Steven Chu Was The Kick Back Boss For The Obama Corruption Payola

Prior to “appointment”, meeting notes, presentation records and emails show that Steven Chu had a deep relationship with McKinsey and Kleiner Perkins, who lobbied for his appointment.

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http://www.cato-at-liberty.org/2009/12/16/stifling-innovation-with-subsidies/

Stifling Innovation with Subsidies

Posted by **Tad DeHaven**

A couple of weeks ago I **wrote about a story in *Wired*** regarding the Department of Energy’s Advanced Technology Vehicles Manufacturing Loan Program. The gist was that government subsidies to particular manufacturers are putting non-recipients at a competitive disadvantage in obtaining private capital. The author, a former Tesla Motors official, noted that “this massive government intervention in private capital markets may have the unintended consequence of stifling innovation by reducing the flow of private capital into ventures that are not anointed by the DOE.”

An article in yesterday’s *Wall Street Journal* **builds on this theme** by detailing the political shenanigans surrounding the DOE’s awarding of a loan to Finnish high-end automaker, Fisker Automotive:

> When tiny Fisker Automotive Inc. hit a financing glitch last year, threatening its plan to build a fancy gasoline-electric hybrid car in Finland, it turned to the U.S. Department of Energy…Within months, Vice President Joe Biden, the former senator from Delaware, was helping lure the embryonic car company to a shuttered General Motors Co. factory four miles from his house in Wilmington, right across the tracks from Biden Park. Soon, Fisker Automotive, a two-year-old business that has yet to sell a car, won loans from the federal government totaling $528 million.

A DOE spokesman claimed that, in the *Journal’s* words, the subsidy decision process is insulated from politics. Oh sure, and I drive an emissions-free car that runs on fairy dust.

As the following snippet illustrates, multiple Delaware politicians teamed up to tilt the system to their state’s advantage:

> On June 1, GM said it was closing 14 plants, including the one in Delaware…State officials and politicians were determined to keep it alive. In the middle of August, they

> learned the plant had drawn interest from Fisker. CEO Henrik Fisker came to see it and dropped by the office of a Delaware senator, Tom Carper, a Democrat. The visit unleashed a flurry of activity. Gov. Jack Markell, also a Democrat, quickly called an old friend at Kleiner Perkins to check on Fisker. Kleiner Perkins itself has political roots. A leading partner, John Doerr, sits on President Barack Obama's economic advisory board, and another partner is former Vice President Al Gore.

Of course, the story can't end without some grandstanding from the master of hyperbole himself, Joe Biden:

> In a rousing speech, Mr. Biden recalled how every election year, including his first in 1972, 'I would stand here at this gate and shake hands at every shift.' He told of many 'long talks' he said he had had with Mr. Fisker. He called the project 'a metaphor for the rebirth of the country.'

The article is long, but worth the read for those concerned that American capitalism might be taking a **corporatist turn for the worse**.

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Chu Set to Tell Obama Loans Healthy Before Solyndra Failed

By Mark Drajem

U.S. Energy Secretary Steven Chu was set to assure President Barack Obama in mid-2011 that all
loans in the department's clean-energy program would be repaid, just two months before the bankruptcy of recipient Solyndra LLC.

A draft prepared by Energy Department officials for Chu to brief Obama on June 27, 2011, also pushed to continue the program, slated to expire three months later, according to documents released
today by the Republican-led House Committee on Oversight and Government Reform.

The e-mails show Chu seeking to defend the program amid objections by officials in the White House, Treasury Department and Office of Management and Budget. Chu told aides in an e-mail that
the document for the briefing was "missing important information" and needed to explain: "Why did
the loans take so long, and why was there so much interagency angst?"

Treasury and OMB officials worried that companies aided by the program were getting excessive
subsidies in the loan terms, which allowed "Unjust enrichment," Chu wrote.

The documents “show how many people in the administration had serious doubts” about the program,
Frederick Hill, a spokesman for the oversight panel, said today. Given the upbeat presentation, were
the program’s risks “kept away from the president?” he asked.

‘Deep Trouble’

Solyndra, a solar-panel maker in Fremont, California that received a $535 million U.S. loan guarantee, sought bankruptcy protection in September and fired its 1,100 workers. The Energy
Department restructured terms of its loan in early 2011, as the company’s finances began to wobble.
None of the information released today mentioned Solyndra. Chu told lawmakers in November that
by June 2011 he was aware that Solyndra was “in deep trouble.”

The U.S. program also backed Beacon Power Corp. (BCONQ), an energy-storage company that sought bankruptcy protection in October, with a $43 million loan guarantee in August 2010. Abound
Solar Inc., a solar-panel maker, shut after borrowing $70 million from the U.S.

Congressional Democrats and the White House have repeatedly said the loans were made on the
merits, and not as a result of political pressure. The latest e-mails further underscore that point,
according to Damien LaVera, a spokesman for the Department of Energy.

On Merits

“Everything in the more than 900,000 pages of documents we have voluntarily provided to Congress
validates what we have said from day one: All decisions on loan applications were made on the merits
after careful review by career officials and technical experts in the loan program,” LaVera said in an e
-mail.

The briefing by Chu for Obama was scheduled because “at official events and political events he
interacts with business community and Congressional members” who have “affiliation or

interest" in
applications for backing in the program, according to an e-mail to Chu on June 24 from Brandon
Hurlbut, Chu's chief of staff. "The president has likely heard a wide range of feedback on the program and wants to know its status."

White House officials asked Chu to discuss two projects in particular, the Cape Wind Associates LLC
wind farm project off the coast of Nantucket in Massachusetts and USEC Inc. (USU)'s bid to build an
enrichment plant for uranium in Piketon, Ohio. The governor of each state — Democrat Deval Patrick
in Massachusetts and Republican John Kasich in Ohio — had pressed Obama on the projects, Hurlbut
wrote.

Both loan applications are still pending with the government.

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GOP accuses Chu of false testimony

By Zack Colman

Republicans accused Energy Secretary Steven Chu on Wednesday of offering false testimony on the
Energy Department loan program that gave funds to failed solar firm Solyndra.

Rep. Darrell Issa (R-Calif.) said a briefing on the loan program's status that Chu provided to President
Obama in June of 2011 contradicts Chu's testimony to the committee earlier this year about the extent
of his communication with the White House.

They also allege the private emails show Chu was involved in a meeting with former White House
Chief of Staff William Daley on the loan guarantee program.

The lawmakers say this conflicts with testimony Chu gave in which he said he did not communicate
directly with the White House about the energy program. The program became a huge

controversy
after the bankruptcy of Solyndra, which received a $535 federal loan guarantee.

Becca Watkins, a spokeswoman with the committee, told The Hill that it is “a little bit of a gray area” on whether this is the first time the committee has made such accusations against Chu. Issa sent a letter in July asking Chu to clarify his involvement with the loan program, but Watkins said “this time we have the documents.”

The March testimony from Chu the lawmakers cite in the letter is clipped from a fuller line of questioning. Video of the hearing shows Chu’s answers were not in response to his communication with the White House about the program as a whole, but rather his knowledge of nine specific projects.

Rep. Jim Jordan (R-Ohio) asked Chu during that hearing about whether he corresponded with the administration about that select, specific group of energy loans through the program. Chu responded that he had not.

One of those projects Jordan mentioned was Solyndra, Watkins noted. But documents have not shown that the June 2011 briefing Chu gave Obama about the loan program included any mention of that firm.

In the letter to Chu sent Tuesday, the lawmakers asked the secretary to clarify in accurate statements, to produce relevant documents the department has not released on the loan program and to testify before the Oversight and Government Reform Committee in September.

Jordan (R-Ohio) and Trey Gowdy (R-S.C.) also signed the letter.

“Your apparent false or — at minimum — misleading testimony, combined with the widespread use of private e-mail accounts by Department employees, creates the appearance that you have been complicit in an organized effort to deceive Congress and hide the motives and process for decisions to use taxpayer funds to aid private interests,” the lawmakers said in the letter.

The lawmakers also argue Jonathan Silver, the former head of the DOE loan program, asked for staffers’ personal email addresses to discuss official business to avoid getting that correspondence subpoenaed in a possible investigation. The lawmakers said that is in violation of the Federal Records Act.

“Recently-obtained documents show DOE officials frequently used Yahoo! and Gmail to communicate about the loan guarantee program,” the legislators said. “This use of non-government e-mail accounts for official business may have violated the Presidential Records Act (PRA) and the Federal Records Act (FRA). The documents also show that testimony given to the Committee by current and former DOE officials, including you, was inaccurate, and may have been intentionally false.”

The Washington Post reported Tuesday that Energy Department officials advised staffers not to use personal email addresses for office business because they could get subpoenaed. Days later, Solyndra went bankrupt.

Silver said in a statement to the Post on Tuesday that, “I intended to advise my DOE colleagues to use their official email for official purposes and personal email for personal purposes. It was never my intention to avoid the requirements of the Federal Records Act.”

DOE responded to the charges with a statement to The Hill on Wednesday: “In the rare cases where the Department has found that some officials may have used their personal email accounts to discuss official business, the Department has treated those emails as official records and voluntarily provided them when requested by congressional investigators. For example, just last week, we voluntarily provided these emails to the Committee.”

Source:
http://thehill.com/blogs/e2-wire/e2-wire/243773-gop-questions-chu-on-solyndra-testimony

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Chu Says Backing Prologis Had ‘Nothing to Do With Solyndra’

By Brian Wingfield

(Adds information on investigation in fourth paragraph.)

(Bloomberg) — U.S. Energy Secretary Steven Chu, responding to a House investigation, said he didn’t intervene to support a $1.4 billion partial loan guarantee for a Prologis Inc. solar-power project as a way to aid failing Solyndra LLC.

Chu said he supported the plan to install solar panels on warehouse roofs in 28 states because of its business model that included financing from private investors.

“It had nothing to do with Solyndra,” Chu told reporters today at an energy conference near Washington in suburban Maryland.

Republicans on the House Energy and Commerce Committee asked the Obama administration official to explain links between San Francisco-based Prologis and Solyndra, which sought creditor protection in September, two years after receiving a $535 million U.S. loan guarantee. Solyndra was to be the only supplier in the first phase of Prologis’s initiative, known as Project Amp, according to a letter to Chu from the panel.

