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## Solyndra put a chill in clean-energy funding

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New York Times

March 12, 2012 - 9:02 PM

More than \$16 billion in loans authorized five years ago by Congress to develop fuel-efficient vehicles has yet to be disbursed, with applicants for the money complaining that the Energy Department is crippling plans for greener cars and trucks at a time of rising gas prices.

Some companies contend that the loans, administered by energy officials, have dried up because of a political firestorm that followed the bankruptcy last year of the solar-panel company Solyndra, which had received a federal loan from a related program. The bankruptcy fed Republican criticism of the Obama administration's handling of clean-energy loans because one of the investors in Solyndra was a major fundraiser for the president.

"Since Solyndra became politicized last fall, the Department of Energy has failed to make any other loans," said William Santana Li, chief executive of Carbon Motors, which on Wednesday dropped its \$310 million application to build police cars with diesel engines that use 40 percent less fuel than current models.

Last month, Chrysler withdrew its application for \$3.5 billion in loans -- after three years of negotiations -- because the government kept raising the amount of collateral required, company officials said.

Energy Department officials declined to discuss specific loan requests because of confidentiality agreements, but they denied that the political fallout of Solyndra's bankruptcy was an issue.

Applicants for the loans said the department had inexplicably altered financial terms of pending loans with no earlier hint that the applications might be in jeopardy.

Solyndra ceased operations last August but it was evident to the Energy Department some months earlier that the company was in trouble; in May, 2010, some White House officials were concerned that the company might not survive.

The auto-loan fund, known as the Advanced Technology Vehicle Manufacturing program, or ATVM, was created in 2007 in conjunction with new federal fuel-economy requirements. The intent was for loans to spur development of vehicles that would get 20 percent improvements in gas mileage over models they replaced. The fuel-efficiency rules were increased further in 2011 to a target of 54 miles per gallon by 2025.

Only \$8.4 billion of the \$25 billion authorized by Congress for the ATVM program has been allocated. It is unclear whether any car-loan applications are still being considered.

The Senate Committee on Energy and Natural Resources is expected on Tuesday to discuss the clean-energy loan efforts, including both the auto loan program and the related renewable energy loan program, which provided the money for Solyndra.



At the Fremont, Calif., headquarters of solar panel maker Solyndra Inc. before the company's bankruptcy last year.