

House GOP's Energy Dept. loan probe could ensnare two Cabinet secretaries

By Andrew Restuccia - 05/16/12 04:33 PM ET

House Oversight and Government Reform Committee Chairman Darrell Issa (R-Calif.) wants to hear from two Cabinet officials — Commerce Secretary John Bryson and Energy Secretary Steven Chu — as part of an investigation into the Energy Department's loan program.

Republicans alleged at a hearing Wednesday that Bryson, while chairman of BrightSource Energy, planned to lobby the White House for speedy finalization of a \$1.6 billion loan guarantee for the Ivanpah solar generation project in California.

Issa told The Hill on Wednesday that he plans to invite Bryson and Chu to an upcoming hearing on the BrightSource loan.

"As a matter of fact, we're going to ask Secretary Bryson to come to the committee for his direct lobby effort of the White House," he said.

Committee Republicans released a March 7, 2011, email from BrightSource President John Woolard to Jonathan Silver, then director of the Energy Department's loan program.

Woolard shared with Silver a draft version of a letter from Bryson to then-White House Chief of Staff Bill Daley calling for finalization of the company's loan guarantee for Ivanpah, a huge solar power plant being constructed in California's Mojave Desert.

“I have a fairly significant challenge for the administration that I would like to bring to your attention. The White House needs to focus on finalizing the loan guarantee for what would be the largest solar thermal project in the world,” Bryson said in the draft letter.

The letter — which was never sent — notes that the White House “has been a strong supporter of the project,” pointing to a weekend radio address in which the president mentioned Ivanpah.

Woolard said at a committee hearing Wednesday that the draft Bryson email to Daley was never sent because the company “decided that it was not appropriate,” Bloomberg reported.

In addition, Committee Republicans highlighted a January 2010 email from Woolard to Matt Rogers, who was then advising Energy Secretary Steven Chu on stimulus law programs.

The message said that Peter Darbee, who was then CEO of power giant PG&E, had talked to Obama about the loan program’s “challenges” with finalizing loan guarantees.

“Clearly we have a discovery of emails showing there was direct conversation intended by the people having those conversations to be lobbying all the way up to and including President Obama,” Issa told The Hill.

The committee chairman also confirmed that he plans to invite Chu to testify on the loan program, pointing to an “inconsistency” in the secretary’s testimony before the panel in March.

An Issa spokesman pointed to two statements Chu made at the hearing. At the time, Chu said that Bryon's position at BrightSource had no influence on the department's decision to grant a loan guarantee to the company. Chu also said that White House officials did not call him to discuss the companies that were eligible for the loan guarantees.

Issa said he hopes Chu can "set the record straight."

Republicans have been investigating the Energy Department's loan guarantee program for more than a year. The probe gained traction last year when Solyndra, the solar company that received a \$539 million loan guarantee in 2009, went bankrupt.

GOP lawmakers have alleged that the administration did not adequately oversee the program and officials doled out loans to companies that were friendly to the White House.

A year-long investigation of the Solyndra loan guarantee conducted by House Energy and Commerce Committee Republicans has found no evidence of political influence. But the probe has uncovered a number of details that could prove uncomfortable or politically damaging to the White House, including that administration officials questioned the wisdom of issuing the loan guarantee.

Chu has been a consistent target of GOP criticism of the loan program, appearing before Congress at several hearings. But the Cabinet secretary has strongly rejected Republican criticism of the loan program, arguing it is essential to boost projects that might not otherwise receive private-sector financing.

The Energy Department finalized the \$1.6 billion BrightSource loan guarantee in April of 2011.

—Ben Geman contributed to this story.