

- [News](#) | [Web](#)

- [BIG NEWS:](#)
- [Wisconsin Protests](#)
- |
- [Arizona Shooting](#)
- |
- [Gingrich 2012](#)
- |
- [Elections 2012](#)
- |

[Royal Wedding](#) | [More...](#)

[Spin Your Meter Backward](#) Power Your Home with the Sun \$0 Down. Affordable Monthly Payment [www.SolarCity.co...](#)

[As CEO of your company](#) You don't have to go it alone. Vistage® can give you a hand. [Vistage.com](#)

[Best in Residential Solar](#) The Nation's #1 Home Solar Service. Get Started for \$1,000 Today. [www.SunRunHome.com](#)

## HUFFPOST POLITICS

[Like](#)

264K

[This is the print preview: Back to normal view »](#)

# Green Bundler With The Golden Touch

Posted: 03/30/11 09:37 PM ET

React



[Important](#)

[Funny](#)

[Typical](#)

[Scary](#)

[Outrageous](#)

[Amazing](#)

[Innovative](#)

[Finally](#)

Follow



[Barack Obama](#), [Green Technology](#), [Green Jobs](#), [Tesla Motors](#), [Apple](#), [Facebook](#), [Google](#), [Energy Department](#), [Kleiner Perkins Caufield & Byers](#), [Silicon Valley](#), [Steve Westly](#), [Amyris Biotechnologies](#), [Edeniq](#), [John Doerr](#), [Recyclebank](#), [Solar Power](#), [Solyndra-Inc](#), [Steven Chu](#), [Westly Group](#), [Politics News](#)



**By Ronnie Greene and Matthew Mosk**  
[The Center For Public Integrity](#)

In connecting green technology startups with government money, Silicon Valley venture capitalist Steve Westly boasts of a special touch.

“We believe that with the Obama administration, and other governments ... committing hundreds of billions of dollars to clean tech, there has never been a better time to launch clean tech companies,” says his company website. “The Westly Group is uniquely positioned to take advantage of this surge of interest and growth.”

Uniquely positioned, indeed.

One of President Barack Obama’s most prolific fundraisers, Westly was among guests at January’s state dinner for the president of China. A month later, he dined with Obama again at an exclusive San Francisco Bay area gathering for prominent high tech CEOs, including the leaders of Facebook, Google and Apple.

He visits White House staff and, as a member of a government advisory board on energy policy, has the ear of Energy Secretary Steven Chu, whose department hands out the sort of seed money sought by companies in The Westly Group portfolio. He even has hosted the president at fundraisers in his Northern California home, and co-hosted events for three of Obama’s most influential advisors.

All the while, Westly’s four-year-old green business has boomed. Since June 2009, four companies in his venture firm’s portfolio have received more than half a billion dollars in loans, grants or stimulus money from the Obama Energy Department, a review by the Center for Public Integrity and ABC News has found.

Relatively few companies succeed in winning such benefits. More than 90 percent of applicants have failed to secure funding in two programs benefiting three Westly-backed firms. Securing government aid helps attract investors and can make corporate stars of even small startups. Funding for The Westly Group firms occurred prior to his joining the government advisory board, though an Obama administration proposal after Westly’s appointment immediately boosted the stock price of one company.

Westly’s ability to straddle the worlds of big time fundraising, government advising and private financing for startup companies tells a larger story about how business and politicking intertwine at an Energy Department flush with \$35 billion in stimulus money.

“It looks like kind of the classic Washington hands washing each other,” said Mary Boyle, a spokeswoman with Common Cause in Washington. “He’s politically active, he gives money, he gets noticed, he lands on an energy board. ... Firms that he backs are landing these lucrative energy contracts.”

It's the very cycle of money, influence and access that Obama vowed to break when he came to Washington but which persists two years into his presidency.

Westly, a former public official in California, declined repeated requests from the Center for interviews and walked away without comment when questioned by an ABC reporter at a Washington event earlier this month.

He isn't the only politically active investor whose portfolio firms win energy grants.

John Doerr, a California billionaire who made a fortune investing in Google, hosted Obama at February's dinner for Westly and the other high tech executives at his secluded estate south of San Francisco. His venture firm, Kleiner Perkins Caufield & Byers, backs green tech firms, several of which secured DOE funding, records show.

