Footnote 5

SOLYNDRA

__Via Hand Delivery__

July 13, 2011

The Honorable Clifford B. Stearns
Chairman, Subcommittee on Oversight and Investigations
U.S. House Committee on Energy and Commerce
2175 Rayburn House Office Building
Washington, DC 20515-6115

The Honorable Diana L. DeGette
Ranking Member, Subcommittee on Oversight and Investigations
U.S. House Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515-6115

Dear Chairman Stearns and Ranking Member DeGette:

I am writing today on behalf of the 1,166 employees of Solyndra, the only large-volume manufacturer of solar photovoltaic systems with 100 percent of its production located in the United States, in Fremont, California.

Specifically, I am writing in anticipation of the Subcommittee's business meeting scheduled for Thursday, July 14, to ensure that you and other Members of the Subcommittee have the most accurate and up-to-date information regarding Solyndra and our performance in the market.

You should be aware of the following facts:

- Solyndra's revenues grew from $6 million in 2008 to $100 million in 2009 to $140 million in 2010. For 2011, revenues are projected to nearly double again.
- The company just completed a record quarter for shipments, with strong demand in the United States. Last year we shipped 65 megawatts of panel production and expect that to double again this year.
- The company's new manufacturing facility ("Fab 2"), which was built with support from the Department of Energy (DOE) loan guarantee, will produce nearly half of its maximum output this year – only 24 months after the project broke ground. The construction of Fab 2 was completed under budget and ahead of schedule.

- The Fab 2 project is currently on track to meet the job creation commitments agreed upon with the DOE. During construction, Fab 2 created 3,000 jobs in the midst of one of the deepest construction downturns in California history. Today, Solyndra has 1,166 employees and is hiring, with 49 open positions on our website. The company has experienced a *total net direct employment increase of over 300 regular, full-time jobs* since the DOE made its conditional commitment and Fab 2 planning began. The company continues to hire and grow as our Fab 2 manufacturing ramp continues.

- More than 70 percent of Solyndra's supply chain is represented by companies located in the United States. Solyndra's supply requirements have led to the creation of 300 jobs in just nine of our many suppliers across 18 states.

- Solyndra is an example of a U.S. company using American innovation and ingenuity to compete in the global solar market – exporting more than 50 percent of our products into a competitive global marketplace that includes the products of Chinese and other companies which have the benefit of less restrictive business environments and significant government subsidies and incentives to support all aspects of their business.

On behalf of Solyndra, our 1,166 employees and our extensive supply chain of U.S. companies, we appreciate your consideration of these facts about our business.

Sincerely,

Brian Harrison

Brian Harrison
President and Chief Executive Officer

cc: The Honorable Frederick S. Upton, Chairman, Committee on Energy and Commerce
The Honorable Henry A. Waxman, Ranking Member, Committee on Energy and Commerce

Footnote 8

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

February 17, 2011

The Honorable Steven Chu
Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Chu:

Pursuant to Rules X and XI of the rules of the U.S. House of Representatives, we write today seeking documents and information about a $535 million loan guarantee that the Department of Energy (DOE) Loan Guarantee Program (LGP) awarded to Solyndra, Inc. (Solyndra) of Fremont, CA. The premium, or credit subsidy, for this loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus.

On March 20, 2009, Solyndra was the first recipient of a DOE loan guarantee under ARRA According to DOE press releases, the $535 million loan guarantee for Solyndra was to "finance construction of the first phase of the company's new manufacturing facility" for solar photovoltaic panels. DOE's Loan Programs Office estimated that construction of this facility would create 3,000 construction jobs and another 1,000 jobs once the plant opened.

On November 3, 2010, Solyndra announced that it would close one of its older factories, resulting in the lay-off of 135 temporary or contract workers and approximately 40 full-time employees. Moreover, Solyndra announced that the very plant that had received the loan guarantee — known as "Fab 2" — was postponing a planned expansion as well. It has been reported that, due to this postponement, Solyndra no longer plans to hire an additional 1,000 workers.

Since DOE announced the $535 million in loan guarantees for Solyndra, the company seems to have experienced a number of setbacks. SEC filings show that Solyndra has never shown a profit. In March 2010, Solyndra's own auditor declared in an amendment to the company's SEC registration statement that "the Company has suffered recurring losses from operations, negative cash flows since inception and has a net stockholders' deficit that, among other factors, raise substantial doubt about its ability to continue as a going concern." Last summer, Solyndra cancelled a planned $300 million initial public stock offering.

While we understand that the purpose of the Loan Guarantee Program is to help private companies engaging in clean energy projects to obtain financing by providing loan guarantees, subsequent events raise questions about whether Solyndra was the right candidate to receive a loan guarantee in excess of half of a billion dollars. In order to better understand why the Department of Energy decided to make this loan guarantee, we ask that you provide within two weeks of the date of this letter:

1. All documents provided or submitted to the Department of Energy by Solyndra relating to the $535 million loan guarantee supported by ARRA funds including, but not limited to, applications; financial statements, reports, or data; analyses; letters; and memoranda.

2. All documents containing communications between the Department of Energy and Solyndra relating to the $535 million loan guarantee for Solyndra including, but not limited to, letters and email.

3. All documents containing communications between and among Department of Energy officials, staff, administrators, and employees relating to the $535 million loan guarantee for Solyndra including, but not limited to, letters and email.

4. All documents containing communications between and among the officials, staff, administrators, and employees of the Department of Energy and the officials, staff, administrators, and employees of the Department of the Treasury and the Office of Management and Budget relating to the $535 million loan guarantee for Solyndra including, but not limited to, letters and email.

5. All documents in possession of the Department of Energy relating to the $535 million loan guarantee for Solyndra including, but not limited to, notes, analyses, reports, and memoranda, and all drafts of such documents.

An attachment to this letter provides additional information about how to respond to the Committee's request. In the interim, we request that you contact Karen Christian with the Committee staff at (202) 225-2927 to schedule a staff briefing on Solyndra, and the Department of Energy Loan Guarantee Program no later than one week from the date of this letter.

If you have any questions regarding this letter, please do not hesitate to contact Majority Committee Staff.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

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Minority (202) 225-3641

September 21, 2011

The Honorable Steven Chu
Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Chu:

Pursuant to Rules X and XI of the United States House of Representatives, the Committee on Energy and Commerce is examining a loan guarantee made to Solyndra, Inc., by the Department of Energy (DOE) Loan Guarantee Program.

Last week, the Committee on Energy and Commerce, Subcommittee on Oversight and Investigations, held a hearing to examine the role of DOE and the Office of Management and Budget (OMB) in reviewing the Solyndra loan guarantee. At that hearing, Members of the Subcommittee asked Jonathan Silver, Director of the DOE Loan Programs Office, to describe the DOE's contacts with the White House during the review of the Solyndra loan guarantee in 2009 and during its restructuring this year. Mr. Silver acknowledged that the DOE and the White House did have discussions about the Solyndra guarantee; however, he was not able to identify the particulars of these communications with White House officials and personnel, including which officials in the White House communicated with DOE about Solyndra, the substance of those communications, and when those communications occurred.

For this reason, we ask that you provide the following information no later than September 28, 2011:

1. All documents containing communications (including, but not limited to, letters and email) between the Department of Energy and the White House (including, but not limited to, the White House Office of Energy and Climate Change Policy, the Council on Environmental Quality, and the National Economic Council) relating to the $535 million loan guarantee issued to Solyndra, Inc., by the Department of Energy.

In addition, last week the Department of Treasury announced that it had opened an inquiry into the role the Federal Financing Bank played in processing and funding the loan guarantee disbursements to Solyndra. In Request Number 4 of our February 17, 2011, letter, the Committee requested all documents containing communications between the Department of Energy and the Department of the Treasury relating to the Solyndra loan guarantee. Please confirm by writing that you have provided documents responsive to this request and, if not, the reason for withholding these documents. The request in the February 17 letter is reiterated here:

2. All documents containing communications between and among the officials, staff, administrators, and employees of the Department of Energy and the officials, staff, administrators, and employees of the Department of the Treasury and the Office of Management and Budget relating to the $535 million loan guarantee for Solyndra including, but not limited to, letters and email.

Please contact Committee staff no later than 5:00 p.m. on September 23, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than September 28, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

We would also like to confirm that, pursuant to the instructions which accompanied our February 17, 2011, letter to you, the Committee's document requests are continuing in nature. All documents responsive to the Committee's requests set forth in the February 17 letter that were created on or after that date should be produced to the Committee. Already, the Department of Energy has begun to produce documents dated after February 17, and we appreciate your attention to the Committee's request.

Please do not hesitate to contact Karen Christian or Todd Harrison with the Committee at (202) 225-2927 with any questions about this matter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Sue Myrick
Vice Chairman

Joe Barton
Chairman Emeritus

Lee Terry
Vice Chairman
Subcommittee on Communications and Technology

John Sullivan
Vice Chairman
Subcommittee on Energy and Power

Tim Murphy
Vice Chairman
Subcommittee on Environment and the Economy

Michael C. Burgess
Vice Chairman
Subcommittee on Health

Marsha Blackburn
Vice Chairman
Subcommittee on Commerce, Manufacturing, and Trade

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

the restructuring of that agreement in February 2011. On August 17, 2011, Department of the Treasury Assistant Secretary for Financial Markets Mary J. Miller sent an email to Jeffrey D. Zients, Deputy Director of the Office of Management and Budget (OMB), in which she stated that "[s]ince July of 2010, Treasury has asked DOE for briefings on Solyndra's financial condition and any restructuring of terms. The only information we have received about this has been through OMB, as DOE has not responded to any requests for information about Solyndra." Further, Assistant Secretary Miller also questioned whether DOE's decision to subordinate its interest in Solyndra to Solyndra's investors was proper, stating "[o]ur legal counsel believes that the statute and the DOE regulations both require that the guaranteed loan should not be subordinate to any loan or other debt obligation. The DOE regulations also state that DOE shall consult with OMB and Treasury before any 'deviation' is granted from the financial terms of the Loan Guarantee Agreement. In February, we requested in writing that DOE seek the Department of Justice's approval of any proposed restructuring. To our knowledge, that has never happened." Miller went on to explain that while she "expect[s] that DOE has a view about why loan subordination can occur without DOJ approval or Treasury consultation, I wanted to correct any impression that we have acquiesced in the steps to date."

In order to better understand the Department of the Treasury's role in the Solyndra loan guarantee, we ask that you provide the following information no later than October 12, 2011:

1. All documents containing communications relating to the $535 million loan guarantee issued to Solyndra, Inc., including, but not limited to, letters and email, between and among the officials, staff, administrators, and employees of (1) the Department of the Treasury, (2) the Department of Energy, (3) the Office of Management and Budget, (4) the White House, and (5) the Department of Justice.

2. All documents, including but not limited to, memoranda, analyses, studies, notes, reports, and all drafts of such documents, relating to the $535 million loan guarantee issued to Solyndra, Inc., by the Department of Energy.

We request that your staff contact the Committee no later than noon on October 11, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than 5 p.m. on October 12, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison at (202) 225-2927 with the Committee with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
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Minority (202) 225–3641

September 1, 2011

Ms. Kathryn Ruemmler
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Ruemmler:

Pursuant to Rules X and XI of the U.S. House of Representatives, we write today seeking documents and information regarding the role of the White House in the review of loan guarantees issued by the Department of Energy (DOE). In particular, we are interested in the loan guarantee awarded to Solyndra, Inc. (Solyndra), of Fremont, California.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee, totaling $535 million. The credit subsidy for the Solyndra loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus. Yesterday, the company closed its doors and announced its intention to file for bankruptcy.

We have learned from our investigation that White House officials monitored Solyndra's application, and communicated with DOE and Office of Management and Budget (OMB) officials during the course of their review in 2009 and when those officials were restructuring the Solyndra deal this year. Documents received by the Committee also show that DOE and OMB officials were aware of the White House's interest in the Solyndra loan guarantee. In addition, we are also aware that a major investor in Solyndra, George Kaiser, was a bundler for President Obama's 2008 campaign.

President Obama and other Administration officials have repeatedly touted Solyndra and its prospects in visits to its manufacturing facility and in speeches. Vice President Biden appeared via satellite at the Solyndra groundbreaking on September 4, 2009, to announce that DOE had finalized its loan guarantee to the company, stating that the Solyndra deal was "part of the unprecedented investment this Administration is making in renewable energy and exactly what the [American Recovery and Reinvestment Act] is all about." DOE Secretary Steven Chu attended the groundbreaking event as well, and stated that projects like Solyndra would be the start of the "second industrial revolution" in clean energy technology. When President Obama visited the company in May 2010 to tour its manufacturing facilities, he noted that "the true engine of economic growth will always be companies like Solyndra."

Despite these statements on its prospects, Solyndra has experienced serious financial setbacks since receiving the DOE loan guarantee. Just after the President's visit to Solyndra, the company cancelled a planned initial public offering. In November 2010, Solyndra announced that it was postponing a planned expansion of its facility and laying off 135 temporary or part-time workers and 40 full-time employees. In February of this year, DOE was forced to restructure the terms of Solyndra's loan guarantee due to the company's financial problems. At that time, Solyndra's investors entered into a $75 million credit facility with the company, with the option of a second $75 million facility.

Other problems with the loan guarantee program were the subject of an October 25, 2010, briefing memorandum addressed to President Obama from Carol Browner, then-Director of the White House Office of Energy and Climate Change Policy; Ron Klain, then-Chief of Staff to Vice President Joe Biden; and Lawrence Summers, then-Director of the National Economic Council. That memorandum raised several concerns about the implementation of the DOE loan guarantee program.

In order to better understand the role of the White House with respect to the review of the Solyndra loan guarantee and the Administration's support of this guarantee, even in the face of Solyndra's deepening financial problems, we request that you contact Committee staff to schedule a briefing on these matters to take place no later than September 12. In addition, we request that the White House provide the following:

1. All documents containing communications relating to the $535 million loan guarantee to Solyndra, Inc., between the White House and Solyndra, Inc.

2. All documents containing communications relating to the $535 million loan guarantee to Solyndra, Inc, between the White House and the investors in Solyndra, Inc., including the administrators, employees, attorneys, agents, advisors, consultants, staff, principals, or any other persons acting on behalf of those investors.

Please contact Committee staff no later than 5:00 p.m. on September 6, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than September 12, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison with the Committee with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Attachment

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

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Minority (202) 225-3641

October 5, 2011

Ms. Kathryn Ruemmler
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Ruemmler:

Pursuant to Rules X and XI of the U.S. House of Representatives, we write today seeking additional documents and information regarding the role of the White House in the review of the loan guarantee issued to Solyndra, Inc. (Solyndra) by the Department of Energy (DOE).

Documents produced to the Committee on September 30, 2011, by the White House and the Office of Management and Budget (OMB) demonstrate that the White House was closely involved in the monitoring of the Solyndra loan guarantee after it was issued in September 2009. For example, in anticipation of President Obama's visit to Solyndra in May 2010, top White House officials discussed the financial condition of the company after Solyndra's auditors, PricewaterhouseCoopers, cast doubt on Solyndra's ability to continue as a going concern. On May 24, 2010, a DOE official emailed Ron Klain, Chief of Staff to Vice President Biden, to say that "we believe the company is okay in the medium term, but will need some help of one kind or another down the road." Mr. Klain forwarded that email to Valerie Jarrett and stated that, based on DOE's evaluation, "there are some risk factors here — but that's true of any innovative company that POTUS would visit. It looks like it is OK to me, but if you feel otherwise, let me know." Ms. Jarrett responds that, "I'm comfortable if you're comfortable."

Later that same day, OMB staff traded emails about Solyndra. Their outlook on Solyndra's prospects, however, was less positive. In one email, an OMB staff member stated, "I am increasingly worried that this visit could prove embarrassing to the Administration in the not too distant future, given 1) what we heard today about DOE that Solyndra is delaying their IPO at least until the end of the year, and 2) what the auditors said about Solyndra making it through the year absent new financing . . . . It might be worth flagging to policy officials given this high-profile visit." Other emails produced by OMB also show that OMB staff did not believe that

DOE was adequately monitoring the loan guarantees it had issued. On March 10, 2010, following a call between OMB and DOE staff to discuss loan guarantees, one OMB staffer wrote that "DOE's 'system' for monitoring loans is quite problematic (barely any review of materials submitted, no synthesis for program management, inherent conflicts in origination team members monitoring the deals they structured, etc.) and does not seem to be a program priority . . . ."

Despite numerous concerns at OMB and the DOE about the financial health of the company, President Obama visited the Solyndra facility in late May 2010. Less than seven months later, Solyndra was out of cash, and defaulted on its loan guarantee agreement with DOE. In late 2010 and early 2011, DOE engaged in discussions with Solyndra to restructure its loan guarantee, an agreement that ultimately resulted in DOE being subordinated to Solyndra's investors for the first $75 million recovered in the event of a liquidation. Once again, OMB and DOE staffs seem to have disagreed with respect to their assessments of the company's financial prospects.

