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GAO to issue report on DOE loan guarantees; Republicans seek 'watch list'

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The U.S. Government Accountability Office expects to release a report March 12 on the troubled U.S. Department of Energy loan guarantee program, according to a GAO staffer.

The GAO report comes as Republicans in Congress and on the presidential campaign trail step up their criticism of President Barack Obama's decision to invest billions of taxpayer dollars in renewable energy sources.

On March 8, Republican members of the House Energy and Commerce Committee asked Energy Secretary Steven Chu to provide them with a list of the companies that received DOE loan guarantees that are experiencing financial problems. During a hearing of the committee's Energy and Power Subcommittee, Rep. Joe Barton, R-Texas, asked Chu whether he has seen a list of the status of all the DOE loan guarantees and which ones may be in danger of falling into bankruptcy. In particular, Barton pressed Chu to provide an estimate of the number of loans on the department's "watch list."

Chu responded that he did not have the exact number. However, the secretary voiced support for the department's loan guarantee program in general. "[M]any of the loans we've given out have been very good successes," Chu told the subcommittee. "With regard to alternative energies, there are a number of loans that are low risk and have a very high probability of being paid back."

Rep. Michael Burgess, R-Texas, asked Chu to provide the committee with information about the alleged postponement of the announcements of layoffs at now-bankrupt Solyndra until after the November 2010 mid-term elections. Chu told Burgess that the matter of whether someone in the Obama administration was involved in postponing the announcement of layoffs by Solyndra has been turned over to DOE's Office of Inspector General. "The IG is taking an independent look at what happened," Chu said.

Burgess also pressed Chu to provide the committee with a written list of loan guarantee companies that may potentially be facing bankruptcy. However, Chu did not specifically agree to provide the committee with a written list of company names on the department's watch list. "We don't want to violate the company confidentialities," Chu said.

Chu noted that his senior adviser plans to brief the committee during the week of March 12 on the status of the loan guarantees. Title XVII of the Energy Policy Act of 2005 authorized the energy secretary to make loan guarantees to companies investing in projects that "avoid, reduce, or sequester air pollutants" and "employ new or significantly improved technologies," including renewable energy systems, advanced fossil energy technology, advanced nuclear and efficient electrical generation.

Obama has made clean energy development a central goal of his presidency. In a Feb. 23 speech in Miami on energy policy, the president stressed the importance of [providing incentives](#) for the development of clean energy. "A century of subsidies to the oil companies is long enough. It's time to end taxpayer giveaways to an industry that's never been more profitable, and double-down on a clean energy industry that's never been more promising," Obama said.

Drawing a sharp distinction between himself and Obama, former Massachusetts Gov. Mitt Romney, the Republican 2012 presidential primary candidate front-runner, [has assailed](#) the president's green energy policies and vowed to focus on developing America's coal, oil and natural gas resources. "In place of real energy, Obama has focused on an imaginary world where government-subsidized windmills and solar panels could power the economy. This vision has failed. His promise of 5 million green jobs vanished as fast as the \$500 million he gave to his campaign donors at now-bankrupt Solyndra," Romney said in a March 5 [blog post on his website](#).

The Congressional Budget Office reported in a March 6 brief that 78% of federal energy tax preferences in 2011 [went to renewable resources](#), energy efficiency and other alternative technologies. Tax preferences aimed at energy efficiency and renewable energy accounted for about \$16 billion in 2011, the CBO found.

The committee's Subcommittee on Oversight and Investigations has been investigating the award of a \$535 million loan guarantee to Solyndra to determine whether White House staffers had a role in approving the loan. The House Oversight and Government Reform Committee also [has been investigating](#) DOE's implementation of the American Recovery and Reinvestment Act and the loan guarantee to Solyndra.

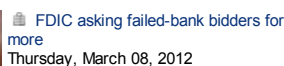
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