Doerr and Kleiner Perkins executives have contributed more than \$1 million to federal political causes and campaigns over the last two decades, primarily supporting Democrats, and Doerr serves on Obama's Economic Recovery Advisory Board. Doerr did not respond to multiple interview requests about his dinner with Obama.

Another beneficiary of Energy Department aid is Solyndra Inc., a California solar power firm whose financial backers include Oklahoma oil billionaire George Kaiser, a bundler who raised at least \$50,000 for the president's campaign in 2008. Solyndra, a recipient of a \$535 million 2009 loan guarantee to help create jobs, laid off some 180 temporary and fulltime workers the following year, prompting questions in Congress over whether its new manufacturing plant will spur the 1,000 fulltime U.S. jobs the company promised.

Company spokesman David Miller said Solyndra, which first applied for the guarantee during the Bush administration, won it on merit. "Over time," he said, "yes, we believe we will meet those goals."

Obama's focus on environmentally promising technologies while gaining support from clean tech titans comes at a time when the Energy Department's handling of government largesse is gaining scrutiny. The Government Accountability Office, the investigatory arm of Congress, raised concerns in a report last year about favoritism in the awarding of some loan guarantees. The Energy Department's inspector general told Congress this month that some stimulus contracts may have been steered to "friends and family."

A GAO report to be released this week is expected to focus on a specific automotive loan program that benefited five companies, including two supported by the Westly and Doerr venture firms.

There's no indication in public records that any of those investigations focus on Westly, Doerr, Kaiser or their firms.

"A lot of these contracts are really being pushed out the door with no oversight," said Rep. Cliff Stearns, R-Fla., chairman of the Energy and Commerce oversight subcommittee. In an interview, Stearns pointed to the Solyndra contract as an example of poor government oversight. "I think what happens is, they give some of this money out to people who are either contributors or strong supporters."

## **A TRAIL OF LOANS, GRANTS AND TAX BREAKS**

The Obama administration's efforts to reduce pollution, especially from coal-powered plants, and to lower dependence on foreign oil has unleashed an unprecedented wave of federal aid to clean energy startups.

The federal dollars help clean tech firms expand their products and grow their bottom line. Four companies in The Westly Group portfolio received Energy Department loans, grants and stimulus money: Tesla Motors, RecycleBank, EdeniQ and Amyris Biotechnologies. Two of those firms, Tesla and Amyris, went public with stock offerings in 2010.

The government largesse started with \$465 million in loans that helped Tesla develop electric cars that cost \$54,700 each. Four months later came a \$700,000 federal grant, crucial to expanding a RecycleBank program in Philadelphia. In December 2009, the Energy Department awarded stimulus grants of \$20.4 million for an

EdeniQ bio-refinery and \$25 million for Amyris to develop a diesel substitute through the fermentation of sweet sorghum, both projects in California.

Over the last four years, Westly emerged as something of an entrepreneurial superstar in the clean technology movement. Then, in August, he gained a seat at the table when it comes to national energy priorities that affect his business interests.

On the White House's recommendation, Chu appointed him to his 12-member Advisory Board, a government-stamped seal of approval as The Westly Group pursues a \$175 million round of fundraising to expand its portfolio. Westly cites that appointment on his company bio.

Meeting minutes show he is leading a Chu subcommittee exploring "building energy efficiency."

In his venture capital firm, Westly is actively investing in energy efficient building materials, an area he describes as something of a new investment frontier.

This February came perhaps the prized jewel for a Westly investment, when the Obama administration proposed to stimulate sales of electric cars by offering consumers a \$7,500 federal rebate at the dealer.

Stock in Tesla, the Silicon Valley electric car maker that went public last year, rose 6 percent with the news. Westly sat on Tesla's board for more than two years, and though his firm recently sold its nearly 2.5 million shares, he personally remains a shareholder. "I think Tesla's best days are ahead of it," he told Bloomberg West TV March 11.

Some executives of companies financially supported by Westly's venture firm acknowledge that his activities — which include arranging introductions for them and helping them navigate bureaucracies in Washington even as he serves as an advisor to those bureaucracies — create the potential for a conflict of interest. But they say involving industry expertise is unavoidable, even necessary as the government strives to spur adoption of new technologies.

