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Chu Says Backing Prologis Had 'Nothing to Do With Solyndra'

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By Brian Wingfield

(Adds information on investigation in fourth paragraph.)

Feb. 28 (Bloomberg) -- U.S. Energy Secretary Steven Chu, responding to a House investigation, said he didn't intervene to support a \$1.4 billion partial loan guarantee for a Prologis Inc. solar-power project as a way to aid failing Solyndra LLC.

Chu said he supported the plan to install solar panels on warehouse roofs in 28 states because of its business model that included financing from private investors.

"It had nothing to do with Solyndra," Chu told reporters today at an energy conference near Washington in suburban Maryland.

Republicans on the House Energy and Commerce Committee asked the Obama administration official to explain links between San Francisco-based Prologis and Solyndra, which sought creditor protection in September, two years after receiving a \$535 million U.S. loan guarantee. Solyndra was to be the only supplier in the first phase of Prologis's initiative, known as Project Amp, according to a letter to Chu from the panel.

Committee leaders want to know whether Chu helped Prologis secure its U.S. backing in order to prop up Solyndra. The Fremont, California, company had already filed for bankruptcy protection when the Energy Department gave Prologis, a real-estate investment trust, its loan guarantee in September. Solyndra was no longer a supplier when Prologis won its award.

Project Amp, which has been stalled by the Solyndra bankruptcy, is being funded by Prologis and its partners, which include NRG Energy Inc. of Princeton, New Jersey, and Bank of America Corp. of Charlotte, North Carolina, James Larkin, a Prologis spokesman, said in an e-mail. The loan guarantee provides U.S. backing for the project.

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