Committee leaders want to know whether Chu helped Prologis secure its U.S. backing in order to prop up Solyndra. The Fremont, California, company had already filed for bankruptcy protection when the Energy Department gave Prologis, a real- estate investment trust, its loan guarantee in September. Solyndra was no longer a supplier when Prologis won its award.

Project Amp, which has been stalled by the Solyndra bankruptcy, is being funded by Prologis and its partners, which include NRG Energy Inc. of Princeton, New Jersey, and Bank of America Corp. of Charlotte, North Carolina, James Larkin, a Prologis spokesman, said in an e-mail. The loan guarantee provides U.S. backing for the project.

–Editors: Steve Geimann, Mark Rohner

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STEVEN CHU - OBAMA'S PAYOLA FRONT MAN

BY: CJ Ciaramella –

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 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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Did Obama's Energy Secretary Seek $1.4 Billion Bailout Loan to Prop Up The Failing Solyndra because The Feinstein family owned Chu and Solyndra interests?

by Wynton Hall

Rep. Cliff Stearns (R-FL) wants answers from Energy Secretary Steven Chu about documents that appear to indicate that Mr. Chu personally intervened to help secure a $1.4 billion partial loan guarantee for a large-scale rooftop solar project known as Project Amp that was to be supplied equipment by the sinking ship that was Solyndra. "It is astonishing that DOE actively negotiated a plan to risk even more taxpayer money to prop up Solyndra at all costs," said

Rep. Stearns.

In his role as Chairman of the House Energy and Commerce Committee's Subcommittee on Oversight and Investigations, Rep. Stearns sent Sec. Chu a letter inquiring why the Energy Secretary would have helped put even more taxpayer money at risk when it was clear Solyndra was yet another failed green energy scheme, particularly since the Department of Energy itself seemed squeamish about approving the loan:

Project Amp is a large-scale rooftop energy generation project using solar panels on commercial facility rooftops to generate electricity for saleto utilities and power purchasers. The panels for first phase of Project Amp were to be sole sourced from the failing Solyndra, Inc.   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. 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.

According to Rep. Stearns letter, a Solyndra employee email suggests that, indeed, Mr. Chu was part of a Herculean effort to craft a deal that "went tohigher levels in the Obama Administration":

In a June 17, 2011 email, a Solyndra employee shared what he had learned from a BAML [Bank of America Merrill Lynch] senior investmentbanker who took part in the Project Amp negotiations with DOE, stating that, '[O]n three occasions this week he thought that the [Project Amp] deal was dead, but Secretary Chu personally pulled it off. 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.' Further, the minutes of the June 18, 2011, DOE Credit Review Board for Project Amp stated that 'Secretary Chu had requested the CRB convene to consider Project Amp.

Mr. Chu's views on energy have come under fire before. In September 2008, Mr. Chu told theWall Street Journal that he wanted to see U.S. gas prices goup in order to force Americans to drive less. "Somehow we have to figure out how to boost the price of gasoline to the levels in Europe," Mr. Chu told The Journal.   Given Monday's news that
American gas prices were the highest they have ever been at this time of the year, Mr. Chu's energy plans appear to be working.

No word yet on Mr. Chu's response to Rep. Stearns's inquiry as to why he would fight to secure and dump $1.4 billion taxpayer dollars into Solyndra's sinking hole.

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Chu's Performance Review: Way Below Expectations. In Fact - He Sucked!

By EDWARD MORRISSEY, The Fiscal Times

Earlier this month, Energy Secretary Steven Chu testified before Congress after a series of bankruptcies from companies floated by green-tech stimulus loans.

Rep. Paul Broun (R-GA) asked Chu what kind of grade he would give himself as a steward of public funds. Chu replied, “There’s always room for improvement, maybe an A new report from the Government Accountability Office shows that massive grade inflation has struck the Obama administration. The GAO looked at the handling of $30 billion outstanding in loan guarantees and future commitments and discovered that the DOE rarely follows its own written procedures for vetting and auditing applications. In fact, in many cases, the Loan Guarantee Program (LGP) couldn’t even find the data managers needed to administer the loans properly:

“When GAO requested data from the LGP on the status of these applications, the LGP did not have consolidated data readily available and had to assemble these data over several months from various sources. Without consolidated data on applicants, LGP managers do not have readily accessible information that would facilitate more efficient program management, and LGP staff may not be able to identify weaknesses, if any, in the program’s application review process and approval procedures.”

That, however, was the least of the problems the GAO found in the management of the loan guarantees. In the case of Solyndra, the Obama administration ended up overriding the expressed concerns of DOE auditors to grant the solar-tech firm $535 million in taxpayer guarantees, all of which disappeared in the company’s collapse.

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Steven Chu's Sick Wrong Approach to High Gas Prices

| Mijin Cha

Here’s the wrong way to try to lower the price of gas: blocking loans that would help develop more efficient cars.
American companies looking to develop cleaner cars are not receiving the loan support they need. The short-term consequence is the shutting down of factories and the loss of jobs. The long-term consequence is that we will still be at the mercy of oil companies and foreign countries and the wide fluctuations in gas prices that accompany that dependence for years to come.

In 2007, in conjunction with new federal fuel economy requirements, the Department of Energy created the

Advanced Technology Vehicle Manufacturing program, ATVM, to provide loans for the development of more fuel-efficient vehicles. So far, only $8.4 billion of the $25 billion authorized by Congress has been allocated. Many companies have been strung along for years and are starting to falter. Last month, Bright Automotive, an Indiana company looking to build energy efficient fleet trucks, shut down and laid off all 60 workers.

Bright's business plan had been endorsed by major companies with large gas-guzzling fleets, like Frito-Lay and Comcast. It had also received advanced orders for its trucks.

It seems the DoE is still stinging from the Solyndrabankruptcy and implementing overly restrictive protocol,
but preventing clean technology from developing is the wrong lesson to learn. As we've highlighted extensively,
government investment in clean technology development is not only a good thing, it's the right thing. Investing in
start-ups so they can develop technology that will then be commercialized is not only a smart use of resources, it is
fundamentally necessary because there is no private incentive for certain benefits, like environmental protection.
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The Secretary of Energy lied to Congress

It's up to us to set the record straight!

Let Congress know we need them to help stop the misinformation coming out of DOE in order to protect special interest friends of the DOE staff. Stop the privatization of our government by nuclear and oil friends of the staff. Oil, Coal & Nuke-people hate hydrogen and fuel cells because they compete with them and do it cleaner and better! GAO investigations have already proven DOE favoritism in published reports. We need new leadership at DOE!

This week, DOE Secretary Steven Chu appeared in front of the Senate Energy and Water Development Subcommittee to face questions about the President's FY2012 energy budget. The first question out of the gate from Committee Chair Diane Feinstein, who pre-arranged the question/response with Chu, was about Sec. Chu's "current view on hydrogen technology and whether it can be successful or not."

Sec. Chu gave incorrect information on hydrogen that contradicts real world data as well as numerous DOE studies and reports. He claimed that hydrogen obtained from natural gas had "no benefit" in terms of carbon elimination. Yet, DOE-funded research has shown that the most clean and efficient use of natural gas for transportation is to use it to create hydrogen to power a fuel cell electric vehicle. Chu also said hydrogen storage was a problem due to high pressure. What's the problem Sec. Chu? These tanks have logged nearly 3 million miles, had more than 27,000 fill ups, and managed to fuel vehicles for more than 114,000 hours of operation.

We need you to tell Congress that the DOE should stop giving misleading information – it is up to DOE to fairly represent the current state of the technology. Right now, they aren't doing that. We need critical decisions on our energy future made based on fact!

The time is now to redouble our efforts to ensure that fuel cells and hydrogen energy are included in any clean energy strategy.

We need Congress to know that the head of the Energy Department is compromised and is not giving the White House and the rest of the country the facts on how robust fuel cell and hydrogen technologies have become. We are asking for fairness. The DOE owes the President and the country that much.

All of the oil is at risk due to unrest, Al Qaida targeting of tankers, and wells running dry. To cut out Clean, Green, Renewable AMERICAN hydrogen and fuel cells in order to favor personal investments puts America at risk.

Thank you for your continued commitment to our campaign.

Sincerely,

Fuel Cell and Hydrogen Energy Association

American Clean Energy Association

National Green Power Campaign

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A space that allows me to pontificate on China, alternative fuel vehicles, and anything else I feel like opining about

Is the U.S. government sending electric vehicle technology to China? YES!

tags: "electric vehicle", Advanced Technology Vehicles Manufacturing, automotive, battery, Boston Power,
Bright Automotive, China, Department of Energy, ford, Nissan, Solyndra

The U.S. government is sending alternative fuel vehicle technology to China. Okay, that is a bit strong. But,
the lack of funding for companies with such technology, and the strict criteria recipients of loans from the
Department of Energy Advanced Technology Vehicles Manufacturing program must meet, is forcing U.S.

companies to look to China for funding. The ultimate result is a technology transfer to China forced in part by coast of ownership, said Bright.

What are the some of the requirements for getting one of those DOE Advanced Technology Vehicles
Manufacturing loan? The DOE does due diligence just as any investor would. And conducts a "competitive
review similar to what applicants would find at banking financial institutions." And the company has to be
pretty far along with its product already. The loan isn't "intended to finance research and development
costs." Indeed, the product has to be ready to produce since the loan can "only be used to reimburse the
applicant for (i) costs that are reasonably related to reequipping, expanding, or establishing a manufacturing
facility in the United States or (ii) costs of engineering integration performed in the United States.

The Chinese government, and private Chinese companies looking for technology, faces no such conditions.
Sure, private Chinese companies want to get a good return on investment. But they are in essence private
equity investors with a big appetite for risk. As for the Chinese government, well, it is an authoritarian
government after all. It can do what it wishes with its money. Sure, if Beijing chooses to invest billions in
foreign companies and the investment is clearly specious, there could be some social unrest. But who can be
bothered to protest against some special tax breaks?