"This is the sort of conflict the DOE and USDA and other agencies run into when they take a step — which I think is a good one — in trying to involve people from industry in helping to advise and set direction," said Kinkead Reiling, co-founder of Amyris Biotechnologies, which landed a \$25 million Energy Department stimulus grant in 2009.

The White House and Energy Department deny that political supporters of the president have any edge as they compete for funding. "Grants and loans are competitively awarded on the basis of merit," said Reid Cherlin, a White House spokesman.

The Energy Department said it sees no conflict in his dual roles, saying Westly is an unpaid member of a board that is "advisory in nature." A spokesman noted that the loans and grants came before his appointment.

Because he is not a federal employee, Westly is not required to file disclosure or conflict of interest forms. The DOE said he made it aware of his investment activity and potential conflicts. Asked to release that information, the department said it was confidential.

Over the course of two months, Westly — who has often sought attention for political candidates he supports, and for the green energy movement he is part of — declined to answer questions for this story or respond to multiple requests for an interview through his company and via email.

"We've decided not to comment," said Michael Kaufman, a Westly Group principal.

When Westly came to Washington for Democratic fundraising events in March, he turned his back to ABC News and was escorted away by party officials.

Those who have worked with Westly over the years say his greatest assets are as public cheerleader — and tour guide to help companies navigate political terrain.

“He is a true believer in green technology at a time frankly when that was not very obvious,” said Marc Tarpenning, one of the founders of eight-year-old Tesla Motors. “Steve was always a supporter and a true believer in it. He’s not really a technologist.”

Industry should embrace government, not fear it, Westly told Tesla. “Government is not always bad and especially for something that is going to affect your business, you should be involved with it,” Tarpenning quoted Westly. “He encouraged us to think about Washington.”

As a businessman, Westly is in the vanguard of a movement to transform the nation through clean technology, a key initiative of Obama, who is backing his pledge with billions of federal dollars.

The push already has benefited a rash of innovative technology companies, including The Westly Group, one of the largest clean tech venture firms in the U.S. According to its website, the venture “has done very well” on a current \$127 million investment fund, and is pushing ahead with a new round of financing targeted at \$175 million.

As a chief fundraiser for the president, he’s also at the vanguard of another development — the need to raise unparalleled sums of money for the 2012 re-election campaign. As a top fundraiser, Westly is in elite company: 52 so-called bundlers who raised more than \$500,000 on Obama’s behalf in the 2008 race, according to records maintained by Public Citizen.

By hosting fundraisers and making calls to wealthy associates and acquaintances, bundlers from Florida to California raise the millions that help candidates pay for increasingly expensive campaigns. Their work can prove pivotal in contentions races, and they often are rewarded with prestigious posts such as ambassadorships.

Obama has continued a long tradition, tapping bundlers as ambassadors to Norway, France and Japan. More than 100 bundlers for the GOP’s George Bush landed government posts, from Cabinet slots to ambassadorships to New Zealand and Portugal.

Westly’s success is striking for the string of victories by companies in his portfolio, and for his timing in tapping into a rare area of government growth: Alternative energy, infused with more than \$8 billion for research and development in Obama’s budget. He has become the green bundler with the golden touch — and the president’s ear.

Companies whose investors include The Westly Group and that have won federal subsidies say the benefits of an association with Westly owe more to his insights than any help on specific Energy Department grants. They say he has made introductions in Washington, where he once worked under Jimmy Carter, and that his background in energy and financial matters was fruitful.

“We found that Steve is very helpful and insightful in understanding the political landscape, especially from the energy side,” said Reiling, who also serves as senior vice president of Amyris, which The Westly Group backed until it went public last year. “Because of his past in D.C., he has been able to get some introductions. Once he introduces us, it’s our job to actually do the work and show whoever he has introduced us to the value we can bring.”

The Westly Group’s political connections distinguish the firm from many other venture outfits.

“One of the things the firm pledges that differentiates The Westly Group from other venture capitalists is they help companies navigate the political landscape,” said Eric Wesoff, a senior analyst who specializes in renewable energy and financing for Greentech Media, which covers news and analysis about the green tech market. “If the premise is that The Westly Group is able to pull some strings to get their companies federal funding, that might actually be part of his business plan.”