While DOE staff concluded that restructuring the agreement would improve its collateral in the Solyndra deal and improve the government's chances of recovery in the event of a liquidation, OMB staff questioned whether restructuring the deal would do anything to help the company avoid default or improve the government's recovery. In an email exchanged among OMB staff on January 31, 2011, one OMB staff member stated that "[w]hile the company *may* avoid default with a restructuring, there is also a good chance it will not. . . . At that point, additional funds would have been put at risk, recoveries *may* be lower, and questions will be asked . . . ." The restructuring of the Solyndra loan guarantee was finalized in late February 2011; five months later, the company announced its plans to file for bankruptcy and, one week later, was raided by agents from the Federal Bureau of Investigation.

At certain critical points in the history of Solyndra's loan guarantee, the two agencies charged with oversight of the DOE Loan Guarantee Program disagreed about Solyndra's financial condition. Yet, decisions were made to stand behind the guarantee, resulting in the President's visit to the company in May 2010 and the decision to restructure the deal and subordinate the taxpayer funds in early 2011. In order to better understand the involvement of the White House in the review of the Solyndra loan guarantee and the Administration's support of this guarantee, we ask that you provide the following:

1. All communications among White House staff and officials relating to the $535 million loan guarantee to Solyndra by the Department of Energy between January 20, 2009, and the present.

Please contact Committee staff no later than 5:00 p.m. on October 6, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than October 14, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison with the Committee with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
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Minority (202) 225-3641

December 20, 2011

The Honorable Martha Johnson
Administrator
U.S. General Services Administration
One Constitution Square
1275 First Street, N.E.
Washington, D.C. 20417

Dear Administrator Johnson:

Pursuant to Rules X and XI of the United States House of Representatives, the Energy and Commerce Committee is examining the Department of Energy (DOE) $535 million loan guarantee to Solyndra, Inc. (Solyndra), as well as efforts by the company to obtain contracts with other federal agencies.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee. The credit subsidy for the Solyndra loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus. After the loan guarantee closed, Solyndra suffered a number of significant financial setbacks, causing the company to cancel a planned initial public offering, lay off a number of employees, and ultimately file for bankruptcy protection.

The Committee has been investigating DOE's approval of the Solyndra loan guarantee and its decision to restructure the terms of the agreement—subordinating taxpayer interests in the process—in order to give Solyndra a "fighting chance to survive." Documents produced to the Committee show that Jonathan Silver, the Executive Director of the DOE Loan Programs Office, contacted the General Services Administration (GSA) in July 2010 about scheduling a meeting with Solyndra to discuss a contract for Solyndra to provide solar panels for government buildings.

In order for the Committee to better understand the nature and extent of Solyndra's contacts with GSA and whether individuals within the Obama Administration assisted in these efforts, please provide the following information to the Committee, by January 4, 2012:

1. All documents containing communications between Solyndra and GSA since January 1, 2009.

2. All documents containing communications between DOE and GSA referring or relating to Solyndra since January 1, 2009.

3. All documents containing communications between or among GSA officials, employees, staff, and administrators referring or relating to Solyndra since January 1, 2009.

4. All documents containing communications between or among the Executive Office of the President, the Office of the Vice President, and GSA referring or relating to Solyndra since January 1, 2009.

5. All documents created or prepared by GSA since January 1, 2009 relating to Solyndra, including, but not limited, to notes, analyses, memoranda, presentations, letters, and reports.

An attachment to this letter provides additional information about how to respond to the Committee's request. Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian or John Stone of the Committee staff at (202) 225-2927 if you have any questions.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorary Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
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Minority (202) 225-3641

January 26, 2012

The Honorable Leon Panetta
Secretary
U.S. Department of Defense
1400 Defense Pentagon
Washington, DC 20301-1400

Dear Secretary Panetta:

Pursuant to Rules X and XI of the United States House of Representatives, the Energy and Commerce Committee is examining the Department of Energy (DOE) $535 million loan guarantee to Solyndra, Inc. (Solyndra), as well as efforts by the company to obtain contracts with other federal agencies.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee. The credit subsidy for the Solyndra loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus. After the loan guarantee closed, Solyndra suffered a number of significant financial setbacks, causing the company to cancel a planned initial public offering, lay off a number of employees, and ultimately file for bankruptcy protection.

Documents produced to the Committee during the course of the investigation show that administration officials attempted to help Solyndra as it was struggling financially by contacting other federal agencies about purchasing the company's solar panels. In addition, other documents show that certain Solyndra investors were in contact with the Department of Defense (DOD) on behalf of the company. For example, we know that Solyndra investors specifically discussed the company with individuals in the Office of the Deputy Undersecretary of Defense for Installations and the Environment and the Environmental Security Technology Certification Program (ESTCP). In addition, we understand that one of Solyndra's in-house lobbyists had an ongoing dialogue with an official in the Office of the Assistant Secretary of Defense for Operational Energy Plans and Programs.

In order for the Committee to fully understand the nature and extent of Solyndra's contacts with DOD, and whether individuals within the Obama administration assisted in these efforts, please provide the following information to the Committee by February 7, 2012:

1. All documents containing communications between Solyndra and DOD since January 1, 2009.

2. All documents containing communications between Solyndra's investors and DOD since January 1, 2009.

3. All documents containing communications between DOE and DOD referring or relating to Solyndra since January 1, 2009.

4. All documents containing communications between or among DOD officials, employees, staff, and administrators referring or relating to Solyndra since January 1, 2009.

5. All documents containing communications between or among the Executive Office of the President, the Office of the Vice President, and DOD referring or relating to Solyndra since January 1, 2009.

6. All documents created or prepared by DOD since January 1, 2009, relating to Solyndra, including, but not limited to, notes, analyses, memoranda, presentations, letters, and reports.

An attachment to this letter provides additional information about how to respond to the Committee's request. Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian or John Stone of the Committee staff at (202) 225-2927 if you have any questions.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Attachment

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

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2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6115

Majority (202) 225–2927
Minority (202) 225–3641

December 20, 2011

Mr. Walter P. Havenstein
Chief Executive Officer
SAIC, Inc.
1710 SAIC Drive
McLean, VA 22102

Dear Mr. Havenstein:

Pursuant to Rules X and XI of the U.S. House of Representatives, we are writing regarding the $535 million loan guarantee issued to Solyndra, Inc. (Solyndra) by the Department of Energy (DOE).

As part of its due diligence of Solyndra's loan guarantee application, the DOE contracted with certain consultants to provide independent reports. R.W. Beck, an SAIC company, provided two of the independent reports for Solyndra: the market analysis and the engineer's report. In particular, the first credit committee to review the Solyndra application specifically requested that a market analysis be performed due to concerns about "obsolescence in marketing" Solyndra's project and "the current state of the competitive market."

With Solyndra's filing for bankruptcy in September 2011, questions have been raised about the company's sales and marketing plans. In order to better understand DOE's review and analysis of the Solyndra application, we request that you provide the following information no later than January 3, 2012:

1. All communications between or among R.W. Beck, the Department of Energy, and Solyndra relating to Solyndra.
2. All communications between or among the staff, administrators, consultants, officers, and personnel of R.W. Beck relating to Solyndra.
3. All documents relating to Solyndra that were provided to R.W. Beck by the Department of Energy or Solyndra for the purpose of preparing independent market and engineer reports.
4. All documents created or prepared by R.W. Beck relating to Solyndra including, but not limited to, work papers, analyses, memoranda, letters, charts, and presentations.

5. All invoices and billing statements submitted to the Department of Energy and/or Solyndra for R.W. Beck's work relating to Solyndra.
6. All contracts, letters of engagement, agreements, and scope of work statements between the Department of Energy and R.W. Beck relating to Solyndra.

An attachment to this letter provides additional information about how to respond to the Committee's request.

We appreciate your prompt attention to this matter. Should you have any questions, please do not hesitate to contact Karen Christian or John Stone with the Committee staff at (202) 225-2927.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6115

Majority (202) 225–2927
Minority (202) 225–3641

January 12, 2012

Mr. Keith C. Wetmore
Chairman
Morrison Foerster, LLP
1290 Avenue of the Americas
New York, NY 10104-0050

Dear Mr. Wetmore:

Pursuant to Rules X and XI of the United States House of Representatives, the Committee on Energy and Commerce is examining a $535 million loan guarantee issued to Solyndra, Inc. (Solyndra) by the Department of Energy (DOE).

In September 2009, Solyndra was the first recipient of a DOE loan guarantee. After the loan guarantee closed, Solyndra suffered a number of significant financial setbacks causing the company to cancel a planned initial public offering, lay off a number of employees, and ultimately file for bankruptcy protection.

It is our understanding that you advised the Department of Energy as it negotiated its loan guarantee agreement with Solyndra in 2009 and when it restructured the loan guarantee with Solyndra from October 2010 through February 2011. In particular, DOE's decision to subordinate its interest in the first $75 million recovered in the event of a liquidation to certain Solyndra investors has been a significant issue in the Committee's investigation of the Solyndra loan guarantee. In order to better understand this matter, please provide the Committee with the following information no later than January 20, 2012:

1. All documents containing communications between Morrison Foerster and DOE relating to the subordination of DOE's interest in the restructuring of the loan guarantee to Solyndra, including, but not limited to, memoranda, emails, letters, and notes of telephone conversations.

2. All invoices or other billing records relating to Solyndra since October 2010.

An attachment to this letter provides additional information about how to respond to the Committee's request.

Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian or Todd Harrison of the Committee staff at (202) 225-2927 if you have any questions.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
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COMMITTEE ON ENERGY AND COMMERCE
2125 Rayburn House Office Building
Washington, DC 20515–6115

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Minority (202) 225–3641

January 12, 2012

Mr. Larry W. Sonsini
Chairman
Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304-1050

Dear Mr. Sonsini:

Pursuant to Rules X and XI of the United States House of Representatives, the Committee on Energy and Commerce is examining a $535 million loan guarantee issued to Solyndra, Inc. (Solyndra) by the Department of Energy (DOE).

In September 2009, Solyndra was the first recipient of a DOE loan guarantee. Since the loan guarantee closed, Solyndra suffered a number of significant financial setbacks causing the company to cancel a planned initial public offering, lay off a number of employees, and ultimately file for bankruptcy protection.

It is our understanding that you advised Solyndra on many different legal matters, including the company's efforts to obtain and restructure its DOE loan guarantee. In addition, it is our understanding that certain legal fees, including those billed by Wilson Sonsini Goodrich & Rosati (Wilson Sonsini) to Solyndra, were submitted by Solyndra to DOE as eligible project costs associated with the loan guarantee project and ultimately paid with loan guarantee funding. In order for the Committee to better understand the DOE loan guarantee to Solyndra, and the nature and extent of Wilson Sonsini's involvement, please provide the Committee with the following information no later than January 20, 2012:

1. All documents, invoices, or other billing documents relating to Solyndra.

An attachment to this letter provides additional information about how to respond to the Committee's request.

Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian or Todd Harrison of the Committee staff at (202) 225-2927 if you have any questions.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

Signatories

Fred Upton
Sue Myrick
Lee Terry
Tim Murphy
Marsha Blackburn
Cory Gardner
H. Morgan Griffith

Cliff Stearns
Joe Barton
John Sullivan
Michael C. Burgess
Phil Gingrey
Steve Scalise
Brian P. Bilbray

FRED UPTON, MICHIGAN
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HENRY A. WAXMAN, CALIFORNIA
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Minority (202) 225-3641

October 6, 2011

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Chu:

Pursuant to Rules X and XI of the United States House of Representatives, the Committee on Energy and Commerce is examining the Department of Energy (DOE) Loan Guarantee Program. We are writing today to follow up on our letter dated September 20, 2011, requesting documents related to the financial condition of each Section 1705 loan guarantee that had been awarded and the remaining conditional commitments, twelve of which were closed prior to the September 30, 2011, stimulus deadline. We have not received a response to this request.

Since February, the Committee has been investigating DOE's award of a $535 million loan guarantee to Solyndra, Inc. – the first loan guarantee made under Section 1705. During the course of our investigation, the Committee has identified several documents which suggest that the timetable to issue the Solyndra loan guarantee was accelerated in order to meet stimulus deadlines, impacting the quality and comprehensiveness of DOE's and the Office of Management and Budget's (OMB) due diligence.

On October 3, 2011, in regard to the Section 1705 program, President Obama stated: "if you look at the overall portfolio…it is doing well." We sincerely hope that this is true and that no further taxpayer dollars are at risk. However, as Solyndra executives and numerous members of the Administration repeatedly told us the same thing about Solyndra during the last seven months, we have a responsibility to inquire further. To help the Committee better understand the current financial state of the Section 1705 portfolio and whether DOE conducted adequate due diligence for each loan guarantee it closed, we ask that you provide the Committee, by October 14, 2011, the following:

1. For each loan guarantee awarded under Section 1705, provide copies of the credit committee paper; all credit committee and credit review board minutes; all independent due diligence reports submitted; the most recent audited financial statements submitted to DOE; all monitoring reports submitted to DOE; and the annual loan reviews.

2. For each loan guarantee awarded under Section 1705, provide all documents containing communications between and among the officials, staff, administrators, and employees of: 1) the Department of Energy; 2) the Department of the Treasury; and 3) the Office of Management and Budget.

Please contact Committee staff no later than 5:00 p.m. on October 11, 2011, to discuss a schedule for production. This schedule should provide for production of the documents by the deadline set forth above. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison with the Committee at (202) 225-2927 with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
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Minority (202) 225-3641

March 14, 2011

Mr. Jacob J. Lew
Director
The Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Dear Mr. Lew:

Pursuant to House Rules X and XI of the U.S. House of Representatives, we write today seeking documents and information concerning the role of the Office of Management and Budget (OMB) in the review of loan guarantees issued by the Loan Programs Office at the Department of Energy (DOE) where the Credit Subsidy Costs for the guarantees were provided by the American Recovery and Reinvestment Act (ARRA). In particular, we are interested in learning about the loan guarantee awarded to Solyndra, Inc. (Solyndra) of Fremont, California.

Under the Energy Policy Act of 2005 and the ARRA, the Secretary of the Department of Energy is authorized to make loan guarantees to companies investing in either innovative clean technologies or commercial-scale renewable energy projects. According to the Loan Programs Office website, DOE has committed over $26 billion to loans or loan guarantees for 23 clean energy projects. In March 2009, Solyndra received a $535 million loan guarantee from DOE to finance the construction of a new solar panel manufacturing facility. Since the loan guarantee was closed in September 2009, Solyndra has suffered a number of financial setbacks, including the cancellation of a planned public offering in June 2010 and problems with cash flow. The week of March 7, DOE modified Solyndra's loan guarantee and Solyndra announced a new $75 million loan from its existing investors to restructure its outstanding debts and reduce costs.

As part of an interagency review process, OMB is responsible for reviewing and approving the Credit Subsidy Costs of the DOE loan guarantees. The implementation of the DOE loan guarantee program, and OMB's role in it, were the subjects of an October 25, 2010, Briefing Memorandum addressed to President Obama from Carol Browner, then-Director of the White House Office of Energy and Climate Change Policy; Ron Klain, then-Chief of Staff to Vice President Biden; and Lawrence Summers, then-Director of the National Economic Council.

That memorandum notes that the loan guarantee program had been subjected to criticism for its "slow implementation" and "making commitments to projects that would have happened anyway and thus fail to advance [the President's] clean energy agenda." In addition, the memorandum states that:

> OMB and Treasury . . . have raised implementation questions, including: "double dipping" — the total government subsidy for loan guarantee recipients, which have exceeded 60%, "skin in the game" — the relatively small private equity (as low as 10%) developers put into projects; and non-incremental investment —some loan guarantee projects would appear likely to move forward without the credit support offered by [Section 1705 loan guarantees] (including those projects that already exist and for which the loan guarantee simply provides a means for refinancing).

The memorandum concludes by discussing a number of options to change the way the loan guarantee program is implemented, including limiting OMB's oversight role.

In order to better understand OMB's role in the review of these loan guarantees generally, and its review and approval of the Credit Subsidy Cost for the Solyndra guarantee in particular, we request that you contact Karen Christian of the Majority Committee staff at (202) 225-2927 to schedule a briefing on these matters. In addition, we request that you provide the following information within two weeks of the date of this letter:

1. All documents in possession of the Office of Management and Budget relating to the $535 million loan guarantee for Solyndra and the loan guarantee's Credit Subsidy Cost including, but not limited to, notes, analyses, reports, memoranda, and all drafts of such documents.

2. All documents containing communications between and among Office of Management and Budget officials, staff, administrators, and employees relating to the $535 million loan guarantee for Solyndra including, but not limited to, letters and email.

An attachment to this letter provides additional information about how to respond to the Committee's request.

We thank you for your attention to this matter. Please do not hesitate to contact Majority Committee staff with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Ed Whitfield
Chairman
Subcommittee on Energy and Power

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

The Honorable Bobby Rush, Ranking Member
Subcommittee on Energy and Power

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

April 29, 2011

Mr. Jason Martin
Managing Director
Argonaut Private Equity
6733 South Yale
Tulsa, OK 74136

Dear Mr. Martin:

Pursuant to House Rules X and XI of the U.S. House of Representatives, we write today seeking documents and information about the relationship between Argonaut Private Equity Inc. (Argonaut) and Solyndra, Inc. (Solyndra) of Fremont, California.

