June 5, 2012

Valerie Jarrett's Office Of Green Energy Failure

Obama's Investments Failed To Generate Returns For Average Americans But Obama Allies Cashed In On Access To His Top Advisor

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VALERIE JARRETT'S CLEAN ENERGY SUMMIT'S ATTENDEES STRUCK GOLD, CASHING IN ON $5.3 BILLION IN TAXPAYER FUNDS FROM THE OBAMA ADMINISTRATION

On September 22, 2009, Valerie Jarrett's Office Of Public Engagement Held A "Energy-Oriented Summit" At The White House. ("White House Visitor Records: UIN U40012," Data.gov, Accessed 6/4/12)

- **Greg Nelson, Then-Associate Director For Energy, Environment And Technology In Valerie Jarrett's Office, Hosted The Summit.** ("White House Visitor Records: UIN U40012," Data.gov, Accessed 6/4/12; "Greg Nelson," LinkedIn, Accessed 6/4/12)
- **Nelson Is Currently Deputy Director Of The Office of Public Engagement.** ("Greg Nelson," LinkedIn, Accessed 6/4/12)

Collectively, Companies Tied To The Attendees At The Meeting Received Over $5.3 Billion In Stimulus Loans, Grants, Tax Credits And Contracts

- **$2.5 BILLION – SANJAY WAGLE:** Companies Tied To Sanjay Wagle (1366 Technologies, BrightSource, FloDesign, Genomatica, Serious Materials, Solazyme And Tesla Motors) Received Over $2.5 Billion Worth Of Stimulus Loan Guarantees, Contracts And Awards. (Carol Leonnig and Joe Stephens, "Federal Funds Flow To Clean-Energy Firms With Obama Administration Ties," *The Washington Post*, 2/14/12; Recovery.gov, Accessed 6/4/12)
    - **"Sanjay Wagle Was A Venture Capitalist And Barack Obama Fundraiser In 2008 … Shortly After Obama's Election, He Left His California Firm To Join The Energy Department."** "Sanjay Wagle was a venture capitalist and Barack Obama fundraiser in 2008, rallying support through a group he headed known as Clean Tech for Obama. Shortly after Obama's election, he left his California firm to join the Energy Department, just as the administration embarked on a massive program to stimulate the economy with federal investments in clean-technology firms." (Carol Leonnig and Joe Stephens, "Federal Funds Flow To Clean-Energy Firms With Obama Administration Ties," *The Washington Post*, 2/14/12)

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- **$1.2 BILLION – GENERAL ELECTRIC:** General Electric Received Over $1.2 Billion Worth Of Stimulus Loan Guarantees, Awards, Contracts And Grants. ("Recipient Profile: General Electric," Recovery.gov, Accessed 6/4/12)
- **$535 MILLION – SOLYNDRA:** Solyndra Received $535 Million In Stimulus Funding And Loan Guarantees. ("Recipient Profile: Solyndra," Recovery.gov, Accessed 6/4/12)
- **$440 MILLION – HORIZON WIND ENERGY:** Horizon Wind Received Over $440 Million In Section 1603 Tax Credits For Their Wheat Field, Lost Lakes, Meadow Lake And Rail Splitter Wind Farms. (Department Of The Treasury, Accessed 6/4/12)
- **$372 MILLION – FIRST WIND:** First Wind Power And Its Subsidiaries Received Over $372 Million In Stimulus Funding And Tax Credits. ("Recipient Profile: First Wind," Recovery.gov, Accessed 6/4/12; Department Of The Treasury, Accessed 6/4/12)
- **$72 MILLION – GAMESA/MAPA GROUP:** MAPA Group's Client Gamesa Received $72 Million In Section 1603 Tax Credits For Their Barton Chapel Wind Farm. (Department Of The Treasury, Accessed 6/4/12)
- **$51 MILLION – VESTAS:** Subsidiaries Of Vestas North America Received Over $51 Million In Section 48C Advanced Energy Manufacturing Tax Credit. (Internal Revenue Service, Accessed 6/4/12)
- **$29 MILLION – CATHY ZOI:** Serious Materials and Landis+Gyr, Companies Tied To Cathy Zoi Received Over $39 Million Worth Of Stimulus Awards And Loan Guarantees. (Steven Thomma, "Obama Energy Official Has Ties To Firms That Stand To Benefit," *McClatchy Newspapers*, 4/26/10)
    - **Cathy Zoi Was The Assistant Secretary Of Energy For Energy Efficiency And Renewable Energy, At That Time She Had "A Major Financial Interest" In Two Companies Set To Profit From The Stimulus.** "A top Obama administration official who's helping lead a campaign for energy conservation has a major financial interest in two companies that are poised to benefit from the government's spending. Cathy Zoi, the assistant secretary of energy for energy efficiency and renewable energy, owns between $250,000 and $500,000 worth of stock in Landis+Gyr, a Swiss-based manufacturer of special electric meters that are used to create an efficient 'smart' grid of electricity use." (Steven Thomma, "Obama Energy Official Has Ties To Firms That Stand To Benefit," *McClatchy Newspapers*, 4/26/10)
- **$18.2 Million – MEMC/SUNEDISON (SOLAICX):** In 2010, MEMC Acquired Solaicx, The Recipients Of Over $18 Million In Advanced Manufacturing Tax Credits. (Internal Revenue Service, Accessed 6/4/12)
- **$17.9 MILLION – AMERESCO, INC.:** Ameresco Received Over $17.9 Million Worth Of Stimulus Awards And Contracts. ("Recipient Profile: Ameresco," Recovery.gov, Accessed 6/4/12)
- **$480,000 – CARDINAL FASTENER & SPECIALTY CO.:** Cardinal Fastner Received A $480,000 Section 48C Advanced Energy Manufacturing Tax Credit. (Internal Revenue Service, Accessed 6/4/12)

