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Republicans Ask Chu to Explain Prologis, Solyndra Links

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(Updates with date of Prologis's loan guarantee approval in sixth paragraph.)

Feb. 17 (Bloomberg) -- House Republicans asked U.S. Energy Secretary Steven Chu about a \$1.4 billion partial loan guarantee to a solar-energy company that was to buy panels from failing Solyndra LLC, which went out of business three months later.

The House Energy and Commerce Committee today said Chu may have intervened on behalf of San Francisco-based Prologis Inc. in June 2011 and help prop up Solyndra after restructuring its \$535 million U.S. loan. The panel said documents obtained in its investigation, and not released, showed Solyndra was to be the only supplier in the first phase of Prologis's Project Amp to install equipment on rooftops managed by the company.

Representative Fred Upton, a Michigan Republican and committee head, and Cliff Stearns, a Florida Republican and chairman of the investigations panel, "are greatly concerned at the extraordinary measures the Obama administration appears to have taken in keeping Solyndra afloat," the committee said in a statement.

The lawmakers asked Chu in a letter released today to provide by Feb. 24 a range of documents to get a better understanding of the "Project Amp loan guarantee, as well as the relationship between Solyndra and Project Amp."

Kaiser, Solyndra

Republicans have questioned whether President Barack Obama's campaign fundraiser George Kaiser, whose family foundation was Solyndra's biggest investor, pressed for the \$535 million loan. Kaiser has said he didn't lobby. Solyndra fired 1,100 workers on Aug. 31, and sought bankruptcy protection on Sept. 6.

When the loan closed in late September, Solyndra wasn't a supplier to Project Amp, Damien LaVera, an Energy Department spokesman, said. The Energy Department announced Sept. 30 that Prologis's loan guarantee had closed, though the company received a conditional commitment in June, according to the House committee.

"Secretary Chu strongly supported Project Amp because it will be the largest rooftop project in U.S. history and is expected to generate enough clean, renewable electricity to power over 88,000 homes while supporting at least a thousand jobs all across the country," LaVera said in an e-mail.

Project Amp was supported by companies including Bank of America Corp. of Charlotte, North Carolina, and NRG Energy Inc. of Princeton, New Jersey, he said.

Solyndra Loan

Chu may have pushed U.S. backing for Prologis while the Energy Department helped renegotiate Solyndra's loan as part of a last-ditch U.S. effort to keep the Fremont, California-based company alive, according to the committee's statement.

"It appears that Solyndra's involvement in Project Amp was a significant factor both in the negotiations" to avoid Solyndra's bankruptcy and to close the loan guarantee for Prologis, Upton and Stearns said in the letter to Chu.

Energy Department employees took part in negotiations between Solyndra and Prologis on the roof project, helping to work out a "shipment schedule, the number of megawatts Solyndra would supply and the price per watt," the lawmakers said in the letter.

Upton and Stearns want communications and documents related to Project Amp and Solyndra since Jan. 1, 2010, according to the letter.

"As has consistently been the case in the course of this committee's year-long political investigation, critics of our effort to support innovative, job-creating clean energy projects will say anything to distort the record," LaVera said.

Representatives from San Francisco-based Prologis didn't immediately have a comment.

--With assistance from William McQuillen in Washington. Editors: Steve Geimann, Jon Morgan

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