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E-mails about clean-energy loans provide new details on White House involvement

By [Carol D. Leonnig](#) and [Joe Stephens](#), Published: August 8 | Updated: Thursday, August 9, 7:23 AM

President Obama's staff arranged for him to be personally briefed last summer on a loan program to help clean-energy companies, two months before the program was thrust into headlines by the collapse of its flagship, the solar company [Solyndra](#), records show.

About the same time, then-White House Chief of Staff [William Daley](#) resolved a dispute among administration officials over another project in the program, clearing the way for a \$1.4 billion loan, according to documents and sources familiar with the situation.

The documents, a series of e-mails among Energy Department staff members involved in managing the program, provide new details about the level of White House involvement in the controversial initiative. White House officials have said in the past that final decisions about which companies would receive the loan guarantees were made by career staff members at the Energy Department, not political appointees.

Administration officials said Wednesday that the e-mails show that the White House involvement was appropriate and that there was no pressure on agency officials.

That loan program, a signature piece of the Obama administration's effort to stimulate the economy, has become a major issue in this year's [presidential campaign](#). Republicans have charged that the program wasted critical stimulus money meant to create jobs, spending it instead on ill-advised projects that

benefited Democratic fundraisers.

The documents, provided to The Washington Post by Republican investigators for the House Oversight and Government Reform Committee, show that White House aides asked Energy Secretary Steven Chu to deliver a June 27, 2011, presentation to the president on the status of the loan program. The interest in a presidential briefing came as other senior administration figures were challenging parts of the program and debating whether the Energy Department was cutting deals that gave “unjust enrichment” to private companies.

An Energy staffer explained that the president “wants to know its status” so he could be prepared when the loan program came up “at official events and political events where he interacts with [the] business community and Congressional members.” The e-mail from the department’s chief of staff, Brandon Hurlbut, went on to say that many people attending such gatherings “have some affiliation or interest in the numerous applications received that involve substantial funds.”

The documents do not indicate whether the presidential briefing took place as scheduled and, if so, whether Obama offered guidance on the program’s future.

‘A right to know’

On Wednesday, Rep. Darrell Issa (Calif.) and other Republican members of the House Oversight and Government Reform Committee wrote to Obama requesting a “full and complete” explanation of his involvement in the issue and seeking additional internal documents, including a list of all private individuals with whom the president met to discuss loan projects.

“The American people have a right to know the level of involvement you and other senior White House officials had in the loan guarantee program,” the committee members wrote. “Your interactions with business leaders at political events affected decisions to give billions of taxpayer dollars in loan guarantees to green energy companies.”

Energy Department spokesman Damien LaVera said that the collection of internal documents provided thus far to congressional investigators “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.”

Rather than revealing any White House pressure to give money to certain companies, the new e-mails show that “Department of Energy officials appealed to the White House to resolve legitimate disagreements between agencies” so the applications could move forward, LaVera said.

White House spokesman Clark Stevens added that “internal debates about complex programs like this should be expected, and the White House playing a role in assisting interagency discussion surrounding that process is entirely appropriate.”

Solyndra, a Silicon Valley start-up that manufactured solar panels, received a half-billion dollar federal loan from the program before [suddenly closing](#) last August. A short time later, the FBI raided its offices as part of a criminal investigation into whether the company misled the government about its finances.

The government is expected to recover just \$24 million of the \$527 million that taxpayers lent the company. Republicans have accused the administration of [favoring Solyndra](#) because its largest investors were funds linked to Oklahoma [billionaire George Kaiser, an Obama donor](#).

‘Some serious gloating’

Other e-mail exchanges in the documents appear to show deep divisions between Chu and some senior Obama economic advisers over the program.

In June 2011, Chu asked Daley to settle a dispute among agency leaders over whether a \$1.4 billion loan to a solar generation facility was consistent with the stimulus act. Chu was a major proponent of the Project Amp facility, which was proposing to use Solyndra as a sole supplier of solar panels at a time when Solyndra was in financial trouble.

Obama’s senior economic leaders, including then-Office of Management and Budget director Jack Lew, expressed concerns that the project was spread over several years and did not have any immediate impact on the local economy. Lew, now Obama’s chief of staff, told a DOE staffer after the Daley meeting that he was not opposed to the general idea of the project but was just “protecting the president.”

After the meeting, Jonathan Silver, the director of the Energy Department’s loan office, celebrated “total victory” over his administration opponents. He described in an e-mail to a colleague how Chu came as “close to an annihilation of the economic team’s position as you could possibly hope for.” Silver speculated that Daley had given the economic team “a fig leaf” and that the Energy Department’s victory was cause to “do some serious gloating.”

A draft of Energy Department talking points prepared for the presidential briefing highlights that the program had committed more than \$34 billion and asserted that it had created or saved 68,000 jobs. Those talking points forecast little risk from the program, although Solyndra was already showing signs of distress: The department months earlier had negotiated [a loan restructuring](#) amid threats that the firm would have to liquidate for lack of operating cash.

“DOE expects that all loans will be repaid,” one presentation slide said. “When loans are repaid, the benefits — including the creation of tens of thousands of jobs — will have been obtained at little cost to taxpayers.”

Chu appeared eager to make sure that Obama heard about the disagreements over the program within the administration.

“We need to tell the President the truth, as we see it. We need to also present the other side’s point of view as fairly as possible,” the secretary wrote in an e-mail to Hurlbut.

Officials at the Treasury Department and the White House Office of Management and Budget often argued that government subsidies to clean-energy companies gave them too great of a return on investment, or an “unjust enrichment,” Chu wrote.

“Many times, they felt that a ‘better deal’ could have been brokered by DOE and asked us to renegotiate,” he said.

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