

Gov't Backs More Solar Loans As Deadline Looms

Matthew Daly, Associated Press

WASHINGTON (AP) — The Energy Department on Friday approved four more solar energy loan guarantees worth nearly \$5 billion, hours before a controversial loan program was set to expire.

Meanwhile, the Justice Department moved to take away control of a failed solar panel maker from its management and transfer it to a court-appointed trustee.

Energy Secretary Steven Chu said the department completed deals on four projects, including two that were sold late this week by Arizona-based First Solar Inc., a major solar manufacturer that had been seeking three federal loan guarantees for projects in California. The sales were announced Friday along with the loan guarantees.

The loans were approved under the same program that paid for a \$528 million loan to Solyndra LLC, a now-bankrupt solar panel maker that has become a symbol for critics of the Obama administration's green energy program.

Two other solar loan guarantees worth about \$1.1 billion were announced earlier this week, as the Obama administration pushed forward with the loan program despite pleas from GOP critics to halt it to avoid another Solyndra-like debacle.

Even as the loan program continued, the Justice Department took steps Friday to take away control of Solyndra from its management and transfer it to a court-appointed trustee.

In a filing with the U.S. Bankruptcy Court in Delaware, the Justice Department said it was seeking the appointment of a trustee because top Solyndra executives refused to answer questions about its finances and operations. Solyndra CEO Brian Harrison and financial chief W.G. Stover refused to testify before Congress last week, citing their Fifth Amendment protections against self-incrimination.

The Justice Department did not allege any wrongdoing but said "the inability or refusal of the corporate officers to answer material questions . establishes cause for the appointment of a trustee."

Solyndra, which filed for Chapter 11 bankruptcy protection in early September, faces a criminal investigation by the FBI, as well as scrutiny from congressional investigators and inspectors general at two federal agencies, Energy and Treasury.

Experts said management often remains in control of a company during Chapter 11 reorganization, but in some cases a court orders the appointment of a trustee to take control. If the Justice Department motion is granted by the bankruptcy court, the trustee could make decisions about the company's operations, including whether to liquidate the firm, a Justice Department spokeswoman said.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Chu said the solar projects, which could cost taxpayers as much as \$6 billion, should help the U.S. as it competes with China and other countries to develop renewable energy.

"To win the clean energy race we must invest in projects like this that fund jobs and increase the generation of clean, renewable power in the U.S.," Chu said in a statement. "Deployment of utility-scale solar power will help bring down the cost of solar and strengthen our position as a global clean energy leader."

The deals announced Friday include a \$1.5 billion loan guarantee to Florida-based NextEra Energy and other investors that bought a planned 550-megawatt solar farm on federal land in Southern California from First Solar, as well as \$646 million to Illinois-based Exelon Corp. for a 230-megawatt solar plant near Los Angeles. Next Era Energy Resources and GE Energy Financial Services bought the Desert Sunlight project from First Solar, while Exelon bought the Antelope Valley project. First Solar will continue to build and operate both projects.

A third project, worth \$1.2 billion, will help San Jose-based SunPower Corp. build a 250-megawatt solar plant in California, while \$1.4 billion will go San Francisco-based Prologis Inc. to support installation of about 750 solar rooftop panels in 28 states.

The loan program expires on Friday.

Rep. Cliff Stearns, R-Fla., chairman of a House energy subcommittee that is investigating Solyndra, called the rush to approve loans unseemly.

"In a last-minute mad dash to beat the stimulus deadline, DOE rushed out an unprecedented tidal wave of taxpayer dollars — and the question still remains, 'Where are the jobs?' " Stearns said Friday. "American taxpayers are already on the hook for half a billion dollars for the sins of Solyndra. What surprises does DOE have in store from (Friday's) rush job?"

Source URL (retrieved on 08/20/2014 - 11:18am):

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