When Boston Power **http://www.boston-power.com** was also turned down in 2009 for a $100 million DOE loan, it
didn't close down. Boston Power turned to China, and landed $125 million in funding in late 2011 from a
combination of investors including GSR Ventures
http://www.gsrventures.cn/en/index.html , a Silicon Valley
company with ties to China. **http://green.autoblog.com/2011/09/22/boston-power-secures-125-millionin-funds-will-move-most-opera/**

GSR also negotiated substantial Chinese government support for Boston Power including low interest loans,
grants, and financial and tax incentives. Boston Power is building a battery manufacturing plant, R&D center,
and an engineering facility in China.

Though Boston Power says it will retain control of its intellectual property, let's get real. How can it do R&D,
engineering, and manufacturing in China and not pass that knowledge on to Chinese engineers?
Other U.S. companies are skipping the U.S. government loan application process entirely and looking directly
to China for funding. I've written about some of them in this column. The question, then, is what is the cost
of losing these companies, and the technology, to China? Time will tell.

On February 28, Bright closed its doors. Its CEO Reuben Munger and COO Mike Donoughe wrote
accusatory letters to the Department of Energy Secretary Stephen Chu.
http://www.greencarreports.com
/news/1073497_startup-bright-automotive-shuts-down-slams-doe-loan-process

A few excerpts from their letters (copies of which were obtained by me and anyone else who asked Bright):
In a Feb 23 letter pleading for the DOE to make a decision on Bight's application for a $314 loan from the
DOE: "Unfortunately, irrationality and petty politics have paralyzed your agency at a time America needs
you most."

And a Feb 28 letter: "The ineffectiveness of the DOE to execute its program harms commercial enterprise as
it not only interfered with the capital markets; it placed American companies at the whim of approval by a
group of bureaucrats."

The Bright executives conclude: "Because of ATVM's distortion of U.S. private equity markets, the only
opportunities for 100 percent private equity markets are abroad."

"We unfortunately did not aggressively pursue an alternative funding path in China as early as we would have
liked based on our understanding of where we were in the DOE process," they say.

Guess they should have grabbed the golden ring when it was offered. And who's to say they won't still turn to
China for funding? The company may have closed down, but the technology still exists. Of course the China
funding was not a sure thing. What is a sure thing is that obtaining funding from Chinese companies and even

the Chinese government seems a bit easier these days than getting a piece of the U.S. government's cash hoard.

The DOE's official response to the question of why the approval process for the Bright loan dragged on so long: "We understand that this is a difficult day for Bright Automotive and their workers. Over the last three years, the Department has worked with the company to try to negotiate a deal that supported their business while protecting the taxpayers. In the end, we were not able to come to an agreement on terms that would protect the taxpayers."

The Department of Energy Loan Program Office (LPO) **http://www.lpo.energy.gov** was established to (according to the DOE website) "work with private companies and lenders to mitigate the financing risks associated with building out commercial-scale clean energy projects, thereby encouraging the broader and more rapid growth of the sector." That would seem to indicate some appetite for riskier investments, but as you will read below, the DOE is not about risk taking. It is about getting a return on tax payers' dollars. Fair enough, but not much more than any commercial bank does.

The Advanced Technology Vehicles Manufacturing program **https://lpo.energy.gov/?page_id=43** was set up under the LPO in 2007 (yes, that was President George W. Bush) and expanded by President Obama. Of its $25 billion in funds, $8.4 billion has been allocated so far. The recipients of the two largest loans don't seem too risky: Ford Motor Co. and Nissan North America Inc.

Why is it so tough for smaller companies to get a U.S. government loan? Politics plays a big part. The Obama administration has been lambasted for the failure of solar panel maker Solyndra Inc., a company that had obtained a $535 million loan from the Department of Energy in 2009 (under a different program than the ATVM).

http://www.washingtonpost.com/solyndra-politics-infused-obama-energy-programs/2011/12
/14/gIQA4HllHP_story.html

Now, any company applying for a loan has to meet incredibly high standards. Those standards were in place
political pressure. Pretty ironic.

The most recent example is Bright Automotive **http://www.brightautomotive.com** , a company in the mid-western state of Indiana that aimed to manufacture plug-in hybrid electric vans for fleets.

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GAO shows grade inflation at the Department of Energy

by Ed Morrissey

Remember this moment from two weeks ago? Rep. Paul Broun (R-GA) challenged Energy Secretary Steven
Chu to assign himself a grade specifically on his stewardship of Department of Energy resources in relation to
the 2009 stimulus funds granted for the Loan Guarantee Program. After Broun recites a litany of failures in the
LGP, Chu insists that he's done very well — and gives himself an A-minus:

As it turns out, the Government Accountability Office (GAO) has another grade entirely for the LGP, the DoE,
and ultimately Energy Secretary Steven Chu. In the report released this week, the GAO's spot check of
applications and loans granted and committed under the LGP — $30 billion in all — shows systemic
mismanagement, uncompleted reviews, missing documentation, and a process failure rate of 85% or more, their own money:

President Obama himself told a Nevada town hall in February 2010 that "tax dollars shouldn't be used to reward the very irresponsible lenders and borrowers who helped bring about the housing crisis." At least that was Obama's position until this month, when he announced a plan that would expand HAMP to include the real-estate speculators that helped inflate the housing bubble.

Almost exactly a year prior to the Nevada town hall, Obama gave a speech in Mesa, Arizona in which he castigated "dishonest lenders who acted irresponsibly, distorting the facts and dismissing the fine print at the expense of buyers who didn't know better."

Just one month ago, Obama spoke about the legal settlement with the banks that finally allowed long-pent-up foreclosures to move forward. In his speech, Obama twice mentions irresponsible actions by lenders that hurt others who acted more responsibly. He specifically noted the robo-signing and other violations that drove the process off the rails and cost many people their homes:"In many cases, they didn't even verify that these foreclosures were actually legitimate.

Some of the people they hired to process foreclosures used fake signatures on fake documents to speed up the foreclosure process. Some of them didn't read what they were signing at all." Except for the fake signatures, that sounds like a pretty fair description of what the GAO found in its audit of the Department of Energy and the Loan Guarantee Program. With $30 billion in taxpayer money at risk, the DOE under Steven Chu didn't bother to conduct the reviews it claimed it would on applications for loan guarantees, didn't keep records of what reviews they did
accomplish, and signed off on loans with incomplete documentation and inadequate oversight of the risk.

The result — perhaps $6.5 billion immediately at risk, according to CBS, and possibly most of the $30 billion.

Be sure to read it all. This GAO report should have heads rolling at the Department of Energy, especially that of
Professor Chu, who demonstrated the most extreme case of grade inflation yet seen. emphases mine:

The Department of Energy (DOE) has made $15 billion in loan guarantees and conditionally committed to an additional $15 billion, but the program does not have the consolidated data on
application status needed to facilitate efficient management and program oversight. For the 460 applications to the Loan Guarantee Program (LGP), DOE has made loan guarantees for 7 percent and committed to an additional 2 percent. The time the LGP took to review loan applications decreased over the course of the program, according to GAO's analysis of LGP data.
However, when GAO requested data from the LGP on the status of these applications, the LGP did
not have consolidated data readily available and had to assemble these data over several months from various sources. Without consolidated data on applicants, LGP managers do not have
readily accessible information that would facilitate more efficient program management, and LGP
staff may not be able to identify weaknesses, if any, in the program's application review process and
approval procedures. Furthermore, because it took months to assemble the data required for GAO's review, it is also clear that the data were not readily available to conduct timely oversight of the program. LGP officials have acknowledged the need for a consolidated system
and said that the program has begun developing a comprehensive business management system that

could also be used to track the status of LGP applications. However, the LGP has not committed
to a timetable to fully implement this system.

The LGP adhered to most of its established process for reviewing applications, but its actual process differed from its established process at least once on 11 of the 13 applications GAO reviewed. Private lenders who finance energy projects that GAO interviewed found that the LGP's
established review process was generally as stringent as or more stringent than their own. However,
GAO found that the reviews that the LGP conducted sometimes differed from its established process in that, for example, actual reviews skipped applicable review steps. In other cases, GAO
could not determine whether the LGP had performed some established review steps because of
poor documentation. Omitting or poorly documenting reviews reduces the LGP's assurance that it
has treated applicants consistently and equitably and, in some cases, may affect the LGP's ability
to fully assess and mitigate project risks. Furthermore, the absence of adequate documentation
may make it difficult for DOE to defend its decisions on loan guarantees as sound and fair if it is
questioned about the justification for and equity of those decisions. One cause of the differences
between established and actual processes was that, according to LGP staff, they were following
procedures that had been revised but were not yet updated in the credit policies and procedures
manual, which governs much of the LGP's established review process. In particular, the version of
the manual in use at the time of GAO's review was dated March 5, 2009, even though the manual
states it was meant to be updated at least annually, and more frequently as needed. The updated
manual dated October 6, 2011, addresses many of the differences GAO identified. Officials also
demonstrated that LGP had taken steps to address the documentation issues by beginning to implement its new document management system. However, by the close of GAO's review, LGP
could not provide sufficient documentation to resolve the issues identified in the review.

On 11 of 13 loan applications investigated by the GAO, they found that the DoE hadn't done the required work
for reviewing and approving applications. That's an 85% failure rate. And more than three

years into this
program, even with the deficiencies identified, the DoE still hasn't fixed their problems. That kind of failure is
more associated with an F-minus, not an A-minus.

Furthermore, as I note in my column for The Fiscal Times, this comes from the same administration that loves to
harp on "irresponsible lenders" who fail to adhere to lending and documentation standards when playing withheir own money:

President Obama himself told a Nevada town hall in February 2010 that "tax dollars shouldn't be
used to reward the very irresponsible lenders and borrowers who helped bring about the housing
crisis." At least that was Obama's position until this month, when he announced a plan that would
expand HAMP to include the real-estate speculators that helped inflate the housing bubble.
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You Should hear the tape recording of this:

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Morano on Tesla electric cars and CEO Elon Musk: 'That is what we are finding, model after model, across the board, the consumers are not interested…Tesla reported sales 30% below

expectations…Lost $660 million over 14 quarters…CEO Elon Musk is driven by fear of Co2, worrying that it will destroy large parts of the earth. He's an ideologue. This guy is worth $2 billion.'