“Why is this man smiling?” asked the sub-headline on a Wesoff profile of the company. “Three of this investor’s portfolio firms listed on the Nasdaq in 2010.” Westly is quoted as saying he and his team are “experts in helping portfolio companies with their interactions with government — federal, state and local.”

Entrenched energy and oil firms have long banked on political connections and policy know-how to secure federal money. Now startup clean tech ventures, following the same playbook, are simply trying to run with the giants. “They are fighting incumbents like oil, gas and coal, and they need every advantage they can possibly extract. And that’s why the DOE is giving out this money to provide some type of kick start to these non-incumbent technologies,” Wesoff said. “This is the way energy works. This is the way business works. And here are these enormous amounts of stimulus funds.”

Added Wesoff: “This is the way power brokers broker power.”

## **A POWER BROKER FROM THE START**

Westly, 54, stepped into politics early.

He worked on Capitol Hill and in Carter’s Energy Department Office of Conservation and Solar before returning to California to become special assistant to the president of the California Public Utilities Commission. After earning an MBA from Stanford’s Graduate School of Business in 1983, he stepped into the business world, including a stint at Sprint Telecommunications.

His most fortuitous career move: Becoming one of eBay’s early executives in 1997, where he helped the circle of young techies keep their eye on the bottom line in his role as Senior Vice President of Marketing, Business Development, M&A and International. “People were saying things like, ‘Well, you don’t really have to be profitable,’” he told The (San Francisco) Chronicle. His message: “You must be profitable.”

The company was. And after Westly cashed out with riches in 2000, he quickly put his eye back on politics. With \$5 million of his own money, he narrowly won election as California controller in 2002. Four years later, he sought the Democratic nomination for governor, infusing his campaign with \$40 million from his personal fortune — and lost.

Westly returned to his business roots and continued to wield influence from the heart of Democratic Party fundraising.

By early 2007, he founded The Westly Group, a Menlo Park venture created to tap into the mushrooming clean tech movement by linking companies with green ideas to big money to back their projects. The firm soon hit significant pay dirt, completing a vision its founder set from the start.

“We believe that clean-energy innovation can achieve the dual aims of protecting our environment and generating economic opportunity,” Westly wrote in a piece he co-authored in November 2007 for the Progressive Policy Institute, a think tank affiliated with the Democratic Leadership Council.

In March 2007, just as The Westly Group was getting off the ground, he joined the board of directors of Tesla, the California electric-car start-up then poised to introduce its first model — a sporty two-seat Roadster with a base price of \$109,000.

That same month, March 2007, Westly gave \$2,300 to Obama, part of a series of federal contributions to political causes. Westly co-chaired California’s Obama for President Campaign, a fact also noted on his company website, and has personally contributed more than \$360,000 to Democratic campaigns and causes since 1998, according to federal election records compiled by the Center for Responsive Politics.

“I’m here to tell you Obama is the candidate with the momentum. Obama is the candidate of vision, and Obama is the candidate who is going to inspire a new generation of Democratic voters,” Westly, speaking before a “Change We Can Believe In” banner, implored a crowd as Obama battled Hillary Clinton for the Democratic nomination in the 2008 election.

“Are you ready to fire it up?” he asked.

After Obama's election, Westly was rumored to be on the short list to become the president's energy secretary, according to media reports. The slot went instead to Chu.

Westly firms quickly tapped into the giant pot of federal money earmarked to the clean tech industry.

In winning the 2009 energy department loan, Tesla landed in rare company — just 5 of 130 applicants for the loan pool have received funding, records obtained by The Center show. The department said not all applicants were eligible or a good fit.

The GAO has chided the Energy Department for its handling of other loan programs geared toward new technologies and reducing emissions, finding last year that the department “had treated applicants inconsistently in the application review process, favoring some applicants and disadvantaging others.”

It said the department fast-tracked approvals for some applicants, and sometimes committed money before all its reviews were finished, “allowing these applicants to receive conditional commitments before incurring expenses that other applicants were required to pay.”

