



Energy Dept's Last-minute Loans: Billions to Alternative Energy Firms

Earlier in the week, the DOE [awarded](#) separate loan guarantees worth one billion dollars for two solar power plants and one cellulosic ethanol biorefinery.??The decision comes several weeks after the Obama administration announced that Solyndra, a California-based solar energy component manufacturer, was awarded a \$535-million loan guarantee. This bureaucratic boon came to Solyndra despite the fact that in 2009 the company had filed for bankruptcy and laid off 1,100 workers. The grant, the circumstances surrounding it, and the recipient's obvious lack of demonstrable viability combined in a cocktail of controversy that the President is still imbibing.?



In addition to the foregoing financing, the DOE announced an additional guaranteed funding totaling \$737 million for the construction of the Crescent Dunes Solar Energy Project, a 110-megawatt solar-power-generating facility in Nye County, Nevada. The project is being spearheaded and overseen by Tonopah Solar, a subsidiary of California-based SolarReserve.

Despite the facts produced by the DOE itself regarding the questionable economic feasibility of financing solar and wind power versus traditional sources of energy, the Secretary of the Department wrote in a statement accompanying the announcements:

If we want to be a player in the global clean energy race, we must continue to invest in innovative technologies that enable commercial-scale deployment of clean, renewable power like solar. Solar generation facilities, like the Crescent Dunes Solar Energy Project, help supply energy to local utilities and create hundreds of good, American clean energy jobs.

The Crescent Dunes site reportedly will generate power using "concentrated solar power technology." That is to say, a bank of mirrors will re-direct sunlight onto a receiving dish installed at the center of the plant.

Further evincing the Obama administration's resolve to fund these alternative energy concerns despite the fiscal realities to the contrary, the Energy Department also announced that it had finalized a \$337-million loan guarantee to Sempra Energy for a 150-megawatt photovoltaic solar generation project in Arizona.

The Wikipedia entry for this form of energy harvesting states:

Photovoltaic is a method of generating electrical power by converting solar radiation into direct current electricity using semiconductors that exhibit the photovoltaic effect. Photovoltaic power generation employs solar panels composed of a number of solar cells containing a photovoltaic



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material.

According to the announcement accompanying the grant, the project will generate 300 construction jobs. That's some comfort considering that studies have demonstrated that it will generate very little usable energy.

The flurry of financing came hours before the program under which the money was made available for the funding for such projects expired. The DOE's advanced energy loan guarantee program was created under the 2009 stimulus package and all disbursements were to be finalized by September 30.

While the development of alternative forms of energy may be laudable, there are certainly lingering and legitimate concerns over the viability of wind to produce the power necessary to justify its exorbitant cost.

A [report](#) published by the Department of Energy's Energy Information Administration stated that while the subsidy per megawatt hour for all available energy sources was about \$1.65, the subsidy received by solar and wind power companies was about \$24 per megawatt hour. Observers have noted that that is hardly a cost-effective allocation of money taken unconstitutionally from the American taxpayer in the first place.

In an effort to assure congressional Republicans that there will be no rush to judgment in the push to pass out all the available loan money, the DOE declared that no project would be approved before undergoing a thorough analysis. A DOE spokesman stated, "We are committed to ensuring that every deal closed before September 30 is fully vetted and will not close any deal that has not received full due diligence by September 30."

Undaunted, Republicans on both the House Oversight and Government Reform and the Energy and Commerce committees are investigating the loan-guarantee program, primarily in response to the Solyndra debacle.

Moreover, the Justice Department has initiated its own investigation of Solyndra.

The circumstances surrounding the Solyndra loan certainly merit investigation. As [reported](#) by *The New American*:

The FBI is investigating bankrupt solar-panel maker Solyndra after the company secured more than \$500 million in loan guarantees from the federal government. Glorified by President Obama as "the future" of clean energy and a "testament to American ingenuity and dynamism," Solyndra ... was raided by FBI agents on Thursday, as allegations were made that executives knowingly misled the government in an attempt to swindle \$535 million in federal loan guarantees. FBI spokesman Peter Lee said the investigation commenced following a request by Energy Department inspector general Gregory Friedman, who alleged that the department's clean-energy loan program lacks "transparency and accountability."

There's more to the Solyndra affair than a lack of business savvy, however. As the story in *The New American* relates:

Solyndra had intimate connections with the Obama administration, including a reported link between Oklahoma billionaire George Kaiser — a prominent investor in the company — who reportedly influenced the Department of Energy's authorization of the loans, while raising over \$50,000 for Obama's 2008 presidential campaign.

As if the exposure of the incestuous relationship between President Obama and Solyndra wasn't enough



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to dissuade his administration from making additional questionable loans to other companies with key officials keen on plumping up the President's re-election bank account, it was [reported](#) that:

President Obama will be the benefactor of a fundraiser being organized by a Missouri businessman "whose company benefited from a \$107-million federal tax credit to develop a wind power facility in his state."

The name of this Friend of Barack is well-known in the Show Me State and in Democratic Party circles. Tom Carnahan is the 42-year-old son of the former Governor of Missouri Mel Carnahan and former U.S. Senator Jean Carnahan. The younger Carnahan was an attorney and is the founder of Wind Capital Group.

It is Carnahan's Wind Capital Group venture that has caused eyebrows to raise (yet again) with regard to President Obama's apparent proclivity for inviting big-dollar donors to feed at the federal trough.

Carnahan is certainly a donor. On the Obama 2012 website the Carnahan family is listed as having committed to host a "\$25,000-per-person fundraiser" in St. Louis during the first week of October.

As the time approaches for the elections of 2012, Americans would be wise to recall these questionable relationships between President Obama and various recipients of billions of dollars in taxpayer funds. American voters should never allow the United States of America to become the private slush fund for our elected leaders in D.C.



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