Solyndra was the first company to receive a loan guarantee from the Department of Energy (DOE) Loan Guarantee Program (LGP) pursuant to the Energy Policy Act of 2005 and the American Reinvestment and Recovery Act of 2009 (ARRA). DOE announced that Solyndra would receive a $535 million loan guarantee on March 20, 2009, and the loan closed on September 3, 2009. The purpose of the loan guarantee was to finance a new manufacturing facility, known as "Fab 2," for the construction of solar photovoltaic panels.

Since that time, Solyndra has completed the construction of the Fab 2 plant, but has also suffered some setbacks. The company cancelled an Initial Public Offering that was scheduled for June 2010. In November 2010, Solyndra announced that it was closing one of its older facilities, known as "Fab 1," which resulted in the lay-off of 40 full-time employees and 135 temporary or contract workers. In addition, Solyndra postponed a planned expansion of the Fab 2 facility.

Not long after, on February 28, 2011, Solyndra announced that it had received a "new $75 million credit facility underwritten by existing investors" to be used "to support Solyndra's working capital requirements, accelerate the Company's ongoing cost reduction activities and execute its expanded channel and segment sales and marketing strategy." At the same time, Solyndra announced that DOE had modified the terms of its loan guarantee agreement to extend the loan amortization period.

It is our understanding that Argonaut was one of the investors participating in this new round of funding for Solyndra. In order to better understand the loan guarantee for Solyndra and its modification, we request that you provide within two weeks of the date of this letter:

1. All documents containing communications between any officials, agents, employees, directors, partners, or board members of Argonaut Private Equity Inc. and any officials, staff, administrators, or employees of the Department of Energy relating to the $535 million loan guarantee for Solyndra, including, but not limited to, letters, email, and telephone conversations.

In addition, in the interim, we request that you contact Ms. Karen Christian of the Majority Committee staff to schedule a briefing on the following matters:

1. The terms of the $75 million credit facility announced on February 28, 2011, including the facts and circumstances surrounding the need for a new credit facility;
2. Argonaut's interaction, if any, with the Department of Energy or any other federal office, department, or agency regarding the $75 million credit facility; and,
3. Argonaut's involvement, if any, in the modification of the Solyndra loan guarantee agreement by the DOE.

Thank you for your attention to this matter. Please do not hesitate to contact Ms. Christian of the Majority Committee staff at (202) 225-2927 if you have any questions about this letter.

Sincerely,

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

April 29, 2011

Mr. Jamie McJunkin
General Partner
Madrone Capital Partners
3000 Sand Hill Road
Building 2, Suite 150
Menlo Park, CA 94025

Dear Mr. McJunkin:

Pursuant to House Rules X and XI of the U.S. House of Representatives, we write today seeking documents and information about the relationship between Madrone Capital Partners (Madrone) and Solyndra, Inc. (Solyndra) of Fremont, California.

Solyndra was the first company to receive a loan guarantee from the Department of Energy (DOE) Loan Guarantee Program (LGP) pursuant to the Energy Policy Act of 2005 and the American Reinvestment and Recovery Act of 2009 (ARRA). DOE announced that Solyndra would receive a $535 million loan guarantee on March 20, 2009, and the loan closed on September 3, 2009. The purpose of the loan guarantee was to finance a new manufacturing facility, known as "Fab 2," for the construction of solar photovoltaic panels.

Since that time, Solyndra has completed the construction of the Fab 2 plant, but has also suffered some setbacks. The company cancelled an Initial Public Offering that was scheduled for June 2010. In November 2010, Solyndra announced that it was closing one of its older facilities, known as "Fab 1," which resulted in the lay-off of 40 full-time employees and 135 temporary or contract workers. In addition, Solyndra postponed a planned expansion of the Fab 2 facility.

Not long after, on February 28, 2011, Solyndra announced that it had received a "new $75 million credit facility underwritten by existing investors" to be used "to support Solyndra's working capital requirements, accelerate the Company's ongoing cost reduction activities and execute its expanded channel and segment sales and marketing strategy." At the same time, Solyndra announced that DOE had modified the terms of its loan guarantee agreement to extend the loan amortization period.

It is our understanding that Madrone was one of the investors participating in this new round of funding for Solyndra. In order to better understand the loan guarantee for Solyndra and its modification, we request that you provide within two weeks of the date of this letter:

1. All documents containing communications between any officials, agents, employees, directors, partners, or board members of Madrone Capital Partners and any officials, staff, administrators, or employees of the Department of Energy relating to the $535 million loan guarantee for Solyndra, including, but not limited to, letters, email, and telephone conversations.

In addition, in the interim, we request that you contact Ms. Karen Christian of the Majority Committee staff to schedule a briefing on the following matters:

1. The terms of the $75 million credit facility announced on February 28, 2011, including the facts and circumstances surrounding the need for a new credit facility;
2. Madrone's interaction, if any, with the Department of Energy or any other federal office, department, or agency regarding the $75 million credit facility;
3. Madrone's involvement, if any, in the modification of the Solyndra loan guarantee agreement by the DOE.

Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian of the Majority Committee staff at (202) 225-2927 if you have any questions about his letter.

Sincerely,

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 Rayburn House Office Building
Washington, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

September 21, 2011

Mr. Jason Martin
Managing Director
Argonaut Private Equity
6733 South Yale
Tulsa, OK 74136

Dear Mr. Martin:

On April 29, 2011, pursuant to House Rules X and XI of the U.S. House of Representatives, the Committee wrote to you requesting documents and information about the relationship between Argonaut Private Equity (Argonaut) and Solyndra, Inc. (Solyndra) of Fremont, California. Since our last correspondence, the Committee's investigation has evolved. In addition, Solyndra has filed for bankruptcy and been raided by the Federal Bureau of Investigation (FBI) as part of a joint investigation with the Department of Energy (DOE) Office of Inspector General. Therefore, we are requesting additional information related to the loan guarantee for Solyndra and its subsequent modification.

Solyndra was the first company to receive a loan guarantee from the DOE Loan Guarantee Program (LGP) pursuant to the Energy Policy Act of 2005 and the American Reinvestment and Recovery Act of 2009 (ARRA). DOE announced that Solyndra would receive a $535 million loan guarantee on March 20, 2009, and the loan closed on September 3, 2009. The purpose of the loan guarantee was to finance a new manufacturing facility, known as "Fab 2," for the construction of solar photovoltaic panels.

Since that time, Solyndra has completed the construction of the Fab 2 plant, but has also suffered some setbacks. The company cancelled an initial public offering that was scheduled for June 2010. In November 2010, Solyndra announced that it was closing one of its older facilities, known as "Fab 1," which resulted in the lay-off of 40 full-time employees and 135 temporary or contract workers. In addition, Solyndra postponed a planned expansion of the Fab 2 facility.

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It is our understanding that Argonaut was one of the significant investors participating in the new $75 million credit facility. In order to better understand the loan guarantee for Solyndra and its subsequent modification, we request that you provide the following information to the Committee by September 28, 2011:

1. All documents and communications relating to the $535 million loan guarantee, including but not limited to the $75 million credit facility, the planned initial public offering and the cancellation of that offering, the February 23, 2011, restructuring of the loan agreement, and the August 31, 2011, bankruptcy filing. Please include all documents and communications relating to the viability of Solyndra's economic model, technology, pricing, research and development, and sales strategies.

2. All documents that were prepared for or relating to meetings or telephone calls between the White House or Executive Office of the President (EOP) personnel and Argonaut officials, agents, employees, directors, partners, board members, or other representatives, including, but not limited to, presentations, notes, emails, and letters.

An attachment to this letter provides additional information about how to respond to the Committee's request. We appreciate your prompt attention to this matter. Should you have any questions, please contact Karen Christian with the Committee staff at (202) 225-2927.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Sue Myrick
Vice Chairman

Joe Barton
Chairman Emeritus

Lee Terry
Vice Chairman
Subcommittee on Communications
and Technology

John Sullivan
Vice Chairman
Subcommittee on Energy and Power

Tim Murphy
Vice Chairman
Subcommittee on Environment
and the Economy

Michael C. Burgess
Vice Chairman
Subcommittee on Health

Marsha Blackburn
Vice Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

Signatories

Fred Upton	Cliff Stearns
Sue Myrick	Joe Barton
Lee Terry	John Sullivan
Tim Murphy	Michael C. Burgess
Marsha Blackburn	Phil Gingrey
Steve Scalise	Cory Gardner
H. Morgan Griffith	Brian Bilbray

FRED UPTON, MICHIGAN
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HENRY A. WAXMAN, CALIFORNIA
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ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

September 21, 2011

Mr. Jamie McJunkin
General Partner
Madrone Capital Partners
3000 Sand Hill Road
Building 2, Suite 150
Menlo Park, CA 94025

Dear Mr. McJunkin:

On April 29, 2011, pursuant to House Rules X and XI of the U.S. House of Representatives, the Committee wrote to you requesting documents and information about the relationship between Madrone Capital Partners (Madrone) and Solyndra, Inc. (Solyndra) of Fremont, California. Since our last correspondence, the Committee's investigation has evolved. In addition, Solyndra has filed for bankruptcy and been raided by the Federal Bureau of Investigation (FBI) as part of a joint investigation with the Department of Energy (DOE) Office of Inspector General. Therefore, we are requesting additional information related to the loan guarantee for Solyndra and its subsequent modification.

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It is our understanding that Madrone was one of the significant investors participating in the new $75 million credit facility. In order to better understand the loan guarantee for Solyndra and its subsequent modification, we request that you provide the following information to the Committee by September 28, 2011:

1. All documents and communications relating to the $535 million loan guarantee, including but not limited to the $75 million credit facility, the planned initial public offering and the cancellation of that offering, the February 23, 2011, restructuring of the loan agreement, and the August 31, 2011, bankruptcy filing. Please include all documents and communications relating to the viability of Solyndra's economic model, technology, pricing, research and development, and sales strategies.

2. All documents that were prepared for or relating to meetings or telephone calls between the White House or Executive Office of the President (EOP) personnel and Madrone officials, agents, employees, directors, partners, board members, or other representatives, including, but not limited to, presentations, notes, emails, and letters.

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Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Sue Myrick
Vice Chairman

Joe Barton
Chairman Emeritus

Lee Terry
Vice Chairman
Subcommittee on Communications
and Technology

John Sullivan
Vice Chairman
Subcommittee on Energy and Power

Tim Murphy
Vice Chairman
Subcommittee on Environment
and the Economy

Michael C. Burgess
Vice Chairman
Subcommittee on Health

Marsha Blackburn
Vice Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

Signatories

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Lee Terry
Tim Murphy
Marsha Blackburn
Cory Gardner
H. Morgan Griffith

Cliff Stearns
Joe Barton
John Sullivan
Michael C. Burgess
Phil Gingrey
Steve Scalise
Brian P. Bilbray

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 Rayburn House Office Building
Washington, DC 20515–6115

Majority (202) 225–2927
Minority (202) 225–3641

October 7, 2011

The Honorable Timothy F. Geithner
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Geithner:

Pursuant to House Rules X and XI of the U.S. House of Representatives, we write today seeking documents and information concerning the role of the Department of the Treasury in the loan guarantees issued by the Loan Programs Office at the Department of Energy (DOE). In particular, we are interested in learning about the loan guarantee awarded to Solyndra, Inc. (Solyndra) of Fremont, CA.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee, totaling $535 million. On August 31, 2011, the company closed its doors and announced its intention to file for bankruptcy. One week later, Solyndra was raided by agents of the Federal Bureau of Investigation.

Under the Energy Policy Act of 2005, the Secretary of the Department of Energy is required to consult with the Secretary of the Department of the Treasury with regard to loan guarantees issued pursuant to the Act. See Section 1702(a). The regulations implementing the Energy Policy Act also require that the DOE "consult with the Secretary of the Treasury regarding the terms and conditions" of the loan guarantee, both before a conditional commitment is issued and before the loan guarantee is finalized. Section 609.7(a) and 609.9 (c)(4). In addition, in the event of a deviation, the DOE Secretary is required to consult with the Secretary of the Treasury "before granting any deviation that would constitute a substantial change in the financial terms of the Loan Guarantee Agreement and related documents."

In the course of our investigation, we have uncovered information that raises questions as to whether the Department of Energy satisfied the requirement to consult with the Department of the Treasury about the $535 million loan guarantee issued to Solyndra in September 2009 and the restructuring of that agreement in February 2011. On August 17, 2011, Department of the Treasury Assistant Secretary for Financial Markets Mary J. Miller sent an email to Jeffrey D. Zients, Deputy Director of the Office of Management and Budget (OMB), in which she stated that "[s]ince July of 2010, Treasury has asked DOE for briefings on Solyndra's financial condition and any restructuring of terms. The only information we have received about this has been through OMB, as DOE has not responded to any requests for information about Solyndra." Further, Assistant Secretary Miller also questioned whether DOE's decision to subordinate its interest in Solyndra to Solyndra's investors was proper, stating "[o]ur legal counsel believes that the statute and the DOE regulations both require that the guaranteed loan should not be subordinate to any loan or other debt obligation. The DOE regulations also state that DOE shall consult with OMB and Treasury before any 'deviation' is granted from the financial terms of the Loan Guarantee Agreement. In February, we requested in writing that DOE seek the Department of Justice's approval of any proposed restructuring. To our knowledge, that has never happened." Miller went on to explain that while she "expect[s] that DOE has a view about why loan subordination can occur without DOJ approval or Treasury consultation, I wanted to correct any impression that we have acquiesced in the steps to date."

In order to better understand the Department of the Treasury's role in the Solyndra loan guarantee, we ask that you provide the following information no later than October 12, 2011:

1. All documents containing communications relating to the $535 million loan guarantee issued to Solyndra, Inc., including, but not limited to, letters and email, between and among the officials, staff, administrators, and employees of (1) the Department of the Treasury, (2) the Department of Energy, (3) the Office of Management and Budget, (4) the White House, and (5) the Department of Justice.

2. All documents, including but not limited to, memoranda, analyses, studies, notes, reports, and all drafts of such documents, relating to the $535 million loan guarantee issued to Solyndra, Inc., by the Department of Energy.

We request that your staff contact the Committee no later than noon on October 11, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than 5 p.m. on October 12, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison at (202) 225-2927 with the Committee with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
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Minority (202) 225–3641

September 1, 2011

Ms. Kathryn Ruemmler
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Ruemmler:

Pursuant to Rules X and XI of the U.S. House of Representatives, we write today seeking documents and information regarding the role of the White House in the review of loan guarantees issued by the Department of Energy (DOE). In particular, we are interested in the loan guarantee awarded to Solyndra, Inc. (Solyndra), of Fremont, California.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee, totaling $535 million. The credit subsidy for the Solyndra loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus. Yesterday, the company closed its doors and announced its intention to file for bankruptcy.

We have learned from our investigation that White House officials monitored Solyndra's application, and communicated with DOE and Office of Management and Budget (OMB) officials during the course of their review in 2009 and when those officials were restructuring the Solyndra deal this year. Documents received by the Committee also show that DOE and OMB officials were aware of the White House's interest in the Solyndra loan guarantee. In addition, we are also aware that a major investor in Solyndra, George Kaiser, was a bundler for President Obama's 2008 campaign.

President Obama and other Administration officials have repeatedly touted Solyndra and its prospects in visits to its manufacturing facility and in speeches. Vice President Biden appeared via satellite at the Solyndra groundbreaking on September 4, 2009, to announce that DOE had finalized its loan guarantee to the company, stating that the Solyndra deal was "part of the unprecedented investment this Administration is making in renewable energy and exactly what the [American Recovery and Reinvestment Act] is all about." DOE Secretary Steven Chu attended the groundbreaking event as well, and stated that projects like Solyndra would be the start of the "second industrial revolution" in clean energy technology. When President Obama visited the company in May 2010 to tour its manufacturing facilities, he noted that "the true engine of economic growth will always be companies like Solyndra."

Despite these statements on its prospects, Solyndra has experienced serious financial setbacks since receiving the DOE loan guarantee. Just after the President's visit to Solyndra, the company cancelled a planned initial public offering. In November 2010, Solyndra announced that it was postponing a planned expansion of its facility and laying off 135 temporary or part-time workers and 40 full-time employees. In February of this year, DOE was forced to restructure the terms of Solyndra's loan guarantee due to the company's financial problems. At that time, Solyndra's investors entered into a $75 million credit facility with the company, with the option of a second $75 million facility.

Other problems with the loan guarantee program were the subject of an October 25, 2010, briefing memorandum addressed to President Obama from Carol Browner, then-Director of the White House Office of Energy and Climate Change Policy; Ron Klain, then-Chief of Staff to Vice President Joe Biden; and Lawrence Summers, then-Director of the National Economic Council. That memorandum raised several concerns about the implementation of the DOE loan guarantee program.

In order to better understand the role of the White House with respect to the review of the Solyndra loan guarantee and the Administration's support of this guarantee, even in the face of Solyndra's deepening financial problems, we request that you contact Committee staff to schedule a briefing on these matters to take place no later than September 12. In addition, we request that the White House provide the following:

1. All documents containing communications relating to the $535 million loan guarantee to Solyndra, Inc., between the White House and Solyndra, Inc.

