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Companywide performance	Stock	Fidelity	\$45.5b
Year's best	56%	Franklin Templeton	\$38.5b
Year's worst	37%	F. Ross Price	\$30.5b
	14%	Columbia	\$18.7b
		BlackRock	\$18.7b
		JPMorgan	\$15.5b
		Dimensional	\$14.8b

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Mismanaged Energy Loans Too Solar-Focused, U.S. Republicans Say

By Jim Snyder on March 20, 2012

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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 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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