The DOE Restructured Its Loan to Tesla: 'Imagine that. Weeks to go before the election and the Department of Energy has restructured its $465 million loan to the electric-car company to make sure it didn't run out of cash. **The New York Times reports**: (Emphasis mine)

As it ramps up sales of its sleek electric sedan, Tesla doesn't appear to be much of a loser right now. But a closer look at company's cash flows suggests it is hardly out of the woods…The federal government eased terms of its $465 million loan to Tesla to ensure the company didn't breach key financial hurdles. The company then raised $193 million in a secondary stock offering, easing cash concerns… Tesla's CEO has said he raised the $193 million "**simply for risk reduction.**" Yeah. It's called the risk to Obama of Tesla running out of cash right before the election.'

Taxpayers Subsidize Forbes 'Green' Billionaires' Schemes: Musk, best known as **co-founder of the company that became PayPal**, is Chairman of SolarCity and CEO of Tesla. According to the **Center for Responsive Politics**, SolarCity spent $535,000 in 2009 and 2010 to **lobby** Congress and the **Department of Energy** on climate legislation, the **Recovery Act**, "green workforce training and development," and provisions in various legislation "relevant to solar development."… So far, according to DOE reports, SolarCity has received more than $66 million from that program. The company also **won a partial guarantee from DOE of a $344 million loan** that will place up to 160,000 rooftop solar installations on military housing across the country. Similarly, Musk's Tesla Motors spent $480,000 from 2007 to 2011 to lobby Congress, the White House, EPA and DOE on climate and energy issues, the Advanced Technology Vehicles Manufacturing loan program, the Promoting Electric Vehicles Act, and the Recovery Act. Tesla received**a $465 million loan guarantee** from DOE's ATVM program. Musk is also a generous political donor, mostly to Democrats, although his investments and giving are equally diverse.

Tesla Motors warns it will miss sales expectations

Climate Depot's report: Electric/Hybrid car industry loses power in the face of market reality and lack of consumer demand — Washington Post on Chevy Volt: 'The basic theory— if you build them, customers will come — was a myth. And an expensive one, at that'

Tesla CEO Elon Musk: 'There is no question that at a certain level, [CO2 emissions] will destroy the Earth, or destroy large portions of the Earth'

Tesla is fine, repaying U.S. government loans: CEO: Tesla Motors Inc (**TSLA.O**) Chief Executive Elon Musk dismissed fears the electric carmaker was in financial trouble and said it was making an advance payment on the federal loan used to make its Model S sedan.

How Does Paying $40,000 For A Tesla EV Replacement Battery Sound? 'The Tesla electric car's batteries will cost $40,000 to replace when they run out of juice – how appealing are those electric car advantages at resale time? The Tesla electric car is produced by a company run by a whiny corporate billionaire and taxpayer welfare mooch – to the tune of $450 million in U.S. taxpayer loans provided by Obama. What did Obama see in the company? Great question, and btw, don't expect the loan to be repaid, ever.

Who killed the electric car? You, perhaps, if you didn't charge it: 'DON'T leave your electric car parked for too long – by the time you get back it could have turned into a $200,000 brick. Electric car maker Tesla is defending claims its cars become immobilized if the battery ever becomes completely discharged. This results in a battery replacement cost of about one-fifth the car's $206,000 sticker price.'

Oops. Major Design Flaw Found With Tesla Electric Cars: 'Sounds like another $500 million down Obama's taxpayer-funded toilet'

"It's A Brick" – Tesla Motors' Design Problem Devastating: "Tesla Motors' lineup of all-electric vehicles — its existing **Roadster**, almost certainly its impending **Model S**, and possibly its future **Model X** — apparently suffer from a severe limitation that can largely destroy the value of the vehicle. If the battery is ever totally discharged, the owner is left with what Tesla describes as a "brick": a completely immobile vehicle that cannot be started or even pushed down the street. The only known remedy is for the owner to pay Tesla approximately $40,000 to replace the entire battery. Unlike practically every other modern car problem, neither Tesla's warranty nor typical car insurance policies provide any protection from this major financial loss. "

More on the Electric Edsel: 'It is 1890 and horse travel is becoming problematic. The horses poo all over the place, making a disgusting mess in crowded urban areas – and they're just not practical for speedy, efficient travel in a rapidly industrializing nation. Did the government start throwing billions (well, millions in those days) at politically connected big businesses to develop an alternative? The answer, of course, is no. Inventors thought about the problem and tinkered. The internal combustion engine (gas and diesel) was invented – and perfected. It became reliable – and soon, affordable. Henry Ford and others like him came along. Cars replaced horses. And – a key fact – impractical cars such as the early steam-powered and electric cars – were dropped in favor of practical cars like the Model T, which put the country (not just the elites) behind the wheel.

The analysts at Green Car Reports, "the ultimate guide to cleaner, greener driving," worry that the **Fisker Karma may discredit the entire Department of Energy loan program**.

Elon Musk, a tycoon who has reaped millions of dollars from government for schemes for EVs, solar and outer space, may feel good about Tesla compared to Fisker for the moment, but in the Automobile interview he revealed massive problems in management and development while he planned to seek those loans from the **Department of Energy**.

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DOE:

Expected Chu departure sparks second-term speculation

Nick Juliano, E&E reporter

Greenwire:

No matter who wins the White House next week, Steven Chu is widely expected to soon book a one-way ticket back to California, sparking heightened speculation over who may be tapped to take over after his embattled term leading the Department of Energy if President Obama is re-elected.

Chu has not announced his plans, and a DOE spokeswoman did not respond to a request for comment. But it is all but impossible to find anyone in Washington energy circles who thinks he will be sticking around if Obama wins re-election, after four years facing sharp criticism over nearly everything in DOE's portfolio, especially the loan guarantee program.

"The working assumption by many here is that Secretary Chu will move back to California," said one energy policy expert who works with the administration and asked not to be identified. "That's completely understandable; he's accomplished a heck of a lot in four years in Washington, particularly for someone more accustomed to the warmer and friendlier climes in California."

Supporters of the energy secretary say he has been unfairly maligned by congressional Republicans who have homed in on the handful of failed loan guarantee recipients, most notably the bankrupt solar panel manufacturer Solyndra, while ignoring companies that have succeeded after receiving DOE loan guarantees and other efforts within the department to boost clean energy research and development.

"Steven Chu is going to be a difficult act to follow because there's never been such a prominent scientist as secretary of Energy," said Daniel Weiss, a clean energy expert at the Center for American Progress Action Fund.

Chu's background as a Nobel Prize-winning physicist made him one of the most credentialed DOE heads. But he seemed ill-prepared to deal with some of the more rough-and-tumble aspects of Washington, where facing hours of grilling from hostile members of Congress is as much a part of the job as keeping up with the latest developments coming out of DOE's labs.

Obama is likely to tap someone with more of a political background to replace Chu, who is expected to announce his departure before the end of the year, several policy experts said in recent interviews.

Among the top people being mentioned as possible candidates to take over as next Energy secretary are former North Dakota Sen. Byron Dorgan (D), whose post-congressional activities include an association with the Bipartisan Policy Center, where he has focused on energy policy (***Greenwire***, Jan. 19); former Michigan Gov. Jennifer Granholm (D); Center for American Progress President John Podesta, who was President Clinton's chief of staff and head of Obama's transition team; and Duke Energy CEO Jim Rogers, who was a key industry supporter of the Obama administration's efforts to address climate change and helped lure the 2012 Democratic National Convention to Charlotte, N.C., where Duke's corporate headquarters is located.

Others being mentioned in some policy circles are former Wyoming Gov. Dave Freudenthal (D), who is practicing environment and natural resources law in Cheyenne, Wyo.; former Iowa Gov. Chet Culver (D), who is doing consulting work for the wind energy industry (***E&E Daily***, March 6); and Kathleen McGinty, who served in the Clinton administration before leading the Pennsylvania Department of Environmental Protection. She is a founding partner of Peregrine Technology Partners LLC, a clean-tech firm, and is a director at NRG Energy Inc., a wholesale power company.

Of course, beyond policy chops, anyone asked to lead DOE also will have to decide whether he or she has the constitution to take on such a high-stress role. The department has a broad portfolio, from securing nuclear material to funding research into carbon capture and sequestration, but the most prominent role for a second-term energy secretary likely will be continuing to face hostile questions from House Republicans.

"There are a lot of people who are qualified, who would be great candidates, who say, 'I don't want to do this,'" said one renewable energy lobbyist following the jockeying to replace Chu.

If Republican nominee Mitt Romney wins the election, observers expect his DOE would be led by someone with ties to the oil, natural gas or coal industries. The most mentioned contenders are former Sen. Jim Talent (R-Mo.), American Petroleum Institute President Jack Gerard and Harold Hamm, the CEO of Continental Resources who has been advising the Romney campaign on energy issues, although several other names also have been floated (***Greenwire***, Oct. 23).

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Steven Chu must go – Energy Dept. Disaster

March 19, 2012 | Filed underCorruption | Posted by SUAadmin

Editor's Note – SUA has been watching the Secretary of Energy, Steven Chu and his abysmal testimony before Congress, the scandals he allowed like Solyndra, gasoline prices (which he flip-flopped on), Chevy Volts, and the disastrous "green agenda" of the Obama Administration for the past three plus years and it is now clear, Steven Chu must go. Just like our call for Eric Holder's resignation, Chu is inept, a pawn for 'crony capitalism', and a disaster to our economy and energy independence

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GOP Says Energy Dept. Cut Corners to Lend Az. Solar Firm $1.6 Billion As Political Payola

By MATTHEW MOSK
ABC News

House Republicans are preparing to grill Energy Secretary Steven Chu this week over $1.6 billion in loans to
finance two massive solar energy projects planned for the desert Southwest, saying investigators have found
evidence suggesting the administration cut corners in order to get the loans approved.

"The Department of Energy manipulated analysis, ignored objections from career professionals, and strategically modified loan evaluations in order to force project funding out the door,"

House Oversight and Government Reform Committee Chairman Darrell Issa, R-California, said in a statement
provided to ABC News. The Department of Energy says Chu will have plenty of material with him to rebut those allegations Tuesday when he comes to the Hill to testify before Issa's committee. Agency officials continued to characterize criticism from House Republicans as misleading attacks that are aimed at scoring political points.
Energy Department spokesman Damien LaVera accused the committee of "inventing false and misleading
controversy."