2. All documents containing communications relating to the $535 million loan guarantee to Solyndra, Inc, between the White House and the investors in Solyndra, Inc., including the administrators, employees, attorneys, agents, advisors, consultants, staff, principals, or any other persons acting on behalf of those investors.

Please contact Committee staff no later than 5:00 p.m. on September 6, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than September 12, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison with the Committee with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Attachment

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

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Minority (202) 225-3641

October 5, 2011

Ms. Kathryn Ruemmler
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Ruemmler:

Pursuant to Rules X and XI of the U.S. House of Representatives, we write today seeking additional documents and information regarding the role of the White House in the review of the loan guarantee issued to Solyndra, Inc. (Solyndra) by the Department of Energy (DOE).

Documents produced to the Committee on September 30, 2011, by the White House and the Office of Management and Budget (OMB) demonstrate that the White House was closely involved in the monitoring of the Solyndra loan guarantee after it was issued in September 2009. For example, in anticipation of President Obama's visit to Solyndra in May 2010, top White House officials discussed the financial condition of the company after Solyndra's auditors, PricewaterhouseCoopers, cast doubt on Solyndra's ability to continue as a going concern. On May 24, 2010, a DOE official emailed Ron Klain, Chief of Staff to Vice President Biden, to say that "we believe the company is okay in the medium term, but will need some help of one kind or another down the road." Mr. Klain forwarded that email to Valerie Jarrett and stated that, based on DOE's evaluation, "there are some risk factors here — but that's true of any innovative company that POTUS would visit. It looks like it is OK to me, but if you feel otherwise, let me know." Ms. Jarrett responds that, "I'm comfortable if you're comfortable."

Later that same day, OMB staff traded emails about Solyndra. Their outlook on Solyndra's prospects, however, was less positive. In one email, an OMB staff member stated, "I am increasingly worried that this visit could prove embarrassing to the Administration in the not too distant future, given 1) what we heard today about DOE that Solyndra is delaying their IPO at least until the end of the year, and 2) what the auditors said about Solyndra making it through the year absent new financing .... It might be worth flagging to policy officials given this high-profile visit." Other emails produced by OMB also show that OMB staff did not believe that

DOE was adequately monitoring the loan guarantees it had issued. On March 10, 2010, following a call between OMB and DOE staff to discuss loan guarantees, one OMB staffer wrote that "DOE's 'system' for monitoring loans is quite problematic (barely any review of materials submitted, no synthesis for program management, inherent conflicts in origination team members monitoring the deals they structured, etc.) and does not seem to be a program priority . . . ."

Despite numerous concerns at OMB and the DOE about the financial health of the company, President Obama visited the Solyndra facility in late May 2010. Less than seven months later, Solyndra was out of cash, and defaulted on its loan guarantee agreement with DOE. In late 2010 and early 2011, DOE engaged in discussions with Solyndra to restructure its loan guarantee, an agreement that ultimately resulted in DOE being subordinated to Solyndra's investors for the first $75 million recovered in the event of a liquidation. Once again, OMB and DOE staffs seem to have disagreed with respect to their assessments of the company's financial prospects.

While DOE staff concluded that restructuring the agreement would improve its collateral in the Solyndra deal and improve the government's chances of recovery in the event of a liquidation, OMB staff questioned whether restructuring the deal would do anything to help the company avoid default or improve the government's recovery. In an email exchanged among OMB staff on January 31, 2011, one OMB staff member stated that "[w]hile the company *may* avoid default with a restructuring, there is also a good chance it will not. . . . At that point, additional funds would have been put at risk, recoveries *may* be lower, and questions will be asked . . . ." The restructuring of the Solyndra loan guarantee was finalized in late February 2011; five months later, the company announced its plans to file for bankruptcy and, one week later, was raided by agents from the Federal Bureau of Investigation.

At certain critical points in the history of Solyndra's loan guarantee, the two agencies charged with oversight of the DOE Loan Guarantee Program disagreed about Solyndra's financial condition. Yet, decisions were made to stand behind the guarantee, resulting in the President's visit to the company in May 2010 and the decision to restructure the deal and subordinate the taxpayer funds in early 2011. In order to better understand the involvement of the White House in the review of the Solyndra loan guarantee and the Administration's support of this guarantee, we ask that you provide the following:

1. All communications among White House staff and officials relating to the $535 million loan guarantee to Solyndra by the Department of Energy between January 20, 2009, and the present.

Please contact Committee staff no later than 5:00 p.m. on October 6, 2011, to discuss a schedule for production. This schedule should provide for production of the documents no later than October 14, 2011. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please do not hesitate to have your staff contact Karen Christian and Todd Harrison with the Committee with any questions about this letter.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS

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2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6115

Majority (202) 225–2927
Minority (202) 225–3641

December 20, 2011

The Honorable Martha Johnson
Administrator
U.S. General Services Administration
One Constitution Square
1275 First Street, N.E.
Washington, D.C. 20417

Dear Administrator Johnson:

Pursuant to Rules X and XI of the United States House of Representatives, the Energy and Commerce Committee is examining the Department of Energy (DOE) $535 million loan guarantee to Solyndra, Inc. (Solyndra), as well as efforts by the company to obtain contracts with other federal agencies.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee. The credit subsidy for the Solyndra loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus. After the loan guarantee closed, Solyndra suffered a number of significant financial setbacks, causing the company to cancel a planned initial public offering, lay off a number of employees, and ultimately file for bankruptcy protection.

The Committee has been investigating DOE's approval of the Solyndra loan guarantee and its decision to restructure the terms of the agreement—subordinating taxpayer interests in the process—in order to give Solyndra a "fighting chance to survive." Documents produced to the Committee show that Jonathan Silver, the Executive Director of the DOE Loan Programs Office, contacted the General Services Administration (GSA) in July 2010 about scheduling a meeting with Solyndra to discuss a contract for Solyndra to provide solar panels for government buildings.

In order for the Committee to better understand the nature and extent of Solyndra's contacts with GSA and whether individuals within the Obama Administration assisted in these efforts, please provide the following information to the Committee, by January 4, 2012:

1. All documents containing communications between Solyndra and GSA since January 1, 2009.

2. All documents containing communications between DOE and GSA referring or relating to Solyndra since January 1, 2009.

3. All documents containing communications between or among GSA officials, employees, staff, and administrators referring or relating to Solyndra since January 1, 2009.

4. All documents containing communications between or among the Executive Office of the President, the Office of the Vice President, and GSA referring or relating to Solyndra since January 1, 2009.

5. All documents created or prepared by GSA since January 1, 2009 relating to Solyndra, including, but not limited, to notes, analyses, memoranda, presentations, letters, and reports.

An attachment to this letter provides additional information about how to respond to the Committee's request. Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian or John Stone of the Committee staff at (202) 225-2927 if you have any questions.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorary Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

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2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

January 26, 2012

The Honorable Leon Panetta
Secretary
U.S. Department of Defense
1400 Defense Pentagon
Washington, DC 20301-1400

Dear Secretary Panetta:

Pursuant to Rules X and XI of the United States House of Representatives, the Energy and Commerce Committee is examining the Department of Energy (DOE) $535 million loan guarantee to Solyndra, Inc. (Solyndra), as well as efforts by the company to obtain contracts with other federal agencies.

In September 2009, Solyndra was the first recipient of a DOE loan guarantee. The credit subsidy for the Solyndra loan guarantee was provided through the American Recovery and Reinvestment Act (ARRA), or stimulus. After the loan guarantee closed, Solyndra suffered a number of significant financial setbacks, causing the company to cancel a planned initial public offering, lay off a number of employees, and ultimately file for bankruptcy protection.

Documents produced to the Committee during the course of the investigation show that administration officials attempted to help Solyndra as it was struggling financially by contacting other federal agencies about purchasing the company's solar panels. In addition, other documents show that certain Solyndra investors were in contact with the Department of Defense (DOD) on behalf of the company. For example, we know that Solyndra investors specifically discussed the company with individuals in the Office of the Deputy Undersecretary of Defense for Installations and the Environment and the Environmental Security Technology Certification Program (ESTCP). In addition, we understand that one of Solyndra's in-house lobbyists had an ongoing dialogue with an official in the Office of the Assistant Secretary of Defense for Operational Energy Plans and Programs.

In order for the Committee to fully understand the nature and extent of Solyndra's contacts with DOD, and whether individuals within the Obama administration assisted in these efforts, please provide the following information to the Committee by February 7, 2012:

1. All documents containing communications between Solyndra and DOD since January 1, 2009.

2. All documents containing communications between Solyndra's investors and DOD since January 1, 2009.

3. All documents containing communications between DOE and DOD referring or relating to Solyndra since January 1, 2009.

4. All documents containing communications between or among DOD officials, employees, staff, and administrators referring or relating to Solyndra since January 1, 2009.

5. All documents containing communications between or among the Executive Office of the President, the Office of the Vice President, and DOD referring or relating to Solyndra since January 1, 2009.

6. All documents created or prepared by DOD since January 1, 2009, relating to Solyndra, including, but not limited to, notes, analyses, memoranda, presentations, letters, and reports.

An attachment to this letter provides additional information about how to respond to the Committee's request. Thank you for your attention to this matter. Please do not hesitate to contact Karen Christian or John Stone of the Committee staff at (202) 225-2927 if you have any questions.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

Attachment

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

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Minority (202) 225-3641

December 20, 2011

Mr. Walter P. Havenstein
Chief Executive Officer
SAIC, Inc.
1710 SAIC Drive
McLean, VA 22102

Dear Mr. Havenstein:

Pursuant to Rules X and XI of the U.S. House of Representatives, we are writing regarding the $535 million loan guarantee issued to Solyndra, Inc. (Solyndra) by the Department of Energy (DOE).

As part of its due diligence of Solyndra's loan guarantee application, the DOE contracted with certain consultants to provide independent reports. R.W. Beck, an SAIC company, provided two of the independent reports for Solyndra: the market analysis and the engineer's report. In particular, the first credit committee to review the Solyndra application specifically requested that a market analysis be performed due to concerns about "obsolescence in marketing" Solyndra's project and "the current state of the competitive market."

With Solyndra's filing for bankruptcy in September 2011, questions have been raised about the company's sales and marketing plans. In order to better understand DOE's review and analysis of the Solyndra application, we request that you provide the following information no later than January 3, 2012:

1. All communications between or among R.W. Beck, the Department of Energy, and Solyndra relating to Solyndra.
2. All communications between or among the staff, administrators, consultants, officers, and personnel of R.W. Beck relating to Solyndra.
3. All documents relating to Solyndra that were provided to R.W. Beck by the Department of Energy or Solyndra for the purpose of preparing independent market and engineer reports.
4. All documents created or prepared by R.W. Beck relating to Solyndra including, but not limited to, work papers, analyses, memoranda, letters, charts, and presentations.

5. All invoices and billing statements submitted to the Department of Energy and/or Solyndra for R.W. Beck's work relating to Solyndra.
6. All contracts, letters of engagement, agreements, and scope of work statements between the Department of Energy and R.W. Beck relating to Solyndra.

An attachment to this letter provides additional information about how to respond to the Committee's request.

We appreciate your prompt attention to this matter. Should you have any questions, please do not hesitate to contact Karen Christian or John Stone with the Committee staff at (202) 225-2927.

Sincerely,

Fred Upton
Chairman

Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Attachment

Footnote 19

[redacted]

From: [redacted]
Sent: Wednesday, May 11, 2011 11:42 AM
To: [redacted] Christian, Karen
Cc: [redacted]
Subject: RE: Letter to GAO re DOE Loan Guarantees
Attachments: final upton-sterns.doc

Hi Karen,
Sorry for the confusion over which applicants received external reviews prior to conditional commitment. We rechecked the workpapers and realized that DOE didn't contract for external reveiws for [redacted], because of the small size of the loan. DOE has the discretion to waive reviews for smaller projects.

[redacted] was the applicant that was undergoing external reviews for which DOE had contracted but that did not receive any draft or final reviews prior to conditional commitment. DOE said this project was fast tracked because of strong business fundamentals.

Please see the attached document reflecting all of these changes, in track changes. Again, I apologize for confusing matters. Please don't hesitate to call if this remains clear as mud and you want further clarification.

[redacted]

From: [redacted]
Sent: Wednesday, May 11, 2011 10:46 AM
To: 'Christian, Karen'
Cc: [redacted]
Subject: RE: Letter to GAO re DOE Loan Guarantees

I hear ya. It will be interesting to see how they jam the rest of the money out the door by the deadline.

From: Christian, Karen [redacted]
Sent: Wednesday, May 11, 2011 10:45 AM
To: [redacted]
Cc: [redacted]
Subject: RE: Letter to GAO re DOE Loan Guarantees

I am familiar with the "process" element of their productions. And I am sure they have zippo incentive to produce before the September 30 stimulus deadline.

OMB has been even more fun. ☺

From: [redacted]
Sent: Wednesday, May 11, 2011 10:33 AM
To: Christian, Karen
Cc: [redacted]
Subject: RE: Letter to GAO re DOE Loan Guarantees

Hi Karen,

Looks like September. Getting information from DOE on this has been a process.

[redacted]

From: Christian, Karen [redacted]
Sent: Tuesday, May 10, 2011 5:12 PM
To: [redacted]
Subject: RE: Letter to GAO re DOE Loan Guarantees

Thanks so much!

Just curious . . . I know you all cannot share your ongoing work with us on the Loan Program, but do you have a sense on timing? When the report might be released? I know you said summertime, but I didn't know if that meant later this month, or closer to August?

Thanks so much!

From: [redacted]
Sent: Tuesday, May 10, 2011 5:10 PM
To: Christian, Karen
Cc: [redacted]
Subject: RE: Letter to GAO re DOE Loan Guarantees

Hi Karen,

I am sorry to have to send a somewhat corrected version of the letter we sent you on April 20 in response to your letter to us about the DOE Loan Guarantee Program. The bottom line is that Solyndra receivied a conditional loan commitment without having completed both legal and marketing final reports, and [redacted] received a conditional commitment without having any of the three final reports--engineering, legal, and marketing. A sixth company--[redacted]--had also received a conditional commitment without any of the final reports but we did not include them in our report because we only got documentation on that case in March 2011. All told, six of the ten companies that had received conditional commitments as of June 2010, were missing one or more reports. Please see the corrected letter below. I left the changtes in trac changes so you could easily follow them.

Best regards,

[redacted]

[redacted]
Director, Energy and Science issues, US GAO
[redacted]

This document contains sensitive proprietary information or other information that may be covered by the Trade Secrets Act, 18 U.S.C. § 1905. Some of these documents may also contain information exempt from public release pursuant to the Freedom of Information Act, as amended, 5 U. S. C. § 552. Such information would not be available to persons outside the government. We therefore respectfully request that the Committee consult with the Department of Energy before releasing these documents or any portion thereof.

1. The five applicants we reported on who received conditional commitments, even though DOE was missing one or more of three final reports from external reviewers, as of April 2010:

    1. Solyndra—Final legal and marketing reports not received before loan guarantee was issued in September 2009. ~~DOE received a draft~~No final legal report received prior to loan issuance ~~legal report in January 2009~~.

    2. Red River—Final legal, engineering, and marketing ~~engineering, and marketing~~ reports not received before November 2009 conditional commitment. No draft legal report received by April 2010. (See question 2 below.)

    3. Georgia Power—Final legal report not received before February 2010 conditional commitment. No draft legal report received by April 2010.

    4. Oglethorpe—Final legal report not received before February 2010 conditional commitment. No draft legal report received by April 2010.

    5. MEAG—Final legal report not received before February 2010 conditional commitment. No draft legal report received by April 2010.

2. On March 17, 2010, the Loan Guarantee Program's liaison with GAO provided a hardcopy document containing written answers to GAO questions about, among other things, the status of applicants' reports by external reviewers. These answers were presented as the program's and no individual DOE officials were named. In this document, DOE noted that:

    > "The Red River project was fast tracked because of its strong business fundamentals and LGPO's determination that we had sufficient information to negotiate a term sheet for credit approval. Financial and legal support required at the early stage were provided by in-house resources. We ran a procurement for independent engineers, marketing advisors, and independent legal counsel in parallel with term sheet negotiation and credit approval and were fully engaged after the term sheet had been executed."

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~~2.~~A sixth~~The~~ applicant, Nordic Windpower, ~~that~~ received a conditional commitment ~~before~~ without DOE having contracted for ~~received any of the three final reports from~~ external reviewers~~ers~~, as of April 2010. ~~:~~

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This document contains sensitive proprietary information or other information that may be covered by the Trade Secrets Act, 18 U.S.C. § 1905. Some of these documents may also contain information exempt from public release pursuant to the Freedom of Information Act, as amended, 5 U. S. C. § 552. Such information would not be available to persons outside the government. We therefore respectfully request that the Committee consult with the Department of Energy before releasing these documents or any portion thereof.

