

PROMOTING ETHICS IN PUBLIC LIFE

National Legal and Policy Center



GM-Funded EV Company Gives Up on DOE Loan, Ends Operations

Submitted by [Paul Chesser \(bios/paul-chesser\)](#) on Mon, 03/05/2012 - 11:03

in administrating [Printer-friendly \(http://nlpc.org/print/3869\)](http://nlpc.org/print/3869) [Email to friend \(http://nlpc.org/printmail/3869\)](http://nlpc.org/printmail/3869)

ts stimulus-fed

loan and grants programs, the

[Department of Energy \(http://nlpc.org/category/keywords/department-energy\)](http://nlpc.org/category/keywords/department-energy) has

been accused of incompetence,

carelessness, recklessness, and

ironyism. Now it can add inconsistency

to those distinguishing characteristics.



Last week Bright Automotive, an [electric vehicle \(http://nlpc.org/category/keywords/electric-vehicles\)](http://nlpc.org/category/keywords/electric-vehicles) start-up company that [General Motors \(http://nlpc.org/category/keywords/general-motors\)](http://nlpc.org/category/keywords/general-motors) helped two years ago with an [investment \(http://wheels.blogs.nytimes.com/2010/08/04/g-m-invests-in-plug-in-hybrid-startup/\)](http://wheels.blogs.nytimes.com/2010/08/04/g-m-invests-in-plug-in-hybrid-startup/) of at least \$5 million from its venture capital arm, gave up hope on winning a \$450 million loan from DOE's Advanced Technology Vehicle Manufacturing program. As the company announced the withdrawal of its loan application and that it would end operations, CEO Reuben Munger and COO Mike Donoughe sent (and released to the media) [a letter \(http://download.gannett.edgesuite.net/detnews/2012/pdf/0228brightauto.pdf\)](http://download.gannett.edgesuite.net/detnews/2012/pdf/0228brightauto.pdf) to DOE

Secretary [Steven Chu \(http://nlpc.org/category/people/steven-chu\)](http://nlpc.org/category/people/steven-chu) that sharply criticized the loan programs processes and outlined their frustrations.

"Bright has not been explicitly rejected by the DOE," the Bright executives wrote, "rather, we have been forced to say 'uncle...'"

"Last week we received the fourth 'near final' Conditional Commitment Letter since September 2010. Each new letter arrived with more onerous terms than the last. The first three were workable for us, but the last was so outlandish that most rational and objective persons would likely conclude that your team was negotiating in bad faith. We hope that as their secretary, this was not at your urging."

The shutdown is the latest in what is becoming a long line of green energy government "investment" failures in [Indiana \(http://nlpc.org/category/keywords/indiana\)](http://nlpc.org/category/keywords/indiana). In January EV battery maker [Ener1 \(http://nlpc.org/category/keywords/ener1\)](http://nlpc.org/category/keywords/ener1), which had received \$118.5 million in grants from DOE and [\\$7.15 million in incentives from the Hoosier State \(http://content.usatoday.com/communities/theoval/post/2012/01/obama-critic-backed-bankrupt-clean-energy-firm/1\)](http://content.usatoday.com/communities/theoval/post/2012/01/obama-critic-backed-bankrupt-clean-energy-firm/1), [filed for bankruptcy \(http://nlpc.org/stories/2012/01/26/layoffs-bankruptcies-epidemic-of-e2%80%99t-subsidies-industry-aka-renewables\)](http://nlpc.org/stories/2012/01/26/layoffs-bankruptcies-epidemic-of-e2%80%99t-subsidies-industry-aka-renewables). The EV company upon which it depended to buy its product, Norway-based [Think Global \(http://nlpc.org/category/keywords/think-global\)](http://nlpc.org/category/keywords/think-global) (beneficiary of [3.1 million in state incentives \(http://nlpc.org/stories/2012/02/01/taxpayer-cash-ener1-helped-thrice-failed-foreign-ev-company\)](http://nlpc.org/stories/2012/02/01/taxpayer-cash-ener1-helped-thrice-failed-foreign-ev-company)), has repeatedly run out of money over the years and most recently [went bankrupt in June \(http://www.autonews.com/apps/pbcs.dll/article?AID=/20110622/COPY01/306229798/1193\)](http://www.autonews.com/apps/pbcs.dll/article?AID=/20110622/COPY01/306229798/1193). [Abound Solar \(http://nlpc.org/category/keywords/abound-solar\)](http://nlpc.org/category/keywords/abound-solar), which was to [receive \\$11.85 million in state](http://nlpc.org/category/keywords/abound-solar)