HOW DID THE SUMMIT'S ATTENDEES FARE WITH TAXPAYER DOLLARS? NOT WELL

Solyndra Went Bankrupt, Costing 1,100 Jobs

In August 2011, Solyndra Announced That It Was Filing For Bankruptcy And Laying Off 1,100 Employees. "Solyndra, a Fremont solar tech manufacturer, announced Wednesday it is suspending operations and immediately laying off 1,100 employees. The company said it will also file for bankruptcy." (George Avalos, "Fremont Solar Tech Firm Solyndra To Shut Down, Lay Off 1,100 Workers," *The San Jose Mercury News*, 8/31/11)

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Vestas Is Laying Off 182 Workers In The U.S. And Threatening Another 1,600 By The End Of The Year

In January 2012, Vestas Announced It Was Laying Off 2,335 Workers Worldwide, Including 182 In The United States. "Wind-turbine maker Vestas announced today that it expects to lay off 2,335 employees by ceasing manufacturing at a factory, merging units and centralizing administrative functions. The layoffs, primarily in Europe and specifically Denmark, will reduce Vestas' fixed costs by 150 million Euros, said the firm. Of the 2,335 employees being dismissed, 182 are in the United States, 1,719 in Europe, and 404 in China and the rest of the world." (Howard Pankratz, "Vestas To Lay Off More Than 2,300; Could Lay Off Another 1,600 In The U.S. Later This Year," *The Denver Post*, 1/12/12)

- **Vestas Also Warned That It May Lay Off 1,600 Workers In The United States By The End Of The Year.** "In addition to the planned layoffs of 2,335 employees in the coming months, the Danish firm said it is preparing for a potential slowdown in the United States in case the Production Tax Credit is not extended. This could result in layoffs of an additional 1,600 employees at factories in the United States, said Vestas. The decision whether to layoff employees in the United States will be made this year, said the company." (Howard Pankratz, "Vestas To Lay Off More Than 2,300; Could Lay Off Another 1,600 In The U.S. Later This Year," *The Denver Post*, 1/12/12)

Cardinal Fasteners Went Bankrupt In 2011 And Was Sold In A Fire Sale To A German Company

President-Elect Obama: "In Some Ways You Can't Think Of A More Iconic Company Than Cardinal Fastener." (President-Elect Obama, Remarks At Cardinal Fastener, Bedford Heights, OH, 1/16/09)

- **President-Elect Obama Said That The Stimulus Could Mean Cardinal "Going From Operating At 50 Percent Capacity To 90 Percent Capacity And Creating Even More Good, Made-In-America Jobs Right Here In Ohio."** OBAMA: "That's why, as part of our Recovery and Reinvestment plan, we're committing to double the production of renewable energy in the next three years, and to modernize more than 75% of federal buildings and improve the energy efficiency of two million American homes. In the process, we'll put nearly half a million people to work building wind turbines and solar panels; constructing fuel-efficient cars and buildings; and developing the new energy technologies that will lead to new jobs, more savings, and a cleaner, safer planet in the bargain. Here at Cardinal Fastener, that could mean going from operating at 50 percent capacity to 90 percent capacity and creating even more good, made-in-America jobs right here in Ohio." (President-Elect Obama, Remarks At Cardinal Fastener, Bedford Heights, OH, 1/16/09)