~~Nordic Windpower—Final engineering, legal, and marketing reports not received before the July 2009 conditional commitment. No draft reports received as of April 2010.~~ ~~On March 17, 2010, the Loan Guarantee Program's liaison with GAO provided a hardcopy document containing written answers to GAO questions about, among other things, the status of Nordic's and other applicants' reports by external reviewers. These answers were presented as the program's and no individual DOE officials were named.~~ AAccording to the March 17, 2010, document provided by DOE:

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> "No external reviewers were engaged for Nordic since it is a small project ($16MM loan, $24.9MM total project costs), was deemed to have strong fundamentals, and included engineering and marketing analyses that were sufficient for purposes of CRB [Credit Review Board] approval."

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~~2.~~3. The six applicants that submitted applications in response to DOE's 2006 mixed technology solicitation that were deemed eligible by DOE to receive Recovery Act funding to pay credit subsidy costs:

- Solyndra—Received loan guarantee in September 2009.
- Beacon Power Corporation—Received loan guarantee in August 2010 (from DOE's Web site).
- Sage Electrochromics—At the time of GAO's July 2010 report, DOE considered Sage eligible for 1705 funding. However, in December 2010, DOE ruled that the Sage project was eligible only under 1703, not 1705 (DOE provided information on this on April 19, 2010, upon reviewing the information we are providing for business sensitivity). Sage received conditional commitment in March 2010 under 1703 (from DOE's Web site).
- Endicott Biofuels, LLC—No further information in GAO's workpapers or DOE's Web site on status of the application.
- Bright Source Energy (Luz II, Ltd.)—Received loan guarantee in April 2011 (from DOE's Web site).
- Voyager Ethanol, LLC—No further information in GAO's workpapers or DOE's Web site on status of the application.

This document contains sensitive proprietary information or other information that may be covered by the Trade Secrets Act, 18 U.S.C. § 1905. Some of these documents may also contain information exempt from public release pursuant to the Freedom of Information Act, as amended, 5 U. S. C. § 552. Such information would not be available to persons outside the government. We therefore respectfully request that the Committee consult with the Department of Energy before releasing these documents or any portion thereof.

In our April 2011 testimony, we stated that only one of the six applicants had received a *conditional commitment* by May 2009, not a *loan guarantee*. That applicant was Solyndra, and there is no specific information in the workpapers indicating why Solyndra was the first to receive a conditional commitment.

Footnote 20

The following contains proprietary information that Solyndra, Inc. requests not be released to persons outside the Government, except for purposes of review and evaluation.

DOE Loan Guarantee Application
Solicitation Number: DE-PS01-06LG00001
Invitation Number: 1013

Section D: Business Plan

Submitted by

SOLYNDRA

Solyndra, Inc.

Confidential

The data contained in pages 1-18 of this document or electronic file which hereby forms a part of the Application have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government's right to use or disclose data obtained without restriction from any source, including the applicant.

***1. Financial Analysis.** Provide a quarterly sources and uses of funds statement for the construction period, prepared in US GAAP, showing the timing and amount of expected equity and debt funding by institution, as well as a full set of financial projections (income statements, balance sheets and cash flow statements) prepared according to US GAAP for the tenor of the proposed Guaranteed Obligations. List the major assumptions in a separate worksheet of the model. Calculate at a minimum the current, leverage and debt service coverage ratios based on the expected tenor of a DOE-guaranteed loan. Discuss the principal factors that could impair the project's ability to meet its debt service obligations.*

The Excel file attached hereto as Exhibit D1(a) presents a quarterly sources and uses of funds statement as well as a full set of financial projections and financial statements for Solyndra Fab 2. The financial information is prepared in accordance with US GAAP. Major assumptions are listed in separate worksheets in the model. Equipment and capacity planning methodology and assumptions are described in Exhibit D1(b). Exhibit D1(c) presents preliminary Front End construction budget assumptions. A summary of the Solyndra Fab 2 financial highlights follows:

Solyndra Fab 2 Summary Financial Statistics
($ in millions, except price per watt)

[redacted]

The Applicant proposes an 80:20 debt to equity structure, with 100% of the debt provided by the Federal Financing Bank and 100% of the equity provided by the Applicant. A seven year tenor is proposed by the Applicant.

ALTHOUGH THE PROJECTIONS IN THE EXCEL FILE ATTACHED HERETO AS EXHIBIT D1 WERE PREPARED IN GOOD FAITH USING ASSUMPTIONS THAT, IN THE AGGREGATE, MANAGEMENT BELIEVES ARE REASONABLE, THE PROJECTIONS ARE NOT "FACTS," AND NO REPRESENTATIONS ARE MADE IN CONNECTION WITH THE PROJECTIONS. SUCH PROJECTIONS ARE NOT A GUARANTEE OF RESULTS AND ARE SUBJECT TO CHANGE BASED ON A VARIETY OF RISK FACTORS THAT ARE NOT SET FORTH IN THIS APPLICATION.

2. Market Analysis. *Include an analysis of the market for each product to be sold by the project. Also discuss the prevailing economic and demographic trends in the target market, justification for revenue projections (price and volume), and potential competitors/substitutes. Provide evidence that a market exists for the products and any assessment of the market potential for the proposed technology beyond the project currently being proposed by the Applicant. Describe any sales arrangements (e.g., off-take agreements) that exist or are contemplated, including summaries of their key terms and conditions and executed letters of intent, as applicable. DOE will conduct its own market analysis of the project.*

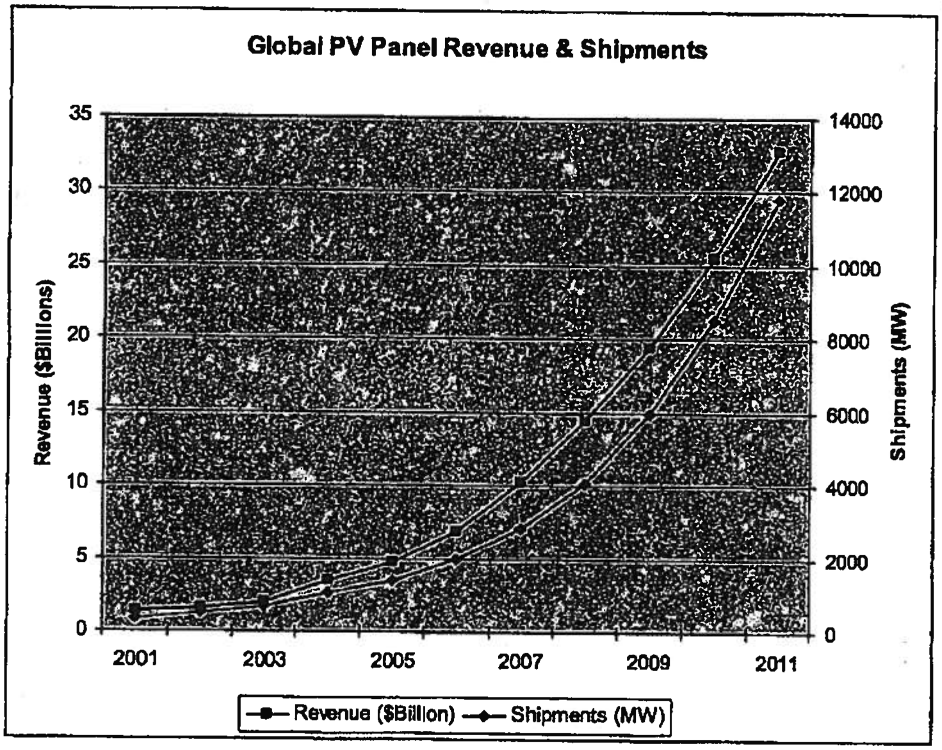
Market Analysis and Opportunity

The Applicant addresses a large and growing market for electricity. In the U.S. alone, the total electricity generating capacity is about 1,000 gigawatts, or one terawatt, and the total annual generation of electricity is greater than 4,000,000 gigawatt-hours, or 4 petawatt-hours (EIA). Further, the demand for electricity increases each year. On the other hand, the total photovoltaic capacity installed in the US is less than 1 gigawatt, or less than 0.1% of the total US electricity generation capacity. Thus the upside for solar electricity is huge.

The solar electricity market has experienced tremendous growth over the past several years, driven by increasing activity to combat global warming due to the combustion of fossil fuels, rising fossil fuel-based electricity prices, and government incentives. In addition, the worldwide increase in demand for PV is being driven by the depletion of known available fossil fuel deposits, increasing difficulty in locating and delivering new fossil fuel sources, targets for reduction in carbon emissions stemming from legislation or international treaty commitments, and many nations actively trying to improve their energy security and achieve energy independence.

Specifically, the total PV market demonstrated a compound annual growth rate of 41% per year between 2001 and 2006, according to Navigant Consulting. Global PV panel revenues during this period increased from $1.3 billion to $6.8 billion and are projected to reach more than $33 billion by 2011, as illustrated in Figure D2-1 (Navigant Consulting). The vast

Figure D2-1. Photovoltaic Panel Market Revenue by Year (*Navigant Consulting*)



majority of revenue over the past few years and for the foreseeable future is in grid-connected applications, i.e., PV systems which are connected to the electrical grid in order to provide solar electricity to end-users, to the grid, or to both. Within the grid-connected PV market, about 48% of the installations are residential, 50% are commercial installations, and 2% are for utility companies (Navigant Consulting). Within the commercial segment, about 50% of the installed capacity is on large rooftops while the other 50% is ground-mounted in large-scale, investment-driven installations, especially in Europe. Both residential and commercial installations compete with retail grid electricity, whereas utility PV installations compete with lower priced wholesale grid electricity or even the lower price cost of generation. Off-grid PV applications remain a significant business but much smaller and with much lower growth than grid-connected.

Concerns about global warming have spread and deepened over the past few years, as scientists have reached a consensus about the impact of carbon emissions on the environment, and have begun to map the implications of current emissions output. Further, rising grid prices make substitution with PV easier. Numerous factors are likely to result in electricity price increases for the foreseeable future. Increasing prices for fossil fuels used by power plants is being driven by the increasing demand from rapidly industrializing countries such as China and India. Projected increases in consumption require costly capital expenditures for new power plants, which are significantly more expensive than older plants due to increased environmental requirements and higher prices for commodities such as steel. Electricity maintenance expenses are increasing on a

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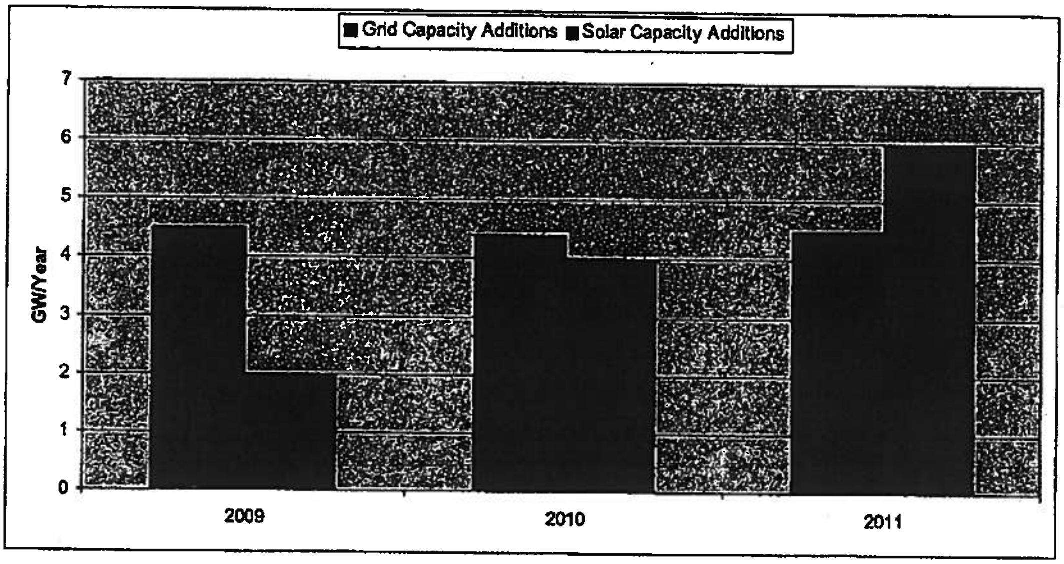
Figure D2-2. U.S. Solar Power and Coal Power Additions, GW/Yr (*Photon Consulting*)



national basis as plants grow older. Compliance costs are increasing to manage green house gases. While grid electricity prices increase, the cost of solar electricity is continuing to decrease, thus the substitution of solar electricity becomes more financially attractive. As evidence of the importance of environmental considerations and rising conventional costs driving solar energy demand, Photon Consulting forecasts that in the U.S., solar electricity capacity additions will exceed coal power capacity additions by 2011, as illustrated in Figure D2-2.

Further, Photon Consulting reports that the substitution of solar power for grid-based electricity has accelerated in several markets such as Japan and California even before solar electricity price reached grid parity. Photon speculates that this is because many sub-markets have higher electricity charges than average, have time-of-use rates that exceed average electricity prices, and because consumers seek long-term hedges against future electricity price increases.

Governments have established a variety of objectives intended to reduce dependence upon fossil fuels which have been and are expected to continue to be substantial drivers of demand for solar electricity and PV panels. For example, according to New Energy Finance, multiple countries and 21 states in the U.S. have enacted renewable energy portfolio standards that benefit PV panel suppliers and other renewable energy providers. Table D2-1 provides a survey of renewable portfolio standards worldwide. Within these standards, there are a variety of types of government incentives designed to encourage the purchasing of photovoltaic systems, to help the PV industry reduce costs through economies of scale and ultimately to help the PV industry reach electricity prices at grid parity without incentives. Due to strong government incentives over the past few years in Japan, Germany, Spain, and California, these have been the leading markets for the sales and installation of PV panels. Although the PV incentive program in Japan has largely ended, there are new programs

Table D2-1. Survey of Global Renewable Portfolio Standards (*New Energy Finance*)

Country	Current Renewable Energy Proportion	Target Renewable Energy Proportion
United States	10%	No national target but binding renewable portfolio standards in 21 states
Britain	4.1%	10.4% by 2010. Nonbinding national target of 20% by 2020
Germany	10.4%	12.5% by 2010. 20% by 2020
France	11.0%	21% by 2010
Spain	17.2%	29.4% by 2010
Italy	16.5%	25% by 2010
China	7.7% of TPES (1)	15% of TPES by 2020
Japan	3.0%	7% by 2010

(1) includes total primary energy supply including transportation

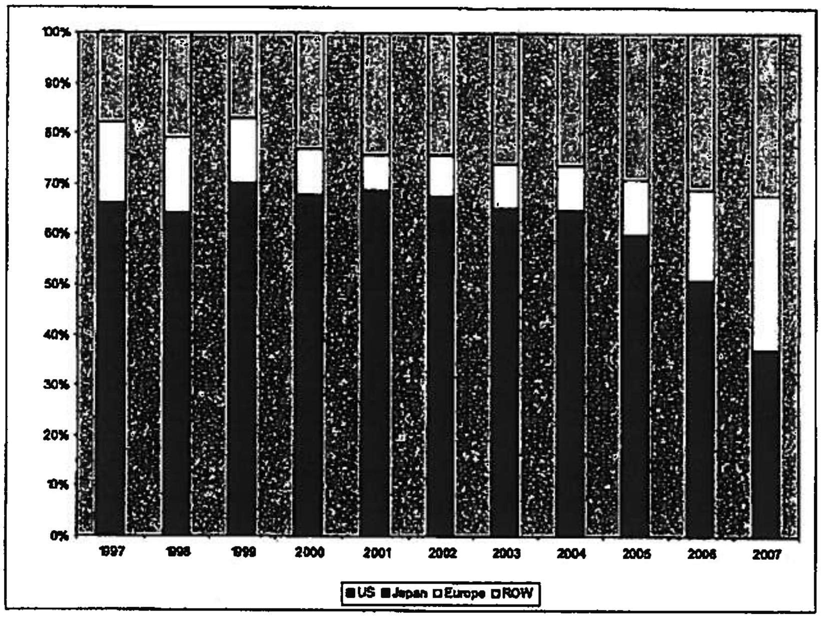
starting in other countries such as Italy, France and Greece, and the US is expected to become a much stronger market in the next few years. Europe will remain the strongest market for foreseeable future.

Solyndra is proud to be an American manufacturer of PV panels with production capacity based in the U.S. Global PV production capacity has grown substantially in markets outside of the U.S. over the last decade, based on the availability of manufacturing incentives intended to develop strong PV manufacturing industries and on PV installation incentives which create strong local markets to absorb the output of these manufacturers. According to Navigant Consulting, the U.S. market share of PV panel sales decreased from 42% in 1997 to 8% in 2007, as illustrated in Figure D2-3. [redacted]

Addressing the Market

Solyndra's initial market target segment for its PV products is commercial-scale installations on large, flat, reflective roofs, including those on the commercial, industrial, and governmental buildings. Commercial-scale rooftop installations are a large market, representing about 25% of the grid connected market today and with the potential for >$800B of panel business in the US alone (*source: Solyndra, Navigant Consulting*). Commercial rooftops are the application where the most demanding combination of performance and cost is required since there is a constraint on the area available to meet the building's solar electricity requirements, which requires high performance, and commercial rooftop customers have demanding financial requirements, which requires low cost of electricity. Fortunately, commercial rooftops are usually flat and not visible from the ground, so PV installations can be optimized for

Figure D2-3. Global PV Panel Shipment Market Shares (*Navigant Consulting*)



performance and cost, with aesthetics being a secondary requirement. Further, the installations are large enough (100-1000 kWp) that there are cost benefits to the scale. Today there is no dominant panel technology for commercial rooftop applications, with most installations using average-performing polycrystalline silicon panels, discussed in section B4 and below, and conventional mounting hardware.