"Decisions made on loan applications were made on the merits after extensive review by the experts in the
loan program," LaVera said. "In this case, 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."

Two separate House committees have been investigating the Energy Department's loan program for more than a year. Their efforts gathered steam last fall when the first company to receive a federal green energy loan, Solyndra, filed for bankruptcy. This latest review delves into highly technical aspects of the administration's sizeable bet on solar energy and the complex rules set up to help the administration pick the best projects to support.

Energy officials told ABC News the department followed a rigorous process to evaluate each applicant, and the two projects being scrutinized by Issa's committee are some of the most exciting solar ventures underway in the United States. If successful, the massive generating facilities would be by far the largest of their kind in the world — comprised of more than five million solar panels and 35,000 metric tons of steel.

Republicans say they sifted through tens of thousands of pages of internal records turned over by the Energy Department in response to their requests.

Investigators with the Committee on Oversight and Government Reform said the documents they reviewed have raised new questions about the administration's decision to grant multiple loans to the solar energy giant First Solar, an Arizona-based company that both makes solar panels and assembles enormous solar generating facilities that are then turned over to utility companies to operate. Two of the company's largest projects won federal loans — generating facilities called Agua Caliente, in Arizona, and the Antelope Valley Solar Ranch in California. (One more First Solar facility also qualified for another $1.5 billion in loan guarantees, making the company one of the nation's largest beneficiaries of the Obama administration's green energy initiative.)

In order to receive the loan money, First Solar had to provide evidence that each project would employ new and innovative technologies to generate energy. Republican investigators said Friday the records they reviewed raised doubts about whether the solar facilities actually do that. Among the documents they cite is an email from a top technical expert inside the department, written less than six weeks before the loans to First Solar were approved, in which he argues that one of the supposed advances — use of something called a “single axis tracker” — was actually not all that new.

“Be clear this is not an innovation,” wrote Dong K. Kim, the director of the loan program’s technical division.
“The record will show we did not grade this as an innovation.”

Further, Kim writes that “someone keeps changing” internal documents to hold out the tracking technology as
innovative. And he warns that “whoever continues to make this change needs to understand that Technical
does not support [identifying the trackers] as an innovative component.”

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Energy Secretary Chu’s Hopeless Clean Energy Crush

By Rep. Marsha Blackburn (R-TN)

Energy Secretary Steven Chu is on a mission to proliferate the use of clean energy no matter the cost to American taxpayers. In 2008, Secretary Chu told the Wall Street Journal, “Somehow we have to figure out how to boost the price of gasoline to the levels in Europe.” Even worse, according to White House Press Secretary Jay Carney, President Obama never asked Secretary Chu to walk back his comments. Today, the average gallon of gas in Europe costs more than $8.

With gas prices just over $4 per gallon in the U.S., and projected by Barron’s to hit $4.50 this spring, Secretary Chu and the Administration are less than $1 away before electric vehicles become a reasonable price option for the average American family.

When President Obama was inaugurated the price of a gallon of gas was $1.84. In less than 4 years under this Administration, the price of gas has more than doubled. Not to mention, this has all occurred at a time when unemployment is at its longest streak above 8.0% since the Great Depression. Once you factor in the U-6 measure of unemployment, which includes discouraged workers and part-time workers seeking full time employment, the real unemployment rate is at a sky high 14.9%.
Unfortunately, the price of gas is not the only area in which Secretary Chu is putting a dent in American taxpayers’ wallets. He is also responsible for the mismanagement of the Department of Energy (DOE) Loan Guarantee Program.

If you were to listen to Secretary Chu and the White House, they would have you believe that the United States is currently engaged in a global solar race with China, reminiscent of the Cold War. They believe that we must use every option within our arsenal to win the war no matter the cost to taxpayers.

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Energy Secretary Hammered On Gas Prices Washington's Partisan Divide On Display At Hearing

By Tom Cohen CNN

WASHINGTON (CNN) — A committee hearing Tuesday on the Department of Energy's use of stimulus funding kept returning to rising gas prices as Republicans hammered Secretary Steven Chu over the pain at the pump.

The partisan divide of Washington was on full display at the House Oversight Committee hearing.

Democrats on the panel repeatedly asked Chu leading questions that provided him the chance to defend administration policies, while Republicans confronted him with allegations of cronyism in Department of Energy loan programs or complaints that he and President Barack Obama don't understand what consumers face from higher gas prices. Republican Rep. Ann Marie Buerkle of New York asked Chu to "go to the administration and say, 'The American people are hurting. They need you to do something now.' "

She and fellow Republican Rep. Patrick McHenry of North Carolina pushed Chu on what steps he has taken in his three years on the job to bring down gas prices.

When Chu noted investments to boost the use of electric cars and increase fuel efficiency standards, McHenry said those mean nothing to his constituents who have long commutes by car every day.

"I have heard nothing of a policy that will meaningfully impact the price at the pump, other than driving it up," McHenry complained. To tell people in his district facing 10% unemployment to buy a new electric vehicle "is absolutely ridiculous," he said.

Buerkle also challenged the Obama administration's contention that America has 2% of the world's known oil reserves, saying the actual amount is much greater and that expanded exploitation could reduce gas prices in the long term.

Obama has argued there is no single step or "silver bullet" to lower gas prices in the short term, saying oil costs are set by an international market influenced by rising demand in China and India as well as jitters over Middle East instability, particularly involving Iran.

With a presidential election looming, Republican leaders including the presidential hopefuls in the midst of a nomination battle have targeted Obama's energy policies. They seek to blame Obama for high energy costs, saying a failure to greatly expand U.S. oil production is a cause.
Chu repeated administration talking points that the United States is producing more oil and natural gas now than any time in recent years, and that a balanced approach that invests in innovation such as alternative energy sources is needed to remain competitive in global markets.

Despite the Republican criticism, Chu insisted the policies and programs he has pushed are the right ones at a time of changing energy needs and opportunities.

"America has reached a crossroads and members of Congress have a big decision to make: We can play to win in the clean-energy race –investing in America's workers, industries, and innovations — or we can wave the white flag and cede leadership to other countries that are investing in these industries," Chu said."

Asked about his previous comment that he deserved an A-minus grade for his performance so far, Chu stuck to it, adding it should be "a little higher" for efforts to reduce oil imports by steps such as developing electric and natural gas-powered vehicles.

When Rep. Trey Gowdy, R-South Carolina, repeatedly tried to get Chu to discuss his oft-quoted 2008 comment in favor of higher gas prices in America, the secretary refused to engage, responding several times that he had "nothing more to add to that quote."

"I'm not trying to boost the price of gasoline" as energy secretary, Chu told Gowdy. "Quite the opposite. I'm trying, as a scientist, to diversify the use of gasoline" to bring down fuel costs.

Other Republicans repeatedly asked Chu about loans made under a Department of Energy program intended to promote innovation, such as

$500 million for the California solar panel manufacturer Solyndra that later went bankrupt.

Rep. Jim Jordan, R-Ohio, listed a series of loans approved for companies that had investors with ties to Obama administration officials or campaign fundraisers. Jordan asked Chu if he detected a pattern of cronyism, calling it the kind of government behavior that Americans despise.

Chu responded he didn't, and repeatedly answered "no" when asked if any of the administration officials ever lobbied him on the loan program. Jordan then said thaT many of the companies involved had poor credit ratings, adding that if there was no political motivation for approving the loan guarantees, the only other explanation would be incompetence by Department of Energy officials.

"That's what the American people find so frustrating with the situation," Jordan said.

Chu responded that such a loan program involved high risk investments. Under questioning from committee Chairman Rep. Darrell Issa, R-California, Chu said projects or companies needed to have at least a 50% assessed chance of success to qualify.

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Energy Secy. Chu disputes GOP claims that Obama energy programs rife with incompetence, political favoritism Energy Secretary Steven Chu defended his department's policies to Congress on Tuesday after House Republicans released two extensive reports charging that alternative-energy loan programs and a huge home weatherization program for poor households were riddled with failures and mistakes.

The reports by the House Oversight and Government Reform Committee, chaired by Rep. Darrell Issa, R-Calif., are part of a more than a year long crusade by Republicans to expose waste, incompetence and political favoritism
in energy loan programs after the bankruptcy of Fremont solar manufacturer Solyndra.

Energy, spurred by rising gasoline prices, has become a major issue in the presidential campaign between President
Obama and Republican front-runner Chu, a UC Berkeley physicist and Nobel laureate who had testified to Congress twice in the past week, told the committee that he had also advised former Republican President George W. Bush on his effort to end what Bush called the national addiction to oil. Chu also awarded himself a better than A-minus grade on trying to reduce gasoline prices.

Largest investor

He said that he is a tough grader, but that his efforts to find alternatives to costly fossil fuels were bearing fruit. Last year, Chu said, the United States became the world's largest investor in alternative fuels, however temporarily, given that the stimulus money was mostly temporary.

Independent audits by the department's inspector general and the Government Accountability Office have found some mismanagement of the loan and weatherization programs, the result in part of the 2008 stimulus program that brought aflood of money into the Energy Department, doubling its budget and overwhelming its administrative capacity.

On Tuesday, Chu faced an unusually collegial grilling from Issa, who shared Chu's enthusiasm for the potential of natura lgas-powered vehicles.

Issa said the nation was fortunate to have what he called one of the smartest energy secretaries ever, and noted that both he and Chu hold extensive patents. One of the committee reports, called "The Department of Energy's Disastrous Management of Loan Guarantee Programs," faulted Chu for overemphasizing investment in solar energy. Plunging prices for natural gas, the result of technological breakthroughs that can extract previously inaccessible reserves from shale rock and other sources, have made solar far less competitive, the report said.
Chu said he is "very enthusiastic" about the potential of using natural gas as a "transition fuel" to a clean-energy economy.

Natural gas emits about half as much carbon dioxide as coal.

Chu said the department is aggressively researching natural gas fuel tanks that could be adapted to the conventional internal combustion engines incars and trucks. The problem is that the gas must be held under pressure in veryexpensive carbon-fiber tanks.

