

White House orders review of energy loans

October 29 2011



US President Barack Obama speaks at the Solyndra Inc. solar facility in Fremont, California, 2010. The White House Friday ordered an independent probe into government loans to clean energy firms, after a solar panel firm which took half a billion dollars in public money went bankrupt.

The White House Friday ordered a probe into US government loans to clean energy firms, after a solar panel company took a half billion dollar Energy Department loan guarantee and then went bankrupt.

The announcement by [White House](#) Chief of Staff William Daley came as Republicans crank up pressure on the administration over the loan made to California-based Solyndra and other outlays designed to spur [green energy](#) jobs.

"The President is committed to investing in clean energy because he understands that the jobs developing and manufacturing these technologies will either be created here or in other countries," Daley

said.

"While we continue to take steps to make sure the United States remains competitive in the 21st Century [energy economy](#), we must also ensure that we are strong stewards of taxpayer dollars."

The independent analysis will be led by Herb Allison, a former Treasury Department official, and will focus on the Department of Energy's loan portfolio.

Daley said Allison was "tough, always tells it like it is, and we look forward to his thorough and candid assessment."

The White House announcement came after a Republican-led Energy and Commerce subcommittee of the House of Representatives scheduled a meeting next week to decide whether to subpoena White House documents on Solyndra.

[Energy Secretary](#) Stephen Chu will also face a grilling before the committee next month.

President Barack Obama's Republican foes have been hunting for evidence that politics at the White House improperly shaped the Energy Department's decision to provide Solyndra with a \$535-million loan guarantee.

The White House has denied acting inappropriately.

An official said that the probe conducted by Allison would last 60 days and would conclude with a public report to the administration that includes an evaluation of the current Department of Energy loan portfolio.

It will include recommendations on how to improve the system and establish an [early warning system](#) to identify concerns with managing the program.

Allison will also be authorized to bring in a team of outside experts to assist in the review of the portfolio and preparation of the report.

One report suggested that White House officials pressed for a decision on the loan to Solyndra so Vice President Joe Biden could announce the approval at a groundbreaking for the company's new factory in September 2009.

The Washington Post report was based on emails between the Office of Management and Budget and White House officials.

But White House spokesman Jay Carney said that the emails showed only that White House officials were seeking information on the loan to work out the vice president's schedule.

Republicans however charge that evidence shows that the White House, in its rush to push out stimulus spending, had cut short the final review process for the loan to Solyndra.

Critics of the administration say that the firm, once hailed as a shining example of Obama's push to create green jobs in a new [energy](#) economy, was instead an symbol of unwise federal handouts.

California-based Solyndra has now filed for bankruptcy, closed its doors and laid off 1,000 workers, leaving taxpayers on the hook for the \$535 million loan.

(c) 2011 AFP

Citation: White House orders review of energy loans (2011, October 29) retrieved 8 May 2024 from <https://phys.org/news/2011-10-white-house-energy-loans.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.