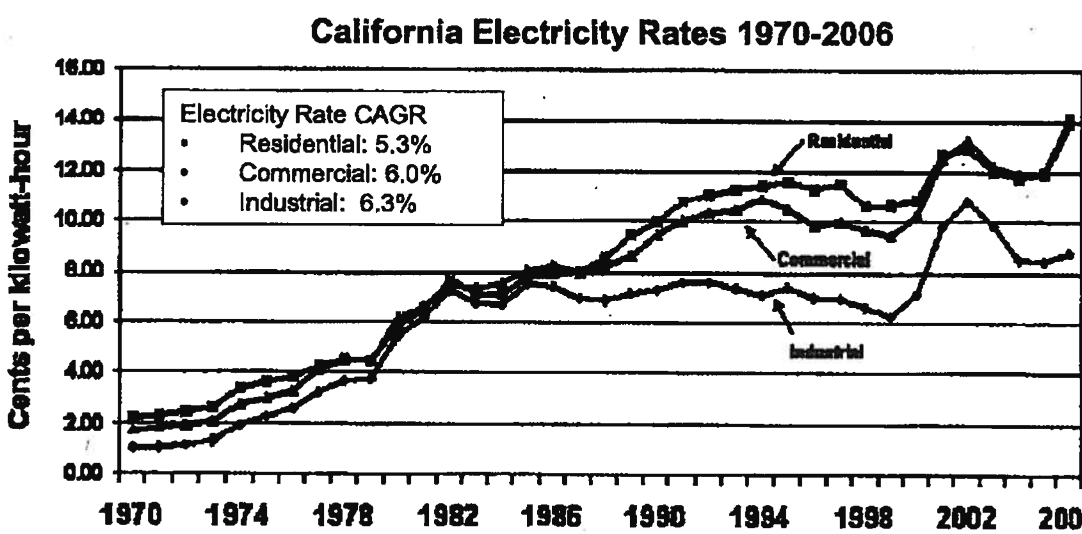
For residential applications, there is very limited area available so the highest efficiency panels are nominally needed to meet the load requirements, but on homes there is also a strong aesthetic requirement and the slope and direction of the roof is already fixed, which means energy production performance is often sacrificed and higher cost is accepted. Also, on homes the installations are usually small (<15 kWp), so costs are higher due to the limited scale of the activity. The highest efficiency monocrystalline silicon panels, discussed below, are typically used in residential applications.

For large-scale ground-based commercial or utility PV installations, there is no constraint on available area so high performance, i.e. energy production per area, is not as important. Further, due to the large size of ground-based applications, often multiple MWp's, there is significant cost benefit due to scale. Thus for ground-based installations, cost dominates and high performance panels are generally not used. Rather low-cost, low performance panels such as CdTe thin film panels, discussed in section B4, are usually used for ground-based installations; there is little room for technical differentiation or value pricing in this segment. Due to the low performance of such panels, additional panels are usually needed to meet the output requirement of the installations, which in turn requires more mounting hardware, leading to an increased balance of system cost and limiting the cost of electricity. Further, large ground-based installations must deal with the environmental impact to the land used and also access to transmission lines.

The desire to be a good environmental citizen is a strong driver for many commercial end users of PV. Increasing media coverage of global warming and green house gas reduction initiatives have had a substantial impact on end-user awareness. In addition, many companies have increased efforts to link their corporate brands with a more "green" image, which reinforces the desirability of renewable energy in general and PV technology in particular. Companies make decisions about the carbon footprint facilities based not only on purely financial considerations, but also on the wishes and demands of a range of stakeholders, including customers, shareholders, managers, and employees. These considerations further accelerate demand for solar installations.

However, a good financial return on investment is the key driver of commercial rooftop PV system investments. In many countries, large flat-roofed building owners or tenants typically compare the investment in solar energy to constantly rising and volatile electricity costs. For example, as shown in Figure D2-4, commercial electricity rates have increased on average 6% per year over the past 35 years in California. (source: EIA, PGE). PV systems offer an attractive hedge against rising electricity costs, allowing PV end-users to lock in the price of electricity expenses for the life of the system, typically 25 years. In the U.S. market in

Figure D2-4. Rising Electricity Prices with Time (*EIA, PGE*)



particular, buyers choose solar installations when they represent a reasonable investment that enables them to save on a significant electricity expense. The business case for buying solar includes considerations of the investment expense for PV , the cost of electricity, percentage of electrical demand that can be met with solar (a function of efficiency, geography, and physical space for installations), government incentives, utility rates and rate structures, financing costs and tax treatment. In the US today, most commercial PV end users purchase the PV electricity from the system on their rooftop rather than outlay capital to purchase the hardware. A third party owns and operates the PV system and sells the electricity to the end user through a power purchase agreement (PPA). However, some commercial PV systems in the US are still purchased as a capital expense. In both cases, state PV incentives and federal tax credits are needed today to make PV systems financially attractive.

In other countries, such at Germany, Spain and Italy, the cost of grid electricity to the end user is not the driving force for the purchase of a PV system, since the end user does not keep the electricity from the PV system. Rather, the PV electricity is all fed into the grid and sold to a utility company at an attractive price through a feed-in tariff, with a 20 year guarantee being typical. In these countries, due to the long term of the incentive, it is easy to get good financing terms from banks to fund the purchase of the PV systems, so PPA's are not common. The ROI on these investments is currently attractive for many investors. However, each year the incentive paid for new systems decreases, requiring a decrease in the price of PV systems to maintain the return on investment at attractive rates.

To broaden the financial attractiveness of PV to more customers, the price of PV systems needs to decrease until PV can reach grid parity without the need for government incentives, as discussed in Section B4. As discussed in Section B4, Solyndra's technology was specifically designed to provide the highest production of solar electricity from commercial rooftops while also providing a lower cost of installation and energy versus other PV panel and mounting alternatives. As discussed in Section B, Solyndra's PV system will enable commercial end-users to enjoy a lower cost of electricity, and will be able to reach grid parity in many places by 2011.

Competition

Solyndra competes in the solar energy and renewable energy industries with companies that continually evolve and strive to distinguish themselves within their markets and to compete within the larger electric power industry. Hydro, wind, geothermal, bio-mass and tidal energy entities compete with Solyndra in the renewable energy industry, although market activities by these players generally are complementary to PV and not expected to directly impact Solyndra Fab 2's future growth prospects. Thus Solyndra's primary competition comes from within the solar industry.

Although the competitive advantages of Solyndra's technology over conventional PV systems and other thin film panels was covered in detail in Section B-4, some additional information will be provided. With its initial focus on the commercial rooftop segment of in the solar industry, Solyndra primarily faces as its competition polycrystalline silicon panels for reasons discussed above for this segment, but other crystalline silicon and thin film PV panel technologies are also sometimes used on commercial rooftop installations. Manufacturers of crystalline silicon-based PV panels held an almost 90% market share worldwide in 2007, based on MWp shipments (Navigant Consulting). These include polycrystalline, monocrystalline and ribbon silicon technologies, which are compared in Table D2-2.

[redacted]

[redacted]

[redacted]

[redacted]

The following contains proprietary information that Solyndra, Inc. requests not be released to persons outside the Government, except for purposes of review and evaluation.

Table D2-2. Comparison of Crystalline Silicon PV Panel Technologies

Technology	Active Material	Advantages	Challenges
Monocrystalline Si	• Single crystal silicon wafers connected in series with metal conductors	• Highest efficiency • Extensive significant field experience • Can be most aesthetically attractive	• High cost of Si feedstock • Highest processing cost • Costly BOS due to wind loading of panels
Polycrystalline Si	• Polycrystalline silicon wafers connected in series with metal conductors	• Lower cost than mono-Si • Better efficiency than most thin films, although lower than mono-Si	• High cost of Si feedstock • Si sawing losses • Costly BOS due to wind loading of panels
Ribbon Si	• Polycrystalline silicon ribbon pulled from melt and laser cut into wafers, connected in series with metal conductors	• Thinner Si and no sawing losses for potential savings on Si	• High processing cost • Hi Si feedstock cost • Low demonstrated efficiency • Costly BOS due to wind loading of panels

- **Solyndra's thin film technology can deliver greater efficiency improvements over time.** Conventional silicon manufacturers are approaching the theoretical limit of silicon's physical capacity to convert solar electricity . CIGS has a theoretical efficiency close to that of silicon, but CIGS production thin film panels have much room for improvement before reaching CIGS' maximum performance. As the cell efficiency increases in Solyndra's thin film processing, the rooftop energy production advantage will improve.

- **Solyndra Fab 2 will enjoy a cost and pricing advantage versus conventional silicon panels.** Because thin film technologies use 1/100th of the amount of active photovoltaic material that crystalline silicon uses, thin film's cost basis will always be lower than silicon panels. Crystalline silicon panels will reach a cost floor well above \$1/Wp. Further, Solyndra's unique cylindrical form factor enables a unique reduction in installation costs that, in combination with its lower cost of manufacture, results in lower total installed cost and higher gross margin potential for Solyndra. Consequently, Solyndra can always price its panels and mounts at a discount versus conventional silicon PV manufacturers to ensure substantial demand for its panels while maintaining acceptable margins.

- **Solyndra's unique form factor delivers higher reliability.** Solyndra's patented cylindrical design enables a solution to the most challenging problem facing thin film manufacturers--moisture. Moisture corrodes electrical contacts on thin film panels over time, dramatically reducing electricity output. Solyndra's ability to hermetically

[redacted]

Marketing & Sales Strategy

Applicant's vision statement. The Applicant intends to commercialize a photovoltaic panel system with the potential to provide electricity at prices competitive with fossil-fuel generated electricity and to displace a substantial quantity of fossil fuel-generated electricity, both in the United States and globally.

Applicant's Goals. Solyndra Fab 2 is an essential component of the Applicant's long-term strategy. The following sets forth its strategic goals:

- Become the preferred solar panel system supplier to the major installers of commercial rooftop PV systems
- Become the preferred solar panel system supplier to end-user communities
- Provide solar electricity solutions that maximize energy production per roof area
- Provide the most reliable, cost-effective solar panel solution in the world
- Become the acknowledged market leader in the development and delivery of cost-efficient, high performance CIGS-based solar panels and low cost installation solutions
- With long-term sales contracts, pre-sell a majority of capacity from Solyndra Fab 2 production in 2010 and 2011

Marketing and Sales Strategy. Solyndra's initial market target segment for its PV products is commercial-scale installations on large, flat, reflective roofs, including those on the commercial, industrial, and governmental buildings. Commercial-scale rooftop installations are a large market, representing about 25% of the grid connected market today, and require a strong combination of high energy performance and low total cost. Solyndra's technology was specifically designed to provide the highest production of solar electricity from commercial rooftops while also providing a lower cost of installation and energy versus other PV panel and mounting alternatives. The Applicant is positioning its products as significantly improving the financials for both the commercial rooftop PV integrator/installer and the PV end user while providing many other benefits such as high energy production, reliability, ease of installation, and ease of removing the system for roof service or relocation.

The Applicant has deliberately remained in "stealth" mode to date, with no active public promotion of the Company or its product plans. All interactions with customers have been on a direct basis and under non-disclosure agreements. In late 2008, the Applicant will emerge from stealth mode to focus on publicity to drive end-user awareness, lead end-users to specify our product, and generate additional demand. The publicity will include trade shows, a web site, information releases to the media, advertising and product collateral. The Applicant's marketing personnel have extensive experience in successfully bringing many new products to the market place.

The Applicant has highly-experienced enterprise sales expertise in-house, and it anticipates that selling activity will be made directly by its own sales team and not through third-party distributors. The Applicant's sales objective is to create awareness and to convince the customer community of the immediate and long-term benefits associated with a Solyndra panel installation. The Applicant will need to help customers to understand that Solyndra's technology enables substantial cost savings along the supply chain and through to the end-user.

The Applicant has been successfully engaging prospective customers for the PV panels that it is commencing to produce in its Fab 1 facility. The response to the Applicant's technology has been extremely positive, with all of the 2008 and 2009 production from Fab 1 committed through a combination of sales contracts and letters of intent. It is anticipated that such relationships will yield a well-qualified base of customers for Solyndra Fab 2 production. Existing customers will absorb a significant fraction of the output of Solyndra Fab 2, and the Applicant is regularly engaging new customers. The Applicant believes that the opportunities for sales of Solyndra Fab 2 panels will be constrained by production capacity rather than customer demand. Although it would be possible to pre-sell the entire Solyndra Fab 2 plant capacity through 2011, the Company plans to reserve some production capacity for the purpose of seeding new customers who could purchase panels as additional capacity from Solyndra Fab 2 comes online.

For 2008 and 2009, approximately 50% of Solyndra's business will be in the US and 50% in Europe, and although both regions will be part of the business in years beyond, the exact fraction depends on each market and our uptake agreements. As the US PV market grows, we anticipate all of Fab 2 capacity could easily be absorbed in the US.

[redacted]

[redacted]

[redacted]

Select PV end users are an additional sales channel. Additionally, the Applicant has engaged with select large volume end-users, such as "big box" retail chains as well as certain highly visible independent enterprises, for the direct sale of PV panels to their large commercial facilities. Certain large end users plan to purchase their own PV panels and manage the system installation with subcontractors doing the install labor. Due to the uniqueness and attractiveness, of the Applicant's products, in some cases the Applicant may also be in a position to decide who gets to do the installation for the end user. With the Applicant's products, end-users will have the benefit of a lower cost of ownership, a greater and accelerated internal rate of return and a lower cost of electricity based upon a dollar per kilowatt-hour basis when compared with conventional silicon PV systems.

No retail or residential sales. The Applicant has no immediate plans to address retail distribution or residential markets, as it expects to sell-out it entire production capacity through integrators and channel partners and its products' value is greatest on commercial rooftops.

Solyndra Fab 2 Pricing Strategy. Solyndra Fab 2 PV panels will compete for rooftop installations with conventional panels that, like the Applicant's technology, demonstrate high efficiency. *The Applicant is unique in the PV panel industry in that it is the only manufacturer that bundles its panels with mounting hardware.* The Applicant's mounting hardware is simple and low-cost relative to most conventional PV panel mounting systems. By bundling mounting hardware with PV panels, the Applicant can capture some of the value created by this innovation. [redacted]

[redacted]

[redacted]

Photon Consulting and Navigant Consulting are two well-known PV industry analysis firms, and each has issued forecasts for PV pricing, although Photon does not forecast beyond 2010 (see Table D2-2). The Applicant uses this and other information to establish an average selling price schedule for Solyndra Fab 2. The Applicant believes that it will be successful in selling all of the Solyndra Fab 2 PV production at prices that are equal to or at a premium to the market averages for PV panels because of: (a) Solyndra's ability to capture its share of the value derived from features identified above and (b) the fact that Solyndra's prices include mounting hardware.

Current convention in the PV panel market dictates that panel prices are quoted per watt, based upon the peak rated efficiency of a panel. Solyndra Fab 2's average selling price assumptions are presented in Figure D2-2 with analyst forecasts for comparison purposes.

Table D2-3. Solyndra Fab 2 average selling prices versus industry analysts' estimates ($/Wp).

	2010	2011	2012	2013	2014	2015
Solyndra Fab 2, with mounts	$3.01	$2.79	$2.70	$2.65	$2.58	$2.52
Navigant Consulting, no mounts	$2.63	$2.35	$2.13	$1.95	–	–
Photon Consulting, no mounts	$3.03	–	–	–	–	–

It should be noted that Navigant provides a low-end and a high-end range of average market prices; the Applicant presents the mid-point of Navigant's price ranges in Table D2-2.

3. *Sponsor Involvement*

[Applicant's response to come]

4. *Contractual Arrangement*

[Applicant's response to come]

5. *Management Plan.* *Provide an organizational chart showing the staff and positions expected to operate the project, their qualifications and track record. Describe the plan for operating the project.*

The operating plan as presented in Section C2 will be managed by the Applicant's (aka "Solyndra") Fab 1 operations team, consisting of the following senior managers:

The following contains proprietary information that Solyndra, Inc. requests not be released to persons outside the Government, except for purposes of review and evaluation.

[redacted]

[redacted]

6. *Operational Risks and Mitigation Strategies*

[Applicant's response to come]

7. *Applicant Statement:*

Based on the project information provided by the Applicant for DOE consideration of a loan guarantee, the Applicant hereby attests that there is a reasonable prospect that the Guaranteed Obligations will be paid on time and in full (including interest) from project cash flow according to the terms proposed in the Application.

8. *Progress Reports*

The Applicant will provide Progress Reports in the form and frequency specified in Section D8 of Attachment B to the Application Guidance for Federal Assistance. .

