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DOE'S CHU MAY HAVE INTERVENED IN \$1.4 B LOAN TO PROP UP SOLYNDRA, REPUBLICANS ALLEGE

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BY: [CJ Ciaramella](#) - February 17, 2012 3:47 pm

Department of Energy Secretary Steven Chu may have personally intervened in a \$1.4 billion partial loan guarantee in an effort to help floundering solar company Solyndra, Republicans on the House Energy and Commerce Committee alleged in a letter Friday.

Committee Republicans opened a new front in their ongoing investigation of the Solyndra scandal in a [letter](#) to Chu on Friday, requesting documents and emails regarding a \$1.4 billion loan to a solar project that was to be supplied equipment by Solyndra.

Prologis, an industrial real-estate company, received a partial loan guarantee in September 2011 to install solar panels on its commercial facility rooftops. The committee said the sole supplier of those panels would have been Solyndra, which had also received a \$535 million loan guarantee from the Energy Department.

At the time, Solyndra was struggling to avoid bankruptcy. Its loan guarantee had been restructured just months earlier.

Solyndra would ultimately declare bankruptcy on Aug. 31, 2011, putting the DOE's loan program in Republican crosshairs.

In the letter to Chu, Republicans say they have documents revealing Solyndra's involvement in Prologis' project was "a significant factor in negotiations between DOE and Solyndra relating to a possible second restructuring of the loan guarantee in August 2011, as well as the closing of the Project Amp loan guarantee."

The letter also quotes a June 17 email from a Solyndra employee claiming Chu personally intervened to secure the Prologis loan.

"[O]n three occasions this week he thought that the [Project Amp] deal was dead, but Secretary Chu personally pulled it off," the email reads. "Chu shared with the team that this deal went to higher levels in the Obama Administration to gain approval than any other transaction in the Loan Guarantee Program, and that he personally committed to seeing it through to a successful conclusion."

The Energy Department disagreed with the committee's characterization.

"Secretary Chu strongly supported Project Amp because it will be the largest rooftop project in U.S. history and is expected to generate enough clean, renewable electricity to power over 88,000 homes while supporting at least a thousand jobs all across the country," DOE spokesman Damien LaVera said.

"Project Amp represents a transformational new approach to financing and operating solar panels, and has been supported by some of the most prominent companies in the world, including Merrill Lynch, Bank of America and NRG Energy."

A DOE source said Solyndra was one of many potential suppliers and would ultimately have only accounted for less than 20 megawatts out of more than 750 total megawatts in the

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project.

Furthermore, the DOE said Chu's involvement had nothing to do with Solyndra.

A source from the DOE said Chu got involved because of a disagreement between the DOE loan program and other agencies about the number of megawatts the project should support and how long the installation period should be.

Project Amp, when completed, will be the largest rooftop solar generation project in the world. It has attracted significant private funding, and the businesses participating in the project include Bank of America, Merrill Lynch, and NRG Energy.

But the Energy Department's rebuttals will likely not deter House Republicans from their investigation, which has been going on for more than a year. Committee sub-chair Rep. Cliff Stearns said the documents raise even more concerns about the loan program.

"Documents obtained by the Committee indicate that DOE had some hesitation in approving the loan guarantee and that Secretary Chu intervened on behalf of Project Amp," Stearns said in a statement. "This brings up many questions, including if this was an attempt to support the faltering Solyndra since it occurred during discussions over the second restructuring of the Solyndra loan guarantee."

"It is astonishing that DOE actively negotiated a plan to risk even more taxpayer money to prop up Solyndra at all costs," Stearns continued.

The House Energy and Commerce Committee set a Feb. 24 deadline for the requested documents.

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