Fixing problems

Chu downplayed reports of shoddy weatherization work, including instances of windows that fell out of their frames and exposed wires. He said audits showed that thosejobs amounted to no more than 4 percent of the 680,000 homes that were weatherized under the stimulus. He said contractors were required to fix the problems at no cost to the government.

The committee report also noted, but Chu did not address, large unexpected expenses and delays caused by relocating desert tortoises at the $2.2 billion BrightSource solar plant being built in California's Mojave Desert. The company got a $1.6 billion loan guarantee and has spent $56 million relocating tortoises, including the expense of erecting 50 miles of special fencing at a cost of $50,000 a mile, according to the committee report, based on a Los Angeles Times story.

The stimulus money rapidly increased government spending on alternative energy, including $14.5 billion in loan
guarantees such as the $528 million loan to Solyndra.

Although fossil fuels have received government support since 1916, a report this month by the Congressional Budget Office found that last year, renewable-fuel and energy-efficiency programs made up 78 percent of government support for energy, followed by 15 percent for fossil fuels and 4 percent for nuclear.

Carolyn Lochhead

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U.S. House of Representatives Committee on Oversight and Government Reform

"Conclusion

The findings regarding the DOE loan programs discussed in this report tell only part of a much greater story—**a story of mismanagement, waste and abuse**symptomatic of reaching too
far, working too fast, and spending too much to achieve unrealistic objectives. There are significant concerns about DOE's management and administration of the weatherization, 1705,
and ATVM programs. And a management structure unprepared and incapable of dealing with the challenges it faced when pressed to push out the door tens of billions of dollars in a short period of time. In the days ahead, the Committee will continue its investigation and examine DOE's record on a loan-by-loan basis, with the continued hope that spotlighting these shortcomings will provide Congress and the American people with the insight they need to assess the true value—or cost—of these types of programs."

Per Mike Whatley:

FINAL-DOE-Loan-Guarantees-Report

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Chu, GOP Trade Jabs Over Green Energy Funding

By MATTHEW LAROTONDA

Energy Secretary Steven Chu defended his agency today against allegations the Obama administration cut corners to get funding approved for a number of alternative energy projects, including $1.6 billion in loans for two massive solar installations.

As Chu testified before the House Oversight and Reform Committee, Republicans claimed their investigators found evidence the administration had ignored objections from within the department to approve risky ventures, and suggested companies with political ties to the White House had benefitted.

Rep. Jim Jordan, R-Ohio, told Chu he believed many loan recipients had credit ratings that would classify them as "junk" investments. Alleging a culture of "cronyism," at the agency, Jordan claimed 23 of 27 businesses approved for federal loans had connections to campaign donors or administration officials, including former economic adviser
Larry Summers.

Interrupting the secretary at times during his testimony, Jordan told Chu, "There's no other conclusion you can reach. You helped your friends or you guys were incompetent."

Chu defended the integrity of the loan process. "We've put in place an aggressive monitoring system to ensure that the department and its grantees spend recovery act funds wisely," he said. "The department takes any case of waste, fraud or abuse very seriously."

Obama's Green Car Program Under Scrutiny

Chu said he wasn't aware of many of the alleged connections but said department guidelines would have
prevented any of the individuals from participating in discussions that would have influenced the loan process.
Further, Chu says the decision would have come from career agency employees, not political appointees who
could be influenced by their party.

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Energy secretary hammered on gas prices Washington's partisan divide on display at hearing

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WASHINGTON (CNN) –

The partisan divide of Washington was on full display at the House Oversight Committee hearing.

Democrats on the panel repeatedly asked Chu leading questions that provided him the chance to defend administration policies, while Republicans confronted him with allegations

of cronyism in Department of Energy loan programs or complaints that he and President Barack Obama don't understand what consumers face
from higher gas prices.

Republican Rep. Ann Marie Buerkle of New York asked Chu to "go to the administration and say, 'The American people are hurting.

They need you to do something now.' " he and fellow Republican Rep. Patrick McHenry of North Carolina
pushed Chu on what steps he has taken in his three years on the job to bring down gas prices.

When Chu noted investments to boost the use of electric cars and increase fuel efficiency standards, McHenry
said those mean nothing to his constituents who have long commutes by car every day.

"I have heard nothing of a policy that will meaningfully impact the price at the pump, other than driving it up,"
McHenry complained. To tell people in his district facing 10% unemployment to buy a new electric vehicle "is
absolutely ridiculous," he said.

Buerkle also challenged the Obama administration's contention that America has 2% of the world's known oil
reserves, saying the actual amount is much greater and that expanded exploitation could reduce gas prices in
the long term.

Obama has argued there is no single step or "silver bullet" to lower gas prices in the short term, saying oil
costs are set by an international market influenced by rising demand in China and India as well as jitters over
Middle East instability, particularly involving Iran.

With a presidential election looming, Republican leaders including the presidential hopefuls in the midst of a
nomination battle have targeted Obama's energy policies. They seek to blame Obama for high energy costs,
saying a failure to greatly expand U.S. oil production is a cause.

Chu repeated administration talking points that the United States is producing more oil and natural gas now than
any time in recent years, and that a balanced approach that invests in innovation such as alternative energy
sources is needed to remain competitive in global markets.

Despite the Republican criticism, Chu insisted the policies and programs he has pushed are the right ones at a time of changing energy needs and opportunities.

“America has reached a crossroads and members of Congress have a big decision to make: We can play to win in the clean-energy race — investing in America’s workers, industries, and innovations — or we can wave the white flag and cede leadership to other countries that are investing in these industries,” Chu said.”

Asked about his previous comment that he deserved an A-minus grade for his performance so far, Chu stuck to it, adding it should be “a little higher” for efforts to reduce oil imports by steps such as developing electric and natural gas-powered vehicles.

When Rep. Trey Gowdy, R-South Carolina, repeatedly tried to get Chu to discuss his oft-quoted 2008 comment in favor of higher gas prices in America, the secretary refused to engage, responding several times that he had “nothing more to add to that quote.”

“I’m not trying to boost the price of gasoline” as energy secretary, Chu told Gowdy. “Quite the opposite. I’m trying, as a scientist, to diversify the use of gasoline” to bring down fuel costs.
Other Republicans repeatedly asked Chu about loans made under a Department of Energy program intended to promote innovation, such as $500 million for the California solar panel manufacturer Solyndra that later went bankrupt.
Rep. Jim Jordan, R-Ohio, listed a series of loans approved for companies that had investors with ties to Obama administration officials or campaign fundraisers. Jordan asked Chu if he detected a pattern of cronyism, calling it the kind of government behavior that Americans despise.

Chu responded he didn’t, and repeatedly answered “no” when asked if any of the administration officials ever lobbied him on the loan program.

Jordan then said thaT many of the companies involved had poor credit ratings, adding that if there was no political motivation for approving the loan guarantees, the only other explanation would be incompetence by Department of Energy officials.

“That’s what the American people find so frustrating with the situation,” Jordan said.

Chu responded that such a loan program involved high risk investments. Under questioning from committee
Chairman Rep. Darrell Issa, R-California, Chu said projects or companies needed to have at least a 50%
assessed chance of success to qualify.

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: CJ Ciaramella –

Rep. Jim Jordan (R., Ohio) grilled Energy Secretary Steven Chu over the political connections of many green energy companies that received Energy Department loans at a hearing of the House Committee on Oversight and Government Reform Tuesday.

Jordan listed nine people with ties to the Obama administration and financial stakes in Energy Department loan recipients, asking Chu if any had influenced the Energy Department’s decision to award the loans.

For example, there is Steve Spinner, a loan program officer at the Energy Department and a former bundler for the Obama campaign. Spinner’s wife’s law firm represents Solyndra, the bankrupt solar company, which received $535 million in taxpayer backed Energy Department loans.

“My understanding is there were 27 companies in the 1705 loan program, eight of which had connections to the White House,” Jordan said. “Do you see a pattern or concern there?”

Chu said the political connections had no influence on his decision to award the loans. He said neither they nor the WhiteHouse lobbied him for the loan guarantees.

Chu testified Tuesday on the Department of Energy loan program, which was in charge of awarding billions of dollars in stimulus money as part of the Obama administration’s green jobs initiative.

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STEVEN CHU RAN THE MOST CRIMINALLY CORRUPT DEPARTMENT OF ENERGY IN U.S. HISTORY

The U.S. Energy Department mismanaged stimulus programs, putting taxpayer dollars at risk, according to
two Republican reports released at a hearing where lawmakers debated who is responsible for rising gasoline

prices.

The reports, by Republican staff on the House Oversight and Investigations Committee, focused on a program
that gave Solyndra LLC its $535 million loan guarantee two years before the company went bankrupt, and on
a $5 billion home-energy efficiency initiative.

“These reports document a Department of Energy seemingly unprepared to deal with the exponential
increase in taxpayer funds it received under the stimulus, leading to serious questions of waste and abuse,”
Representative Darrell Issa, a California Republican and committee chairman, said.

The programs provided jobs, reduced pollution and helped low-income homeowners cut energy costs, Energy
Secretary Steven Chu said today at the hearing. Republicans said the reports showed the stimulus wasn’t
effective in creating jobs and risky bets were made on companies with poor credit ratings.

Republicans often ignored the committee’s reports and pressed Chu on administration actions to stem rising
gasoline prices, which climbed for 11 straight days through yesterday.

Representative Patrick McHenry, a North Carolina Republican, asked what steps are being taken to cut
prices at the pump.

More Cash Needed

After Chu said the administration is promoting the use of natural gas from shale in long-haul trucks, McHenry
said the U.S. needed to do more to promote oil production on federal lands. Other Republicans faulted Obama
for taking credit for rising domestic oil production on private lands.

“The administration is supportive of increased production,” Chu said.

The Republicans’ 74-page report on the loan program found that two solar projects, developed by Tempe,
Arizona-based First Solar Inc. (FSLR), weren’t sufficiently innovative or different from one another to
qualify for the guarantees.

Chu, who defended Solyndra’s loan while testifying in November to a House Energy and Commerce

Committee panel, said the department has largely met its mission to spend stimulus funding quickly,
responsibly and transparently.

"We evaluate each loan application on its technical merits," Chu said.