Separately, the Energy Department's inspector general, Gregory Friedman, said his office has 64 open investigations centered on stimulus spending. They include “the directing of contracts and grants to friends and family,” Friedman told the House Subcommittee on Oversight and Investigations. The department has one of the biggest pots of recovery money anywhere in the government – \$35 billion. With just one third of that money spent so far, “we expect that our efforts in this area will continue for some time,” Friedman said.

Now, a new, pending GAO report is focusing on the Advanced Technology Vehicles Manufacturing (ATVM) loan program that aided Tesla and four other car firms.

Documents obtained by the Center for Public Integrity under a Freedom of Information Act request show that one of the firms turned down for funding in that loan pool complained of unfair treatment and being ignored. In a five-page letter to Chu, dated Sept. 21, 2009, the company said it had been given no reason for its rejection and had to call the Energy Department multiple times simply to learn what happened.

“DOE reviewers never even talked to the founder, inventor, engineers, project leads or primary contractors to obtain additional information,” said the letter from the California electric car maker, XP Vehicles, Inc. “Why was staff at DOE during the course of the year positive about the outcome and never asked for additional information?”

Other firms shut out from the car program have expressed similar frustration, James Taylor, CEO of Ohio's Amp Electric Vehicles, [said](#) in a Q & A last week on Edmunds.com. “These are companies trying to get off the ground and are just like us, starving for cash, looking for investors,” Taylor said. The government money is “not falling through the funnel and getting out to us.”

For upstart firms, such loans make a huge difference. Tesla's came in two parts. The biggest chunk — \$365 million — was earmarked to bankroll a manufacturing facility for the \$57,400 Model S sedan, which is expected to hit the road in 2012. “The all-electric sedan consumes no gasoline and runs entirely on electricity from any conventional 120V or 220V outlet,” the department said. The other loan “will support a facility to manufacture battery packs and electric drive trains to be used in Teslas and in vehicles built by other automakers, including the Smart For Two city car by Daimler.”

“We don't simply make code that we put out on the Web. You have to buy big pieces of mechanical infrastructure,” Diarmuid O'Connell, Tesla's Vice President of Business Development, said in an interview. He said the financing, coming at a time commercial bank investments were drying up, was crucial to helping develop the Model S.

Consumers will benefit, O'Connell said, as the lower cost Model S is nearly half the price of the Roadster. Versions with longer battery lives will cost \$10,000 to \$20,000 more, Tesla recently announced. “It's not at all about the Tesla Roadster or toys for rich boys,” he said. As for Tesla securing funding sought by many but won by few: “Frankly, as a taxpayer I feel pretty good there's been a high degree of analysis” in the award process.

O'Connell said Westly aided the company on big picture issues — “he was a helpful sounding board” — but not the application itself. He said Tesla first explored government funding under Bush, though it secured its loans from Obama.

Westly's biggest role, he said, has been as tireless public cheerleader for Tesla, citing the multiple green energy forums in which Westly has appeared. “He's a huge advocate of the company.”

Now, with his latest blueprint for federal spending, Obama wants to hand consumers a \$7,500 rebate when they buy an electric car, helping push his long-shot goal of 1 million electric vehicles on the road by 2015. Tesla, with the Roadster already on the road and the Model S coming next year, could be among electric car makers to reap a windfall from that subsidy.

If the rebate goes through, the Obama administration will have aided Tesla at the front and back ends of its production line: The June 2009 loan package, given while Westly served on Tesla's board of directors, helped the company build a manufacturing hub for the Model S. Now, the administration's Cash for Clunkers-like rebate — eyed for cutting-edge electric vehicles — could help Tesla sell those cars to buyers wary of the sticker price.

Until now, consumers buying hybrid and electric vehicles could pocket a tax credit of up to \$7,500, but would have to wait until they filed their tax returns to benefit. Now, the break would come at purchase.

The rebate could make a “huge difference” for consumers and electric car makers, said Will Beckett, membership chair of the Electric Auto Association. He said not everyone qualifies for the current tax credit. So, handing a rebate at the dealer could draw in many more buyers — adding to other subsidies already available. In his home state of California, for instance, the state already gives a \$5,000 rebate to buyers of electric cars.

Tesla's O'Connell agrees the front-end rebate could lure more consumers. “Any economist will tell you that that's the best place to stimulate the buyer's decision,” he said. “It's helpful on the margins. Will it be decisive? The market will prove that out.”