Footnote 24, 25

The following contains proprietary information that Solyndra, Inc. requests not be released to persons outside the Government, except for purposes of review and evaluation.

DOE Loan Guarantee Application
Solicitation Number: DE-PS01-06LG00001
Invitation Number: 1013

Section D6: Operational Risks & Mitigation Strategies

Submitted by

SOLYNDRA

Solyndra, Inc.

Confidential

The data contained in pages 1-7 of this document or electronic file which hereby forms a part of the Application have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for evaluation purposes; provided that, if this applicant is issued a loan guarantee under Title XVII of the Energy Policy Act of 2005 as a result of or in connection with the submission of this Application, DOE shall have the right to use or disclose the data herein, other than such data that have been properly reasserted as being trade secret or proprietary in the loan guarantee agreement. This restriction does not limit the Government's right to use or disclose data obtained without restriction from any source, including the applicant.

6. Operational Risks and Mitigation Strategies. *Based on the business plan information above, prepare a SWOT analysis showing the Strengths, Weaknesses, Opportunities and Threats for successful operation of the project (e.g., price declines, scarcity of raw materials, dependence on a particular technology supplier) and mitigation strategies.*

The Applicant has prepared the following SWOT analysis relative to its objective (the "Objective"): to build and operate *Solyndra Fab 2*, a U.S.-based photovoltaic panel fabrication facility with an output capacity of up to 420 megawatts per year using new technology to avoid air pollutants or anthropogenic emissions of greenhouse gases.

STRENGTHS. The Applicant proposes the following as attributes of the organization that are helpful to achieving the Objective.

- [redacted]
- [redacted]
- [redacted]

[redacted]

- **Highly-Experienced Personnel.** The Applicant has presented the substantial qualifications of its management team in Section F4 of the application, but it also believes that it benefits from a general employee base with significant thin film and other high-technology manufacturing experience gained at other high-technology companies. The team has experience with high-volume manufacturing as well as the commercialization of new technologies.

WEAKNESSES. The Applicant proposes the following as limiters of the organization's ability to achieve the Objective.

- **CIGS Efficiency & Yield.** The Applicant has not yet demonstrated the efficiency and yield levels that it projects will be realized at high-speed commercial production, although both plans and technology are in place to enable it to achieve appropriate levels of performance. **Risk Mitigation Strategy:**

    - Time: The first production line of Solyndra Fab 2 will not begin production before January 2010. This affords substantial time for the Applicant to refine its production processes.
    - Yield Targets: The Applicant targets yield improvement by employing a pareto-based approach to identify major efficiency and yield-limiting issues. This technique provides Solyndra's engineers with the data to prioritize yield improvement opportunities. Solyndra reviews, catalogs and prioritizes information at every step of the manufacturing process. A root cause analysis enables the engineers to address and resolve variances that enable implementation of long-term enhancements to production techniques which [redacted]
    - [redacted]
    - Roadmap. A roadmap for specific process changes that will deliver PV panels with higher efficiencies was developed by the Applicant and is now being executed.

- **Reliance on Government Incentives.** The Applicant's PV panels currently rely upon various governmental tax incentives, rebates and other economic incentives to achieve cost parity with retail utility rates for installations in most locations. The reduction or elimination of such incentives may impact the Applicant's sales prospects and/or gross margins. **Risk Mitigation Strategy:**
    - The Applicant has embarked upon a strategy of cost management through product design and manufacturing process improvement which is intended to enable installation of its PV panels at prices that are equal to, if not lower than, grid parity prices in its key sales markets. It is the Applicant's intention to achieve grid price parity in certain markets several years prior to the date projected by industry analysts for conventional PV panels. Further, the Applicant's sales strategy is broad-based with respect to geographic location of customers and their respective installation targets. This should mitigate the impact of any adverse policy changes in federal or state governmental incentive programs.
- [redacted]
    - [redacted]
    - [redacted]
- **Early in the Product Life Cycle.** The Applicant has made only small volume shipments to customer and has limited customer experience; subsequently, the Applicant is subject to negative surprises. **Risk Mitigation Strategy:**
    - The Applicant expects to have delivered approximately 300,000 PV panels to customers that it manufactured in its Fab 1 before the first panel is produced by Solyndra Fab 2. The Applicant has made efforts to engage various large solar

integrators in the U.S. and Europe to seek input on design, installation and technical specifications of the panels so as to ensure the strongest market reception possible. Further, the Applicant has engaged with a significant number of customer prospects with varying business models so that it is best positioned to exploit the most receptive niches as they present themselves. Lastly, the Applicant's PV panels have not only passed rigorous testing by UL and IEC certification laboratories, but also they are being tested by third party performance laboratories. Despite the novelty of the Applicant's PV panel form factor and new-entrant competitive status, customer feedback has been strong largely due to the multiple attributes described in the "Differentiated Offering" section above.

OPPORTUNITIES: The Applicant proposes that the following conditions are helpful to achieving the Objective.

- **Increased Government Action.** There has been substantial debate in the U.S. Congress regarding global warming prevention programs that, if put into effect, could create an increase in demand for Solyndra Fab 2's production output. For example, so-called "cap and trade" programs, carbon sequestration requirements or a direct carbon taxes could cause corporations and other carbon emitters to seek technologies such as solar electricity that would help reduce their green house gas emissions. Such programs may cause prices of electricity to increase, which has the effect of making solar electricity more competitive. State legislatures have increasingly enacted legislation requiring investor-owned utilities to meet Renewable Portfolio Standards and some of these have minimum percentage requirements for solar electricity; expansion of such programs could expand the market for Solyndra Fab 2. Several U.S. Congress members have proposed multi-year extensions of the Federal investment tax credit for solar installations. All of these types of government actions might positively benefit Solyndra Fab 2.

- **Achieve Higher Panel Efficiency.** The Solyndra Fab 2 financial projections show panel efficiencies achieving 210 watts per panel by January 2011 and remaining constant thereafter. The Applicant believes that a combination of its know-how and further manufacturing process improvements will yield panel efficiencies that materially exceed the 210 watt metric. The upside benefit to Solyndra Fab 2 of higher efficiency per panel would be enjoyed in improved gross margins.

- **Achieve Substantial Potential Cost Reductions.** The Applicant has not included in its financial projections the substantial opportunity for further cost reduction. For example, the projections do not contemplate changes to the product design; however, it is the expectation of the Management team that experience in manufacturing and insight from marketing and sales will bring to light valuable opportunities to take cost out of the product either through refinements in manufacturing techniques or changes to product design. Further, the financial projections do not include future cost reduction potential from initiatives such as further manufacturing automation, outsourcing of equipment sub-component assembly, and lowering of labor costs by moving encapsulation and panel framing functions closer to end-customers.

THREATS: The Applicant proposes that the following conditions may be harmful to achieving the objective.

- **PV Supply Glut.** A sudden contraction of the global PV panel demand could cause a glut of PV panels that might impact sales prospects for Solyndra Fab 2 PV panels. **Risk Mitigation Strategy:**

  - Solyndra Fab 2 enjoys inherently lower manufacturing costs versus conventional silicon which held approximately 85% of the global market share in 2007; consequently, Solyndra Fab 2 could operate profitably while most competitors are at or below breakeven. With respect to other thin film manufacturers which may have similar cost structures, Solyndra Fab 2 benefits from its substantial competitive lead in commercialization, as well as its higher reliability, panel efficiency and manufacturing scale. The Applicant's unique design enables a 40% lower cost of installation versus flat glass PV panels, and this installation cost advantage will continue to benefit Solyndra Fab 2's sales prospects in the event of a PV supply glut. Additionally, Solyndra Fab 2 has an advantageous business model as compared to others that propose to build only thin film PV cells for sale to third parties that would use the cells to manufacture PV panels. It is likely that these third parties would exit the market in the event of a supply glut.

- **Low-Cost Alternative Energy.** Solyndra Fab 2 could be impacted if conventional silicon PV manufacturers were able to achieve substantial efficiency breakthroughs. The availability of low-cost energy alternatives such as new oil reserves or low-cost carbon sequestration technologies might impact Solyndra Fab 2. **Risk Mitigation Strategy:**

  - Because Solyndra Fab 2 manufactures panels, it is in the position to expand its business model to include installation capabilities which would have the benefit of compressing the margin stack in the supply chain which would allow for lower cost PV panel installations. Further, Solyndra's scale will likely position it to bring a power purchase agreement financing capability to the market that would further enhance its ability to win competitive sales opportunities.

- **Earthquakes.** Solyndra Fab 2 will be built near the San Andreas Fault and as such is susceptible to earthquake damage. **Risk Mitigation Strategy:**

  - Buildings in California, including the proposed Front End building for Solyndra Fab 2, are designed in accordance with uniform building code with seismic requirements that are intended to enable structures to withstand earthquakes. To the benefit of DOE, during the proposed loan guarantee period risk is mitigated by a short term of seven years.

- **Loss of Reputation.** The Applicant competes with numerous startup manufacturers of thin film PV panels that do not have the same experience, expertise, sophistication and quality orientation as does the Applicant. A threat exists that a competitor's thin film product may perform poorly or unreliably in the field which may cause the market to become suspicious of all thin film manufacturers. A failure on the part of the Applicant's own PV panels could lead to a loss of reputation that could take a substantial amount of time from which to recover. **Risk Mitigation Strategy:**
    - The Applicant had engaged in a deliberate strategy of close relationships with numerous large-scale customer prospects, some of which were established in 2006. These relationships involve frequent interactions involving technology evaluations, manufacturing facility tours and regular personal engagement. The objective of this strategy is to ensure that the largest customer prospects on a global basis have a deep understanding of the capabilities of the Applicant and the differentiation of the Applicant's technology from other thin film manufacturers. These direct, personal relationships will assist the Applicant to manage the potential implication of a competitor's failure and will help the Applicant quickly recover in the event of a poor customer experience that it may cause itself.

Footnote 26

Department of Energy
Washington, DC 20585

June 15, 2012

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Upton and Stearns:

Enclosed herewith is the twenty-sixth set of documents responsive to your February 17, 2011, September 21, 2011, and December 1, 2011 requests relating to the loan guarantee awarded on September 4, 2009 by the Department of Energy to Solyndra, Inc.

This response contains the financial models referenced as Exhibit D1(a) in the Business Plan submitted as part of Solyndra's application. The Loan Program Office requested several revisions of the financial model before Solyndra's application was deemed complete in the summer of 2008. However, we would note that the financial models submitted with the application do not represent the transaction as ultimately executed by Solyndra and DOE.

Some of the documents transmitted herewith include sensitive proprietary information or other information that may be covered by the Trade Secrets Act, 18 U.S.C. § 1905. Some of these documents may also contain information exempt from public release pursuant to the Freedom of Information Act, as amended, 5 U. S. C. § 552. Such information would not be available to persons outside the government. We therefore respectfully request that the Committee consult with the Department before releasing these documents or any portion thereof.

As we noted in our letters accompanying our previous document productions, we continue to search for additional responsive documents. If you have any questions regarding this matter, please call me at (202) 586-5284 or Christopher Davis of our Office of Congressional and Intergovernmental Affairs at (202) 586-5450.

Sincerely,

Eric J. Fygi
Deputy General Counsel

Enclosures

Printed with soy ink on recycled paper

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

Footnote 29

From: [redacted]
To:
Subject: RE: Need Inputs for Weekly Report this morning please! Thanks,[redacted]
Date: Friday, October 24, 2008 9:48:30 AM

Looks good. Only thing I would add:

Solyndra has indicated they will be applying under the 2008 solicitation for funding of the Second Phase of the their Fab 2 line.

-----Original Message-----
From: [redacted]
Sent: Friday, October 24, 2008 9:45 AM
To: [redacted]
Cc: [redacted]
Subject: RE: Need Inputs for Weekly Report this morning please! Thanks,[redacted]

[redacted]-- see below.

[redacted]-- anything to add??

Solyndra -- LGPO staff met with Solyndra, for a mutual update. Solyndra remains concerned over delays in the retention of LGPO third-party advisors and outside legal counsel, as well as the lack of an agreed subsidy model. Also of significant concern is the yet unresolved issue of the recognition of pre-closing financial contributions of the sponsor to the project as project costs and "equity." All these concerns have caused the company to slow the development of final engineering. The company has already missed some "windows of opportunity" to make advance orders of special run, long-lead-time, steel. Should the LGPO be able to provide more comfort on these issues, it may be possible for the company to place the orders during a November window; the next available would be February -- such a delay would, of course, cause a concomitant delay in build-out and production start.

[redacted]
Loan Guarantee Program
Department of Energy
[redacted]

-----Original Message-----
From: [redacted]
Sent: Friday, October 24, 2008 8:51 AM
To: DL-CF-1.3 Federal Staff; DL-CF-1.3 Contractor Staf
Subject: Need Inputs for Weekly Report this morning please! Thanks,[redacted]
Importance: High

[redacted]
Senior Administrative Assistant
U.S. Department of Energy
Loan Guarantee Program Office
1000 Independence Avenue
Washington, DC 20585
[redacted]

Footnote 30

From: [redacted]
To:
Cc:
Subject: RE: Date of Closing
Date: Wednesday, November 19, 2008 2:08:11 PM

[redacted]

We're are still shooting for taking the Solyndra and Beacon projects to the CRB in January but many factors lie outside our control so I cannot give a percentage regatrding the likelihood of achieving that target.

[redacted]

-----Original Message-----
From: [redacted]
Sent: Tuesday, November 18, 2008 8:26 AM
To: [redacted]
Cc:
Subject: Date of Closing

[redacted]

Given the recent events at the LGPO what do you anticpate the revised target closing date being for the first loan guarantee?

[redacted]

Footnote 31

Urie, Matthew

From: Frantz, David
Sent: Thursday, December 04, 2008 1:59 PM
To: Isakowitz, Steve
Cc: Barwell, Owen; [redacted] Colyar, Kelly; [redacted]
Subject: LGPO Schedules: Three Highest Priorities

Steve,

Based upon the schedules of the LGPO activities, we have established the following three projects as the highest priorities over the next 45 days:

I. Presentation of the Solyndra project to the CRB for approval by January 15th.
Discussion: Due diligence for the Solyndra project is proceeding on schedule. The notice to proceed with the independent engineer (RW Beck) was released yesterday and a draft report is expected the week of January 5th. A marketing independent consultant will not be available through "sources sought" by January but the LGPO has obtained two "off the shelf" studies which will be sufficient for the CRB including an European study and a domestic study. We will make the independent marketing consultant study a condition precedent (CP) to ultimate closing. The same will be the case for the NEPA FONSI report, a CP to closing.

Concern: The independent counsel has not been contracted by procurement. It is expected to take place the week of December 8th, however failure to do so will jeopardize the schedule and could preclude the ultimate approval process from going forward in January. In addition, an acceptable term sheet template has not been agreed with GC which is an integral part of the approval documentation and forms the basis of the final negotiations with the client. Both of these requirements must be completed within two weeks to meet the CRB schedule.

[redacted]

David G. Frantz
JS Department of Energy
Director, Loan Guarantee Office, CF-1.3

Footnote 33

[redacted]

From: [redacted]
Sent: Wednesday, December 10, 2008 7:23 PM
To: [redacted]
Cc:
Subject: PV Market Studies

Hi Dan:

I wanted to give you a heads up that I put two PV market studies prepared by Navigant Consulting into FedEx for overnight delivery to you. Solyndra is sharing these documents with the Loan Guarantee Program Office exclusively for the purposes of your due diligence related to Solyndra's loan guarantee application. Please do not distribute these market studies outside of the Loan Guarantee Program Office and return them to Solyndra upon completion of your due diligence examination.

The market studies include Photovoltaic Manufacturer Shipment & Competitive Analysis 2007/2008, dated April 2008, and Analysis of Worldwide Markets for Photovoltaic Products and Five-Year Application Forecast 2007/2008, dated July 2008. Navigant released a forecast update to the Photovoltaic Manufacturer Shipment & Competitive Analysis, a copy of which is also enclosed in the FedEx package.

I am prepared to discuss with you the central themes of the global market after you take a look at the documents. Please keep a couple of things in mind when you perform market analysis:

[redacted]

Regards,

[redacted]

****

[redacted]

VP - Business Development

SOLYNDRA, INC.

47700 Kato Road

Fremont, CA 94538

[redacted]

This e-mail and any accompanying attachments contain information that is confidential to Solyndra, Inc.
The information is intended solely for the use of the individual to whom it is addressed.
Any review, disclosure, copying, distribution, or use of this e-mail communication by others is strictly prohibited.
If you are not the intended recipient, please notify us immediately by returning this message to the sender and delete all copies.
Thank you for your cooperation.

