making America's clean energy future a reality." Chu [trumpeted](#) at the time that Solar Trust would prove that "when we rev up the great American innovation machine, we can out-compete any other nation."

The embarrassment should be bipartisan. "This is a huge milestone for our community," Rep. Mary Bono Mack, R-Calif., [said](#) when the company received its loan guarantee. "I look forward to continuing my work supporting projects . . . that will harness our local energy resources and help reduce our nation's dangerous dependence on unstable foreign oil."

Uwe Schmidt, chairman and CEO of the company, [also argued that Solar Trust was good for the nation](#). He wrote [last year](#) that "the DOE loan guarantee is a 'win-win' for government and the companies involved and will not only advance the cause of energy independence but will create hundreds of thousands of jobs across the country."

The bankruptcy makes [Schmidt's attempt to rebuke DOE critics](#) in the wake of the Solyndra bankruptcy particularly ironic.

"Despite the posturing and finger pointing, the American solar energy industry is alive and well," Schmidt wrote [in an op-ed for the Huffington Post](#), before discussing his company's business plans. Referring to Solyndra, he lamented that "one company's bankruptcy has cast doubt on the credibility of a government program that is otherwise being administered with incredible efficiency."

The list of bankrupt solar companies has grown since Schmidt scolded Solyndra investigators. How many more might go bankrupt? [Secretary Chu won't say](#).