In June 2011, Cardinal Fastener Filed For Chapter 11 Bankruptcy Protection. "Cardinal Fastener & Specialty Co., the Bedford Heights bolt-maker that became a supplier to the U.S. and European wind turbine industry in 2007, filed for Chapter 11 bankruptcy Thursday and suspended operations. Company president John Grabner, in an emailed statement, said the voluntary filing was necessary 'largely as a result of an impasse in negotiations with Wells Fargo, our primary lender, regarding working capital financing.'" (John Funk, "Cardinal Fastener Files For Chapter 11 Bankruptcy Protection From Creditors," *The Cleveland Plain-Dealer*, 6/30/11)

- **In January 2012, Cardinal Fastener Was Acquired By Germany's Wurth Group For Just $3.9 Million.** "Cardinal Fastener & Specialty Co. of Bedford Heights, a maker of bolts and fasteners that became a poster child for the wind-power industry, ran into financial problems, filed for Chapter 11 bankruptcy protection and then in late October was sold to Germany's Wurth Group for just

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$3.9 million. The new owner's goal for 2012: Get Cardinal close to where it was before its June bankruptcy." ("Deals That Matter," Crain's *Cleveland Business Journal*, 1/2/12)

Serious Materials Closed A Chicago Factory That Obama Visited To Tout The Stimulus

In 2009, President Obama Cited Serious Materials As A Stimulus Success Story, Saying That It Was Responsible For "Rehiring The Workers Who Lost Their Jobs And Giving Them A New Mission ..." "In the United States, we passed an historic Recovery Act that quickly put money in the hands of working families, and is putting Americans to work all across the country – including in Pittsburgh and the surrounding area. ... That includes Serious Materials manufacturing plant outside of Pittsburgh that was shuttered last year, which is now rehiring the workers who lost their jobs and giving them a new mission: producing some of the most energy-efficient windows in the world." (President Barack Obama, Statement By The President On G-20 Summit In Pittsburgh, The White House, 9/8/09)

In February 2012, "Dozens Of Workers Locked Themselves Inside The Plant's Cafeteria" After Learning That Serious Materials Planned On Closing The Chicago Plant. "Dozens of workers locked themselves inside the plant's cafeteria Thursday afternoon after they were told Serious Energy was closing the factory and consolidating operations in Colorado and Pennsylvania. They ended their demonstration at about 2 a.m. Friday, after the company agreed to keep the plant open for 90 days." (Alejandra Cancino, "Window Factory Workers End Sit-In, Get 90-Day Reprieve," *The Chicago Tribune*, 2/25/12)

- **"It's The Second Time The Union's Workers Have Taken Over The Plant In A Move To Save Their Jobs. In December 2008, Their Employer, Republic Windows & Doors, Closed And Laid Off 250 Workers."** (Alejandra Cancino, "Window Factory Workers End Sit-In, Get 90-Day Reprieve," *The Chicago Tribune*, 2/25/12)

Serious Materials, In Its Announcement Of The Plant's Closure, "Painted A Pretty Bleak Picture Of The Business At Present." "That's the news from Chicago, where Serious has decided to close its green window factory, which it rescued from closing in 2008. About 46 workers will lose their jobs. While Serious said it will keep making its efficient windows at plants in Pennsylvania and Colorado, it also painted a pretty bleak picture of the business at present." (Jeff St. John, "Serious Energy To Close Green Window Factory It Once Saved," Green Tech Media, 2/27/12)

- **Serious Energy Cited "Ongoing Economic Challenges In Construction And Building Products" And A "Collapse In Demand For Window Products" For The Closure Of The Plant.** "'Ongoing economic challenges in construction and building products, collapse in demand for window products, difficulty in obtaining favorable lease terms, high leasing and utility costs and taxes and a range of other factors unrelated to labor costs, have compelled Serious to cease production at the Chicago facility,' the company said in a statement." (Caryn Rousseau, "Chicago Factory Where Workers Had Sit-In To Close," *The Associated Press*, 2/24/12)

MEMC Is Laying Off 100 Of 140 Workers At A Solar Plant That Received $18 Million In Stimulus Funding