In February, Tesla opened a showroom for its Roadster on K Street, Washington's lobbying corridor. The Roadster accelerates from 0 to 60 mph in 3.7 seconds without gas and travels 245 miles on a charge. Tesla said 1,500 of the cars are on the road in 30 countries.

“We're excited to bring this spirit of innovation to the nation's capital,” the company said.

While The Westly Group website said the company is no longer a shareholder in Tesla, Westly continues to be, and his venture firm's relationship ended recently. When Tesla went public in June 2010, Westly Capital Partners Fund sold more than 70,000 shares valued at \$1.2 million, a minuscule portion of its nearly 2.5 million shares, according to SEC filings and the VentureBeat publication. The company, which once held more than 3 percent of Tesla, wasn't fully divested until late last year. Westly sat on Tesla's board from March 2007-December 2009.

## **ENERGY GRANTS FLOW TO VENTURE-BACKED FIRMS**

The other energy department grants to Westly-backed firms ranged from several hundred thousand dollars for recycling programs to more than \$20 million for green-tech work in California.

A \$700,000 Energy Efficiency and Conservation Block Grant, filtered to Philadelphia in 2009, helped RecycleBank expand its recycling benefits program in the city. “We can stand on our own two feet. The Westly Group, they've helped us in a billion ways, but never in a municipal contract,” said Matt Tucker, RecycleBank's president. “He's very focused on financials for us.”

In December 2009, Westly-backed EdeniQ landed a \$20.4 million Energy Department grant in partnership with Logos Technologies to “modify and operate a pilot-scale bio-refinery plant to produce low-cost ethanol bio-fuel from cellulosic feedstock,” the companies said. “It keeps a good company alive. It gives us more of a runway to

develop new technologies,” said Will Gardenswartz, an EdeniQ contractor on the grant, who said the link with long-established Logos was important.

That same month, Amyris Biotechnologies landed \$25 million in stimulus money that will help the company convert simple sugars into fuel.

“On this particular grant there wasn’t a need to bring in the big guns, but he has been very helpful generally,” Reiling said. “He has a good insight into where the political momentum is going and he has made certain introductions to us. ... The best idea should win, but he’s been helpful in getting us to the forum.”

Logos/EdeniQ and Amyris were two of 19 projects funded under an Energy Department program that attracted over 300 applications. The department said the projects were reviewed by independent experts and that nearly half of the applicants failed to meet eligibility criteria.

At least two other companies that later joined The Westly Group portfolio, Amonix and CalStar Products, secured Energy Department funding just before their financial pact with the venture capitalist. Amonix, which makes solar panels, won \$9.5 million in stimulus funding in January 2010 for manufacturing work in Nevada and Arizona. Three months later, Amonix announced a \$129.4 million round of financing that included The Westly Group.

In July, with Amonix in the Westly fold, President Obama spoke alongside Amonix executives during a speech at the University of Nevada at Las Vegas, using the setting to press Congress to pass a \$5 billion extension to the administration’s clean energy manufacturing tax credit. The White House said it did not make any trips at Westly’s suggestion. Amonix executives did not respond to interview requests.

Doug Koplow, founder of the energy consulting firm Earth Track, which tracks government energy subsidies, said investments to venture capital projects raise important questions.

“Is the venture capital firm itself still having a lot of risk and money on the table?” Koplow asked. “When you get easy federal money, it actually can crowd out and worsen the discipline and due diligence.”

## **READY ACCESS TO THE WHITE HOUSE, OBAMA, CHU**

From California, Westly frequently finds his way to the nation’s capital.

In October 2009, he spent two days visiting The White House, [records show](#), the first a meeting with Nancy Hogan, Director of the Office of Presidential Personnel. Hogan’s office referred calls to the White House, which said Westly met her “to discuss potential opportunities for service within the Administration related to green energy policy.”

The next day, Oct. 27, Westly spent 30 minutes with Chief Technology Officer Aneesh Chopra, whose duties include job creation. Chopra said he had met Westly in California, and that the venture capitalist came mostly to hear about Chopra’s new role in government. “He shared with me in that meeting he’s very passionate about clean energy and clean technologies,” Chopra said. “He mostly listened. He wanted to hear what I was doing.”