'Robust' Dialogue

E-mails Republicans highlighted in the report were part of a "robust" dialogue, he said. Ultimately, career professionals found the projects met Energy Department eligibility requirements, Chu said.

The 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.

In one e-mail cited by Republicans, Dong Kim, the loan program's technical director, said the Antelope
project's use of single axis tracker wasn't innovative. The technology lets the solar panels 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.

'Carbon Copy'

"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.

Chu said he believed Silver and Frantz were discussing the projects' similar financial structure, and not comparing their technical components.

The department yesterday released an Aug. 4, 2010, memo from Dong Kim that said Agua Caliente included
“new and innovative components” and that Antelope was sufficiently different to be eligible for a loan
guarantee.

The Republican report says the loan-guarantee program was too focused on solar energy, distributing about
80 percent of the loans to projects relying on the sun. More diversity in spending would have offered
taxpayers better protections against market fluctuations, according to the Republican report.

Weatherization Faulted

Representative Jim Jordan, an Ohio Republican, said eight administration officials had ties to companies that
won clean- energy loans. Chu said firewalls prevented officials who might gain from the awards from
participating in decisions affecting the companies.

A separate report said a $5 billion weatherization program paid for shoddy work that in some cases actually
damaged homes, in some cases repeating critical findings from the Energy Department’s independent
Inspector General’s reports.

For example, contractors in Alabama sprayed insulation in a furnace compartment in a legally blind woman’s
kitchen in a way that could have caused a fire.

Chu said the department had worked to correct mistakes identified by the agency watchdog.
Overall, the program has worked well, improving the efficiency of 680,000 homes, including for a woman in Milwaukee
who said the work made her home more comfortable, allowing her to eat breakfast in her kitchen for the first
time in Wisconsin’s cold winter months and cutting her energy costs, he said.

“It was overall a very successful program,” Chu said.

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Chu Gets Chewed Out: You're Telling My Constituents They 'Need to Buy a Nissan Leaf!?'

A House Committee on Oversight and Government Reform congressman became frustrated with the secretary's testimony on what initiatives were being taken in order to lower gas prices at the pump.

CONGRESSMAN:

"My time is short, you've listed a long list of things that this administration has done. I have not yet heard that there are trying to increase the supply of American oil or our refining capacity or limit the regulations in the diversity of blends that are required.

I have heard nothing from you today that indicates a policy this administration has put in place that will meaningful impact the price at the pumps, other than driving it up!

The policies this administration has put in place have actually increased the cost of fuel at the pumps. They have increased the cost of commuting for my constituents.

And to tell my constituents, with 10 percent unemployment, Western North Carolina, that you need to buy a Nissian Leaf? That in order to commute for 50 minutes a day you're going to have to have an employer who is wonderful enough to provide you a place to plug in your car, so you can get home? Is absolutely ridiculous.

And the anger my constituents have at the cost of the pumps is very real, and if the President doesn't get this and if the Secretary of energy doesn't get this then we've got a real problem here. We've doubled the budget of the department of energy in 2009. And yet we are paying twice as much at the pumps. This is absolutely ridiculous!
We've seen Solyndras, but haven't seen a reduction at the pumps."

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Energy Dept Cut Corners to Lend Arizona Solar Firm $1.6 Billion As Political Favor To Obama Financiers

(WASHINGTON) — House Republicans are preparing to grill Energy Secretary Steven Chu this week over $1.6 billion in loans to finance two massive solar energy projects planned for the desert Southwest, saying investigators have found evidence suggesting the administration cut corners in order to get the loans approved.

"The Department of Energy manipulated analysis, ignored objections from career professionals, and strategically modified loan evaluations in order to force project funding out the door," House Oversight and Government Reform Committee Chairman Darrell Issa, R-California, said in a statement provided to ABC News.

The Department of Energy says Chu will have plenty of material with him to rebut those allegations Tuesday when he comes to the Hill to testify before Issa's committee. Agency officials continued to characterize criticism from
House Republicans as misleading attacks that are aimed at scoring political points.

Energy Department spokesman Damien LaVera accused the committee of "inventing false and misleading controversy."

"Decisions made on loan applications were made on the merits after extensive review by the experts in the loan program," LaVera said.

"In this case, 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."

Two separate House committees have been investigating the Energy Department's loan program for more than a year. Their efforts gathered steam last fall when the first company to receive a federal green energy loan, Solyndra, filed for bankruptcy. This latest review delves into highly technical aspects of the administration's sizeable bet on solar energy and the complex rules set up to help the administration pick the best projects to support.
Energy officials told ABC News the department followed a rigorous process to evaluate each applicant, and the two projects being scrutinized by Issa's committee are some of the most exciting solar ventures underway in the United States. If successful, the massive generating facilities would be by far the largest of their kind in the world — comprised of more than five million solar panels and 35,000 metric tons of steel.

Republicans say they sifted through tens of thousands of pages of internal records turned over by the Energy Department in response to their requests.

Investigators with the Committee on Oversight and Government Reform said the documents they reviewed have raised new questions about the administration's decision to grant multiple loans to the solar energy giant First Solar, an Arizona-based company that both makes solar panels and assembles enormous solar generating facilities that are then turned over to utility companies to operate. Two of the company's largest projects won federal loans — generating facilities called Agua Caliente, in Arizona, and the Antelope Valley Solar Ranch in California. (Two more First Solar facilities also qualified for another $2 billion in loan guarantees, making the company one of the
nation's largest beneficiaries of the Obama administration's green energy initiative.)

In order to receive the loan money, First Solar had to provide evidence that each project would employ new and innovative technologies to generate energy. Republican investigators said Friday the records they reviewed raised doubts about whether the solar facilities actually do that. Among the documents they cite is an email from a top technical expert inside the department, written less than six weeks before the loans to First Solar were approved, in which he argues that one of the supposed advances — use of something called a "single axis tracker" — was actually not all that new.

“Be clear this is not an innovation,” wrote Dong K. Kim, the director of the loan program’s technical division. “The record will show we did not grade this as an innovation.”

Further, Kim writes that “someone keeps changing” internal documents to hold out the tracking technology as innovative. And he warns that “whoever continues to make this change needs to understand that Technical does not support [identifying the trackers] as an innovative component.” A second aspect of the solar plants that the Energy Department identified as innovative had already been in use in over 200 units in Europe, according to the internal documents.

“These facts make clear DOE substantively failed to fund innovation, and instead gambled with $3 billion taxpayer dollars on a single firm, First Solar,” said Becca Watkins, an oversight committee spokeswoman.

Energy Department officials told ABC News they believe the Republican investigators are looking at an incomplete picture, saying that Kim — the author of the email — ultimately signed off on the technical innovations in the two solar projects, as did senior loan officers who conducted their own thorough review. They also suggested the House investigators have misread the rules — that the innovations in the solar project meet the requirements.

The fact that some of the innovative technology has been used in projects in Europe, for instance, does not mean the project is not innovative under the rules the department set out to govern the loan program. Technology that has not been used commercially in the United States will qualify as innovative, the rules say. House Republicans counter that the rules explicitly call for technology that is “new or significantly improved.”

“For nearly a year, Congressional critics of the Department’s loan programs have demonstrated a consistent pattern of cherry-picking individual emails from the hundreds of thousands of pages of documents the Department has provided to Congress with the sole purpose of inventing false and misleading controversy,” LaVera said.
“While the law that created the [green energy] loan program does not include any requirement to limit our support to innovative projects, the Department chose to apply a tougher standard that would ensure we were investing in the kind of projects that will help the United States compete for the clean energy jobs of the future,” he said. “After a careful review on the merits, the senior career official responsible for the loan program’s technical reviews made clear these projects met that standard.”

For its part, First Solar officials say it considers the two projects funded with government loans to be revolutionary in the solar industry.

Both are “of unprecedented size and scale that will provide clean power for 175,000 average homes while displacing 360,000 metric tons of CO2 annually — equivalent to taking 70,000 cars off the road,” said Ted Meyer, the company’s vice president of global corporate communications.

Both projects are incorporating new technologies to “help to ensure the reliability and stability of transmission systems, which is imperative for the long-term integration of renewable energy into the grid. It is expected that these technologies will eventually become standard in the solar power industry,” he said. In addition, he added that the single-axis trackers at the Antelope Valley project “will enable the modules to rotate to capture more sunlight, typically resulting in 15-25 percent more annual energy yield, depending on location.”

First Solar officials say they are forecasting more than $3 billion in revenue this year, but they acknowledge the company has suffered along with the rest of the solar industry as European subsidies have dried up and China has flooded the market. The company’s stock has been sliding, and has become a favorite for so-called “short sellers” — investors who are betting on the company to fail.

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OVERNIGHT ENERGY: Chu, Issa face off over Obama's corrupt energy loans

By Andrew Restuccia and Ben Geman

State of play: Energy Secretary Steven Chu will be back on Capitol Hill Tuesday for the latest in a series of hearings on the department’s embattled loan programs.

Chu will testify before the House Oversight and Government Reform Committee on what Republicans on the panel call the “management challenges” in overseeing the loan program.

Republicans have made Chu a top target of their investigation into the loan program, alleging that he failed to adequately vet companies that receivedtaxpayer-backed loans.

The GOP probe reached a fever pitch in September when Solyndra, the California solar panel maker that received a $535 million loan guarantee in 2009, filed for bankruptcy.

If previews offered by Republicans and Democrats are any indication, the hearing is certain to be dramatic.

Committee Chairman Darrell Issa (R-Calif.) is slated to unveil a staff memo that alleges the department “manipulated analysis, ignored objections from careerprofessionals and strategically modified loan evaluations in order to force project funding out the door,” according to The New York Times.

The Energy Department Obama insiders aggressively pushed back on Issa’s allegations Monday.

Meanwhile, committee Democrats will work to undercut Issa's credibility by arguing that Issa has launched "unsubstantiated" investigations into Energy Department projects.

Expect more of the same from Chu. In past hearings he has stood by the loan program, while expressing regret that Solyndra went belly up. The loan guarantee program, he says, is meant to support companies that might not
attract private financing, so it is inherently risky.

Chu will argue that the Energy Department is a job creator and has contributed to the economic recovery.