Solaicx Received $18.2 Million Through The Section 48C Advanced Energy Manufacturing Tax Credit. (Internal Revenue Service, Accessed 6/4/12)

In December 2011, MEMC Announced It Would Lay Off 100 Of The 140 Workers At The Solar Plant It Acquired When It Bought Solaicx As Part Of Plans To Eliminate 20 Percent Of Its Workforce. "One hundred of the 140 workers at a Portland factory will lose their jobs as the global solar industry enters a downward spiral expected to claim more victims. The MEMC Electronic Materials Inc. factory

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took an outsize hit from a global retrenchment plan announced by the company Thursday. Worldwide, the Missouri-based company will eliminate about 20 percent of its workforce, or more than 1,300 jobs." (Richard Read, "Portland Factory Will Lose 100 Of Its 140 Workers As Global solar Prices, Profits Plunge," *The Oregonian*, 12/8/11)

- **The Announcement Is Part Of A Larger Restructuring That Will Include 1,300 Layoffs, 250 In The U.S., And Additional Plant Closures.** "MEMC Electronic Materials Inc. will undertake a major restructuring that includes closing plants, laying off more than 1,300 workers, or about a fifth of its work force, and taking a charge of about $700 million in the current quarter. The move is an effort to reduce production capacity and quickly lower operating costs in light of weak demand for semiconductors and the bottom dropping out of the solar market due to oversupply. About 250 of the jobs to be cut are in the United States, with about 41 percent in its semiconductor unit and 47 percent in the solar materials unit." (Joe Dwyer, "MEMC Restructuring, Laying Off 1,300," *St. Louis Business Journal*, 12/8/11)

Horizon Wind Energy (Now EDP Renewables) Announced It Is Laying Off 10 Percent Of Its Workforce

In September 2011, EDP Renewables Announced It Was Laying Off 10 Percent Of Its North American Workforce. "EDP Renewables has cut 10 percent of its North American workforce as part of a reorganization prompted by weaker energy demand and a sudden abundance of natural gas that has made wind and solar projects less competitive, a company spokesman said. Before the move, the Madrid-based company, whose North American unit is headquartered in Houston, had about 330 employees in the U.S. and Canada, according to EDP's Roby Roberts, who referred to the cuts as part of a "right-sizing" effort in this market." (Brett Clanton, "EDP Renewables Lays Off 10 Percent Of N. American Workforce," FuelFix, 9/30/11)

- **The Company Was Formally Known As Horizon Wind Energy.** "In North America, the company — formerly called Horizon Wind Energy – has the capacity to generate 3,500 megawatts of electricity across wind farms in West Texas, the upper Midwest and elsewhere. Worldwide, it controls farms with total capacity of 8,000 megawatts. EDP is reorganizing its North American division to put more emphasis on operations and sales and less on new project development, Roberts said." (Brett Clanton, "EDP Renewables Lays Off 10 Percent Of N. American Workforce," FuelFix, 9/30/11)

First Wind Withdrew Its IPO Citing "Adverse Market Conditions"

First Wind Abruptly Withdrew Its Initial Public Offering At The Last Minute Citing A Lack Of Investor Demand. "Executives at First Wind Holdings Inc. pulled the plug on their initial public stock offering at the last moment yesterday when investor demand went slack. Shares that were supposed to start trading on the Nasdaq stock market yesterday are on the shelf now." (Steven Syre, "First Wind IPO Sputters Suddenly," *The Boston Globe*, 10/29/10)

- **The Lack Of Demand Was Attributed To "First Wind Owes More Than $500 Million, Loses Money On A Steady Basis, And Reports A Negative Cash Flow."** "Stock analysts say investors didn't like the First Wind offering because the company had piled up a lot of debt and leaked cash. In fact, First Wind owes more than $500 million, loses money on a steady basis, and reports a negative cash flow." (Steven Syre, "First Wind IPO Sputters Suddenly," *The Boston Globe*, 10/29/10)

- **First Wind Needs "Lots Of Capital To Grow. For Now, The Stock Market Doesn't Seem Like The Place To Look For That Money."** "Alternative energy companies like First Wind, which has built seven utility-scale wind farms in five states, need steady access to lots of capital to grow. For

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now, the stock market doesn't seem like the place to look for that money." (Steven Syre, "First Wind IPO Sputters Suddenly," *The Boston Globe*, 10/29/10)

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