Chopra said they didn’t discuss grants or loans. “The White House does not intervene at all on any particular grant programs, procurement activities. We are policy advisors,” said Chopra.

White House records also list Westly among the president’s guests at the June 2, 2010 Gershwin Award ceremony honoring Paul McCartney. The concert, in the East Room of the White House, included tributes from Stevie Wonder and Emmylou Harris.

In August 2010, Westly was appointed to the Secretary of Energy Advisory Board, along with academics and current or former executives from Lockheed Martin, IBM, DuPont and United Technologies Corp. “They will be providing their expertise and experience at a critical time for our country as we chart a new course toward a clean energy future,” Chu said in a statement.

The White House said it “identified the board as a potential fit for Westly, communicated that to DOE staff, and referred Westly to the Department,” wrote spokesman Cherlin.

In the board’s introductory meeting in September, Westly was in attendance as the discussion included a DOE presentation on how the Recovery Act “has positioned the Department of Energy to take a different role in Clean Energy Deployment” — and how the department needs to leverage grants, tax incentives and loans, the meeting minutes show. Then Jan. 20, Westly led a subcommittee exploring ways to incentivize building energy efficiency. “Member Westly will compile a menu of options for overall building efficiency and bring it back to the group for discussion,” the minutes say.

In his interview with Bloomberg West TV, Westly was asked where his company was putting its money. “But one of the areas that is perhaps least talked about that we like most, is energy efficient building materials, green building materials,” he said. “You are going to see a revolution in clean building materials.”

He is backing that talk with investments. In February, The Westly Group took part in a \$10 million round of financing for Soladigm, a developer of energy-efficient glass for buildings. A Westly Group managing partner joined Soladigm’s board of directors.

As a member of Chu’s Advisory Board, Westly is allowed to discuss policy issues that could impact venture capitalists like himself. Energy department policy states only that he is not to take part in matters that would directly affect The Westly Group.

The department said it sought Westly’s expertise as a venture capitalist. Asked about his investment in green building materials even as he leads Chu’s committee on the topic, the department said Westly’s investments were factored in when deciding his role.

“The Secretary of Energy Advisory Board is meant to provide advice to the Secretary on energy policy and on the overall direction of the Department of Energy,” spokeswoman Stephanie Mueller wrote in January.

Chu did not respond to an interview request in January, and on March 10 said he had no time to talk. “The Secretary’s schedule is unfortunately packed for the next several weeks so he won’t have time for this,” the department wrote.

The Center filed a Freedom of Information Act request for correspondence between Westly and the Department of Energy. While the department released some records last week, it cited privacy concerns as reasons for withholding three pages of Westly’s personal financial information, as well as much of the contents of emails detailing discussions between Westly and the Energy Department’s legal counsel.

The records do show that the Obama administration asked Westly to co-host events in March 2010 for Chu and senior advisor Valerie Jarrett, each of whom had spoken that month at Stanford University, and for Jim Messina, Obama’s 2012 campaign manager — and that Westly wasn’t shy about mentioning his connections.

“Please forgive the delay on this, but the Administration has asked me to co-host events for Valerie Jarrett (last Thursday) and Jim Messina and Secretary Chu (both of which are tomorrow) so things have been a bit busy on this end,” Westly wrote to Sue Wadel, the Energy Department lawyer conducting his conflict of interest review for the board.

“The good news is that we will have good turn-outs for all events!” said Westly’s March 2010 email.

In October, two months after his appointment to the energy board, Westly helped Obama once more, as Democrats nationwide struggled to win seats amid the battered economy. At a guesthouse on his Atherton property, 30 miles south of San Francisco, Westly raised money for San Francisco District Attorney Kamala Harris’ successful bid to become state attorney general.

Then, at his main home that October evening, Westly sought funds for the Democratic National Committee. “It’s an extraordinary honor to host the president at your home,” Westly told local reporters. “And I’ve never seen the president more pumped up.”

Westly and his wife rubbed shoulders with the President and Mrs. Obama at the Jan. 19 state dinner featuring a menu of poached Maine lobster, dry-aged rib eye and “An Evening of Jazz.” Then, Westly connected with Obama again Feb. 17 as the president dined in Northern California with high-tech wunderkinds at fellow venture capitalist Doerr’s estate.