"We are supporting more than 15,000 projects across the country," Chu will say, according to hiswritten testimony.
"And since the summer of 2010, we have consistently supported between 40,000 and 50,000 direct jobs each quarter, and likely thousands more throughout the supply chain."

He will call oversight of the department's stimulus programs "a top priority," while welcoming "sincere" outside reviews by Congress and others.

"I have spent my career as a scientist. Rigorous peer review and double-checking someone else's findings are fundamental to a sound scientific process — and I believe the same is true in government," he will say. "So I welcome any and every sincere effort at oversight, and where we find mistakes, we have and we will move swiftly to correct them. I hope today can be an opportunity to have a serious, substantive dialogue."

Issa's investigation, which focuses on the loan program broadly, complements a year-long probe of the Solyndra loan being conducted by House Energy and Commerce Committee Republicans.

The Solyndra investigation has found no evidence that the loan was approved for political reasons. But the probe has uncovered information that's embarrassing and politically damaging to the administration, including that top officials questioned the wisdom of issuing the loan.

Democrats and administration officials have alleged that Republicans are using their investigations of the Energy Department to score political points during an election year.

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PoliticalNews.me – Mar 14,2012 – **Sen. Paul Questions Energy Secretary on Solyndra Loans**

WASHINGTON, D.C. – Below is transcript of Senate Energy and Natural Resources Committee hearing on oversight of the Department of Energy loan guarantee program, in which Sen. Rand Paul questioned Energy Secretary Steven Chu on the origin of Solyndra loans and similar preferential treatment to other energy-related companies seeking government-backed loans.

TRANSCRIPT:

SEN. RAND PAUL: Thank you for coming, Secretary Chu. Have you met George Kaiser?

ENERGY SECRETARY STEVEN CHU: I think I might have at a roundtable meeting.

PAUL: More than once?

CHU: The only one I can recall at the time was during a roundtable session.

PAUL: Are you concerned about the propriety of giving money, $500 million to a billionaire, you know, and then sort of changing the rules some so he gets to, you know, maybe get a better deal than the taxpayers do?

CHU: I'm convinced nothing I've seen in the loan program or anything in the White House had — that any connection that George Kaiser had with raising of money had anything to do with the selection of the loan. As you well know, Solyndra was at the head of the line picked by the previous Department of Energy — under a previous administration and it was the one that the career people advanced forward as the one that had the most work done on that loan that satisfied the conditions of the intent of the loan, you know...

PAUL: That's sort of troubling though that they were the best case scenario and met all the criteria best and then they went bankrupt. But also I think what's troubling to most of us is that we're giving $500 million loans to a guy who's a billionaire. Why in the world would we do that?

CHU: Well, there were other investors in Solyndra also very wealthy people, also, but associated with the Republican party and so again, the...

PAUL: I wouldn't give it to them either.

CHU:... the — the politics of the investors was not part of the decision whether to give a loan to Solyndra.

PAUL: Do you think there's a question of propriety though when you've got someone who works for you, who's married to somebody who works for Solyndra, who you say there is this firewall at the beginning maybe but you're not insinuating that he never wrote e-mails and never corresponded with people in favor of Solyndra.

CHU: Well for example...

PAUL: He did, correct?

CHU: He — he was corresponding to — after the loan was approved, corresponding to the timing…

PAUL: Do you think that's appropriate for him to be involved at any stage, not just — to say he wasn't involved in the beginning is a little bit of an excuse for him but he should have never, ever had a word — the word Solyndra should have never left his lips and never been in any writing and I think it was.

CHU: The Department of Energy
has very rigorous standards that we enforce on any potential conflict of interest and as you mentioned it, for example, his wife was actually firewalled from having to do any business with Solyndra as well.

PAUL: Have you met Robert Kennedy, Jr.?

CHU: Probably, I'm not sure.

PAUL: Do you recall how many times?

CHU: Well, since I'm not sure…

PAUL: Are you aware — are you aware the Kennedy family fortune that they're pretty wealthy also, probably worth hundreds of millions of dollars and we gave Robert Kennedy, Jr.'s company $1.8 billion. Are you aware that someone works for you who used to work for the Kennedy's who people say was involved with that loan process?

CHU: I'm not aware of that.

PAUL: I think that's something we need to look into as well and this suggestion will go on with the hearings in the House as well that really this revolving door from big business into the Department of Energy to get large loans — $1.8 billion is a lot of money given once again to a large campaign contributor of the president's. It looks unseemly and I don't think that's your background but unfortunately, you're the head of this organization that's been giving these loans to very wealthy people who are donors of the president's and it looks really bad.

Do you give loans to foreign companies?

CHU: We give loans for loans meant to manufacture in the United States.

PAUL: What about Fisker-Karma, are they spending any of our money in Finland?

CHU: We gave a loan that was to a design group in Los Angeles and there's another tranche to the loan if they satisfied the covenants of the loan which would go to manufacturing in the

United States. So the money we give in loans is very targeted to jobs…

PAUL: My understanding is they were struggling here and that this money was actually going to be used in Finland.

CHU: Well, as I said before the loans we give are for American jobs and we're very clear about that. So if they, you know, if it's a design group…

PAUL: No money goes to Finland then, Fisker-Karma's not allowed to use any of that money in Finland?

CHU: As I said, the — the — we give loans for — for jobs in America and we're very clear about that.

PAUL: So Fisker-Karma is not using any U.S. taxpayer dollars in Finland.

CHU: Well I can get back to you on the details on that but I know the overall scope of the loan is for manufacturing in the United States and for design and it went to a design group…

PAUL: And you — you can see our concern, the whole idea of picking winners and losers. People are saying that windmills, which have subsidized for years and years now, that even though we have paid for the windmills, we've got them up, we've got them started, if you take away thesubsidies, they'll never make a profit. They just aren't profitable.

You know talk about tilting at windmills, we're just throwing money at windmills and it — I just don't see the purpose and it really gets down fundamentally to what Senator Lee is talking about. We shouldn't be in this business at all and then thing is you're choosing, you know, $50 light bulbs. Nobody understands that in America and there's a — there's a real problem here and I don't think you're going to wind the perception war on this and my counseling and advice to you would be let's get out of this business, let's not be involved with stuff like this.

The — also the thing is by your involvement in it, it really looks unseemly and I — I don't question your character. You're known for being an upright person from academia, I mean but the thing is, is you're overseeing something that really doesn't pass the smell test.

Thank you.

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March 13, 2012

Chu Testifies He Might Have Met Obama Bundler George Kaiser And Chu Worked For George Soros

The Senate Energy and Natural Resources Committee held a full committee hearing today on Energy Department loan guarantees.

Department of Energy Secretary Steven Chu testified about his association with George Kaiser, billionaire and top Obama "bundler" who's been accused of pushing the White House for the Solyndra loan, which squandered $535 million of stimulus money in a little over a year.

Senator Rand Paul asked Chu directly if he had met Mr. Kaiser to which Chu replied that he might have met him at "round table meeting" once.

Paul pressed further on the topic, asking if Kaiser got a "better deal" on the loan deal but Chu dismissed the notion stating that Solyndra was at the "head of the line" because it was "picked by the previous administration"

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Chu Backtracks on High Gas Prices Love

By Amy Harder

Energy Secretary Steven Chu on Tuesday retracted his now-infamous quote from 2008: "Somehow we
have to figure out how to boost the price of gasoline to the levels in Europe."

"I no longer share that view," Chu said in response to questioning from Sen. Mike Lee, R-Utah, at a Senate Energy and Natural Resources Committee hearing on another topic related to DOE's loan-guarantee program.

Chu's 2008 quote, initially included in a Wall Street Journal article, has formed the foundation for daily Republican attacks on President Obama over high gas prices.

Chu seemed to equivocate, pause, and stumble over his words when responding to Lee's question about high gas prices. Other comments Chu made at another hearing late last month put him in hot water on gas prices.

Politico reported on Feb. 28 that Chu told a House committee that he was not working to lower gasoline prices but to wean the United States off oil. That story has since been corrected to clarify that DOE is working to both lower gas prices and wean the country off oil. But that was only after the story was picked up by Republicans and used against the administration.

During his testimony before the Senate panel on Tuesday, after stopping and starting with a few thoughts
on the economy and the department's commitment to alternatively fueled vehicles, Chu told Lee: "Of

course we don't want the price of gasoline to go up. We want it to go down."

New polling out this week found that the president's disapproval rating is going up alongside high gasoline prices, which averaged $3.80 per gallon nationwide on Tuesday.

After the hearing, Chu told reporters that he changed his view from 2008 because of the fragile economy. "There is a real hardship that Americans are suffering at the gasoline pump," Chu said. "The recovery is fragile. Another spike in gasoline prices could put that recovery at jeopardy. So there are many, many reasons why we do not want the price of gasoline to go up."

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Energy Secretary Chu Testifies on Loan Guarantees

WASHINGTON, DC

The Senate Energy and Natural Resources Committee holds a full committee hearing on Energy Department loan
guarantees.

The hearing focuses on the "Report of the Independent Consultant's Review with Respect to the Department of
Energy Loan and Loan Guarantee Portfolio," but will likely also examine Solyndra, which received more than half a
billion dollars in federal loan guarantees before it filed for bankruptcy last year.

House Republicans opened their investigation into Solyndra nearly 13 months ago, but this is the first time Democratic controlled Senate will examine the program since Solyndra went under.

Herbert Allison, author of the report and former Treasury assistant secretary, will testify along with Energy Secretary Steven Chu.

The White House commissioned the report last year at the height of the Solyndra scandal and it was released on Feb. 10 of this year.

It covers the current status of of loans and loan guarantees administered by the Energy Department to support alternative energy projects, as well as recommendations for managing and monitoring the programs and for identifying and fixing potential problems with individual loans and loan guarantees.

It reviews the Energy Department's portfolio of 30 loans, worth just under $24 billion, and shows potential losses from the program will likely be less than Congress and the White House projected, according to the White House.

The report includes recommendations on how to improve the programs by filling key positions in management, clarifying authorities and accountabilities of managers and the establishing of a comprehensive information management system to inform the early warning system for troubled loans.

The report was limited to companies still in operation and did not include Solyndra.