The meeting, a White House official said, was “part of our ongoing dialogue with the business community on how we can work together to win the future, strengthen our economy, support entrepreneurship, and get the American people back to work.”

The president and high tech executives broke bread over “our shared goal of promoting American innovation,” the White House said, along with Obama’s “commitment to new investments in research and development, education and clean energy.”

Westly sees only good things ahead.

“For our firm, we had three companies go public last year alone. It was a banner year,” he told Bloomberg West TV. “And I think this year is going to be better.”

Subscribe to the [HuffPost Hill newsletter!](#)

FOLLOW US

- 
- 
- 
- 
- 
- 
- 

[Most Popular on HuffPost](#)

rtdtYqwFuqq43FuZKvDR6fMD11NM5OhRn0FnR8Mo5tYK2kS9F9aUJdLrQPZoSr96ol7EIUJMH14b7rcxYJ2ar2B18 CT8hguCDZvREdNpfqUKNtMR6NzBkyhTmpoDDZwxntjEk1sKMX1S37Yq0hKbDDL5viC%2BHqen9iQ8AGYaZ1amkcbqGcauDy%2BP

1 of 2



[PHOTOS: Tom & Connor At The Lakers Game](#)

[Like](#)

109



[Kim Cattrall: Gaining 20 Pounds In 6 Weeks Was 'Wonderful'](#)

[Like](#)

47



[Awkward Wedding Photos: Who Knew That Tying The Knot Could Be This Hilarious?](#)

[Like](#)

3K



[Popeater: Scarlett and Sean Make It Official at Reese's Wedding](#)

[Like](#)

1K



[Popeater: What's Behind Charlie Sheen's 'Vile' Attack on Denise Richards?](#)

[Like](#)

364



[Katy Perry, Religious Leader? Her Mom Says Yes](#)

[Like](#)

110



[The 9 Funniest Signs From February](#)

[Like](#)

905



[TV Squad: 'Dancing With the Stars' Recap: Week Two Elimination](#)

[Like](#)

223



[Popeater: The Fight Begins Over Elizabeth Taylor's Fortune](#)

[Like](#)

573

HuffPost Reporters

fkslmyl3FWfzYwPZtrSGGcoKIUSVUJnh gV43%2BmipW6faXyx0QuhmMf0Waw38Xj0k

1 of 2



[Amanda M. Fairbanks: Yale Finalizes Plans To Open College...](#)  
[Comments \(1\)](#)



[Sam Stein: White House Threatens To Veto Anti-Union Measure...](#)  
[Comments \(419\)](#)



[Jason Linkins: Late Returns: Insiders Give Mitt Romney The...](#)  
[Comments \(347\)](#)

Don't Miss HuffPost Bloggers

1 of 5



Ben Affleck

[Hometown Hunger USA](#)



Dylan Ratigan

[President Obama: Cheap Oil = Cheap excuses](#)

**Quick Job Search** POWERED BY: **careerbuilder**

**Enter Keyword(s):**

**Enter a City:**

**Select a State:**

**Select a Category:**

- [FRONT PAGE](#)
- [POLITICS](#)
- [BUSINESS](#)
- [ENTERTAINMENT](#)
- [MEDIA](#)
- [TECH](#)
- [SPORTS](#)
- [STYLE](#)
- [WORLD](#)
- [LIVING](#)
- [IMPACT](#)

- [CAMPUS](#)
- [LOCAL](#)

[POLITICS](#)

- [Advertise](#) |
- [Log In](#) |
- [Make HuffPost your Home Page](#) |
- [RSS](#) |
- [Careers](#) |
- [FAQ](#) |
- [Contact Us](#)

- [User Agreement](#) |
- [Privacy](#) |
- [Comment Policy](#) |
- [About Us](#) |
- [Powered by Movable Type](#)

- [Copyright © 2011 TheHuffingtonPost.com, Inc.](#) |
- ["The Huffington Post" is a registered trademark of TheHuffingtonPost.com, Inc. All rights reserved.](#)

 [View HuffPost Twitter Edition >](#)

# HUFFPOST POLITICS

THE INTERNET NEWSPAPER: NEWS BLOGS VIDEO COMMUNITY