Footnote 34

[redacted]

From: Frantz, David
Sent: Thursday, December 04, 2008 1:59 PM
To: Isakowitz, Steve
Cc: Barwell, Owen; [redacted] Colyar, Kelly; [redacted]
Subject: LGPO Schedules: Three Highest Priorities

Steve,

Based upon the schedules of the LGPO activities, we have established the following three projects as the highest priorities over the next 45 days:

I. Presentation of the Solyndra project to the CRB for approval by January 15th.
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Concern: The independent counsel has not been contracted by procurement. It is expected to take place the week of December 8th, however failure to do so will jeopardize the schedule and could preclude the ultimate approval process from going forward in January. In addition, an acceptable term sheet template has not been agreed with GC which is an integral part of the approval documentation and forms the basis of the final negotiations with the client. Both of these requirements must be completed within two weeks to meet the CRB schedule.

[redacted]

David G. Frantz
US Department of Energy
Director, Loan Guarantee Office, CF-1.3

Footnote 35

From: Colyar, Kelly
To: [redacted]
Cc:
Subject: Solyndra
Date: Monday, December 15, 2008 11:38:13 AM

[redacted]

In preparation for your meetings this week with Solyndra, please see below some initial thoughts from our ongoing credit policy review. We will still need to see the completed risk and recovery matrices from the Origination Team as well as the Credit Paper and any additional supporting information. However, the points below should provide information for this week's meeting.

Regards,

Kelly

The credit analysis of the Solyndra project may benefit from the following considerations. These are grouped into several categories based on how they fit within the Program's underwriting approval and disbursement procedures.

- Credit Analysis Considerations: The credit analysis of Solyndra may benefit from the following considerations:

\- Evaluation of Parent Financial Health: The interdependency of the proposed project with its corporate parent, Solyndra Inc., presents challenges in the credit analysis. In one sense, Solyndra Inc. is a key counterparty to the project. However, the multiple relationships with the project make the parent and the project affiliate entities within a single business enterprise. Therefore, the financial health of the parent corporation should be evaluated over the life of the project. It may be worthwhile to simply model project and the parent as a combined integrated enterprise. This would allow for the LGPO's consideration of working capital (inventory, accounts receivable, accounts payable, etc.) requirements, SG&A expenses, ongoing capital improvements, and outstanding and planned debt issuances. This presentation could complement the project-oriented model, which provides a good indication of the contribution of the project to the parent's overall financial health. However, analyzing the project model alone would provide an incomplete picture of the overall creditworthiness of the guaranteed obligation. In short, a financial disruption at the parent level could directly affect the project's receipt of revenues on a timely basis and the ability of the project to maintain uninterrupted operations.

\- Calculation of Debt Service Coverage: The calculation of debt service coverage should include working capital movements and cash taxes. The specific calculation is consistent with LGPO Policy.

EBITDA

Plus/minus	Changes in working capital
Plus/minus	Cash taxes paid
Minus	Non-discretionary capital expenditures

Divided by Debt Service

\- Presentation of Project Plan of Finance: The current model calculates draw requirements based on EBITDA, capital expenditures and working capital movements. In this calculation, Eligible Project Costs are comingled with ineligible project costs (e.g., R&D). It would be helpful to obtain a detailed sources and uses of funds statement that sets forth the eligible project costs and corresponding sources of debt and equity.

- Interest Capitalization Period: The specific terms of the guaranteed obligation need to be defined. Specifically, whether or not the applicant will utilize a 36-month interest capitalization period (versus 24) should be identified. The LGPO's analysis and credit subsidy estimate will be based on the maximum term afforded under the Loan Guarantee Agreement.

- Construction Completion Commitment: The construction completion commitment from the parent organization needs to be defined.

- Applicant Mitigation Strategies: The engineering report identifies some contingency plans that the applicant has in mind for the CIGS process. This mitigation strategy as well as others should be articulated by the applicant and the associated costs should be identified. Additionally, the results of the FAB 1 facility should be documented at this time and reviewed by the LGPO's independent engineer. The results of this facility represent an important piece of information for the LGPO and credit rating agencies to consider as they move forward in their analysis.

- Risk Mitigation Considerations: Some thoughts on mitigating project risks include the following:

- Construction Completion Commitment: This should be supported by letters of credit and be an amount sufficient to cover an extended delay or cost overrun.

- Debt Service Reserve Fund: This is a project that would benefit significantly from a debt service reserve fund. The debt service reserve fund could be sized for 6-months of debt service and capitalized with debt and equity at closing. Note the capitalization of the debt service reserve fund is an Eligible Project Cost and will be partially funded through guaranteed loan proceeds.

- Contractor Performance Security: The applicant has elected not to require performance or payment bonds from its prime contractors nor has it elected to have the contractors provide their services under a fixed price or fixed completion date. Recognizing that there are elements of the project that will not be suitable for fixed-priced contracting, there will be opportunities for the applicant to transfer greater risk to the contracting group. This should be encouraged.

- Conditions Precedent for Initial Disbursements: Given the timeframe associated with this project, there may be a number of conditions precedent to initial disbursement that are worth consideration. In particular, should the FAB 1 results can be quantified under specific performance metrics, it may be worthwhile to consider a condition precedent to disbursement that identifies the performance threshold that must be achieved by the FAB 1 facility before disbursements are made. This would be analogous to an acceptance test procedure for a power plant.

Footnote 47

5

Solyndra Fab 2, LLC

Credit Committee Recommendation

From: Chairman Loan Guarantee Credit Committee
To: Director Loan Guarantee Program Office

Subject: Credit Committee Recommendation re: Solyndra Fab 2 LLC, solar photovoltaic power panel project for a loan guarantee of $ 535,000,000.

On January 9, 2009, the Credit Committee convened to consider the referenced project for a loan guarantee of $535,000,000 under Title XVII of the Energy Policy Act of 2006. On January 9, 2009, following a presentation to the Credit Committee and further deliberations among its members, the committee reached the following conclusions:

- The apparent haste in recommending the project meant that certain LGPO credit procedures were not adhered to. Of particular concern were the receipt of the Final Credit Committee Paper and Credit Committee policies and procedures without the requisite advanced notice.

- While the project appears to have merit, there are several areas where the information presented did not thoroughly support a finding that the project is ready to be approved at this time:

  1. There is presently not an independent market study addressing long term prospects for this specific company beyond the sales agreement already in place. Since the independent credit assessment raised the issue of obsolescence in marketing this project it is important to have an independent analysis of that issue as well as the current state of the competitive market.
  2. While the sales agreement is said to have been analyzed by the outside legal advisor assigned to this case, the committee did not have access to this document.
  3. There are questions regarding the nature and the strength of the parent guarantee for the completion of the project.
  4. While it is encouraging to see the apparent progress in the development of the product at the Fab 1 facility, there is concern regarding the scale-up of production assumed in the plan for Fab 2.

The Credit Committee is appreciative of the hard work done by the origination staff, but believes that the number of issues unresolved makes a recommendation for approval premature at this time. Therefore, the committee, without prejudice, remands the project to the LGPO for further development of information addressing the issues outlined above.

Footnote 51

[redacted] [redacted]

From: Barwell, Owen
Sent: Tuesday, January 13, 2009 4:36 PM
To: Isakowitz, Steve
Subject: Fw: USA Today Article on Rooftop Solar Systems

----- Original Message -----
From: Seward, Lachlan
To: [redacted]
Cc: Barwell, Owen; [redacted]; Colyar, Kelly; [redacted]
Wade; [redacted] Frantz, David
Sent: Tue Jan 13 14:10:33 2009
Subject: RE: USA Today Article on Rooftop Solar Systems

[redacted], Thanks. It serves serves to bolster our argument for a market analysis at this time.

Lach

-----Original Message-----
From: [redacted]
Sent: Tuesday, January 13, 2009 1:16 PM
To: Seward, Lachlan; Frantz, David
Cc: Barwell, Owen; [redacted]; Colyar, Kelly; [redacted]
Wade; [redacted]
Subject: RE: USA Today Article on Rooftop Solar Systems

To All-There is an article on page 1B of today's USA Today news paper on the "Glut of roof top solar systems."

-----Original Message-----
From: Seward, Lachlan
Sent: Tuesday, January 13, 2009 12:30 PM
To: Frantz, David
Cc: Barwell, Owen; [redacted]; Colyar, Kelly
Subject: Solyndra Meeting

After canvassing the committee it was the unanimous decision not to engage in further discussions with Solyndra at this time.

Lach

Footnote 61, 62

[redacted] [redacted]

From: Colyar, Kelly
Sent: Monday, January 26, 2009 5:15 PM
To: [redacted]
Cc: Frantz, David; Isakowitz, Steve; [redacted] Seward, Lachlan
Subject: RE: Solyndra Analysis

[redacted]

As we are approaching the beginning of the approval process for Solyndra again, I wanted to highlight the questions below that remain outstanding. In order to move forward with the credit review of this project, I will need the responses to the questions below. Please let me know when the responses are ready. Delay in getting these responses will delay our ability to review the project and to meet the target deadline we have set.

As an additional note, I want to ensure that these concerns are addressed in the negotiations occuring Friday with Solyndra. As a practical matter, it would be ackward to finalize negotiations with the applicant and then to go back to them with additional requests for information. I want to ensure that the specific concerns Credit Policy and Credit Committee have indicated are reflected in the negotiated terms.

Please send your responses to the questions below at your earliest convenience.

Thanks.

From: Colyar, Kelly
Sent: Wednesday, January 07, 2009 5:12 PM
To: Frantz, David; Isakowitz, Steve; [redacted] Seward, Lachlan
Subject: Solyndra Analysis
Importance: High

All,

Below is a status of information requests Credit Policy has made regarding Solyndra. Each of these three emails was intended to provide constructive feedback to move this process forward. To-date, I have not received a response to most of these requests.

Also attached is Credit Policy's presentation for OMB. This analysis was run based on information received as of January 4 and does not reflect any subsequent submissions.

We have not run the credit subsidy range pending receipt of information requested below. At this point, I believe we have two options:

1) Provide the initial estimate provided to the applicant 12/9 stating that it has not been updated to reflect the LGPO's due diligence and underwriting assumptions.
2) Run the calculation based on the amortization we received today and Credit Policy's ratings with the caveat that this is subject to change based on new/additional information as well as the new Term Sheet proposal.

I suggest we discuss as soon as possible. I have not released any information to OMB as was originally scheduled for today. I am scheduled to brief OMB tomorrow.

Thanks.

December 15, 2008 Email

The credit analysis of the Solyndra project may benefit from the following considerations. These are grouped into several categories based on how they fit within the Program's underwriting approval and disbursement procedures.

* Credit Analysis Considerations: The credit analysis of Solyndra may benefit from the following considerations:

Evaluation of Parent Financial Health: The interdependency of the proposed project with its corporate parent, Solyndra Inc., presents challenges in the credit analysis. In one sense, Solyndra Inc. is a key counterparty to the project. However, the multiple relationships with the project make the parent and the project affiliate entities within a single business enterprise. Therefore, the financial health of the parent corporation should be evaluated over the life of the project. It may be worthwhile to simply model project and the parent as a combined integrated enterprise. This would allow for the LGPO's consideration of working capital (inventory, accounts receivable, accounts payable, etc.) requirements, SG&A expenses, ongoing capital improvements, and outstanding and planned debt issuances. This presentation could complement the project-oriented model, which provides a good indication of the contribution of the project to the parent's overall financial health. However, analyzing the project model alone would provide an incomplete picture of the overall creditworthiness of the guaranteed obligation. In short, a financial disruption at the parent level could directly affect the project's receipt of revenues on a timely basis and the ability of the project to maintain uninterrupted operations.

STATUS:

— **Discussed but not addressed.**

Calculation of Debt Service Coverage: The calculation of debt service coverage should include working capital movements and cash taxes. The specific calculation is consistent with LGPO Policy.

EBITDA

Plus/minus Changes in working capital
Plus/minus Cash taxes paid
Minus Non-discretionary capital expenditures

Divided by Debt Service

STATUS:

— **Addressed in 1/7/09 financial metrics**

Presentation of Project Plan of Finance: The current model calculates draw requirements based on EBITDA, capital expenditures and working capital movements. In this calculation, Eligible Project Costs are comingled with ineligible project costs (e.g., R&D). It would be helpful to obtain a detailed sources and uses of funds statement that sets forth the eligible project costs and corresponding sources of debt and equity.

STATUS:

— **Not received, but similar issue raised by DOE OGC**

Interest Capitalization Period: The specific terms of the guaranteed obligation need to be defined. Specifically, whether or not the applicant will utilize a 36-month interest capitalization period (versus 24) should be identified. The LGPO's analysis and credit subsidy estimate will be based on the maximum term afforded under the Loan Guarantee Agreement.

STATUS:

— **Similar issue raised by DOE OGC. Credit Policy is assuming a 30 month construction period with interest paid current based on latest amortization schedule. However, clarification is needed from the Term Sheet. Credit Policy will use the maximum term afforded under the Guarantee for it's final analysis.**

Construction Completion Commitment: The construction completion commitment from the parent organization needs to be defined.

STATUS:

— Not clarified, but issue discussed in LGPO meeting. Impact on Credit Rating, if any, should be determined.

Applicant Mitigation Strategies: The engineering report identifies some contingency plans that the applicant has in mind for the CIGS process. This mitigation strategy as well as others should be articulated by the applicant and the associated costs should be identified. Additionally, the results of the FAB 1 facility should be documented at this time and reviewed by the LGPO's independent engineer. The results of this facility represent an important piece of information for the LGPO and credit rating agencies to consider as they move forward in their analysis.

STATUS:

— Not addressed.

December 31, 2008 Email

• Project Sponsor Risk: Your risk rating indicates that the company has recently closed on a $350 million convertible issuance. Have we received an updated balance sheet that reflects the company's current cash balances? What is our expectation of cash balances as of financial close? Can you share the results of your Lexis-Nexis research with Credit Policy?

Status:

— Received updated balance sheet
— Received Lexis-Nexis research conducted to date
— Information related to timing of FAB 2 equity raise received on 1/7/09. Additional information is needed regarding parent funding requirements through completion of FAB 2 project.

• Technology Risk: Has the Applicant provided a schedule of milestones related to the FAB-1 facility? The "standby financial resources" attribute indicates that concern over completion support adequacy may be addressed through recourse to equity holder. Is this related to the completion support facility? What is the LGPO's position on this?
The concern over the CIGS scale-up has been identified as the most significant risk to the project ramp. Both the Applicant engineer's report and the existing draft of the IE's report suggest that the Applicant has a contingency plan for providing additional CIGS deposition output capability if needed. Do we have an idea of the cost associated with this plan?

Status:

— Fab 1 status report received on 1/7/09. Specific FAB 1 milestones not received
— Specific documentation regarding the availability or adequacy of the standby resources not received.
— CIGS disposition contingency plan articulated in IE's report. Cost associated with the additional CIGS tool not received. Cost estimate should include potential delay effects.

• Capital Structure: What is the Applicant's plan for raising the required equity investment in the project? Will the Applicant have sufficient cash on hand to fund the required project equity investment as well as funding other cash needs related to ineligible project costs and ongoing working capital needs of the parent corporation?
Status:
— Specifics on sizing and timing of equity raise not received.
— Information/analysis regarding working capital needs of parent not received.

Market Risk: The Risk Rating references a Navigant Consulting study published in April 2008. Has this study been made available to the LGPO? If so, is it in Edocs? Could you share the diligence findings of product off-takers?
Status:

— Response regarding April 2008 Navigant study not received
— Off-taker diligence findings not received

• Project Completion Risk: Have the basic terms of the Equipment Supply Agreement been defined? How does the Applicant propose to address issues related to delivery of tools and equipment?
Status:

— Equipment Supply Agreement terms not received.

Operation and Performance Risk: The original term sheet indicated the utilization of an O&M Agreement between the parent and the SPV. What are the terms of this agreement? The independent engineer's report indicates a discrepancy between the staffing levels provided on page 35 of the CH2M Hill report and the levels presented in the financial model. Which level of staffing is correct?

Status:

— O&M Agreement terms not received.
— Stated concern over discrepancy has been removed from IE's report.

- Infrastructure Risk: Pending results of IE report.

- Legal Risk: Have we received evidence of site control? If so, please provide.

January 5, 2009 Email

I have not seen a response to either of my previous emails. Below are the main issues we need resolved prior to my presentation to OMB as well as the presentation to credit committee. I will be sending the subsidy estimate to OMB on Wednesday and will need tomorrow to run the analyses.
Could you provide comment on the following issues?

Thanks.

1. Resolution of repayment method

STATUS:

— Addressed 1/7/09

2. Conversation with Rating Agency

STATUS:

— Not Addressed

3. Completion of IE's report

STATUS:

— Received 1/6/09

4. Receipt of YTD financials from Solyndra

STATUS:

— Received 1/6/09

5. Explanation of [redacted]

STATUS:

— Description received but supporting documentation required to understand the basis for [redacted]

5. Description of inventory assumptions

STATUS:

— Not Addressed. Purpose of question relates to the need to understand the working capital needs associated with the project. Parent company is a development stage enterprise, so it financial health will be dependent on the economics of the Fab 2 facility.

7. Resolution of head count issue identified in IE draft report

STATUS:

— No longer an issue in the IE report. However, apparent discrepancy still exists and an explanation is warranted.

8. Data supporting the SG&A expense allocation

STATUS:

— Not Addressed. Purpose of question relates to the need to understand the overhead expenses associated with the project. Parent company is a development stage enterprise and will not be able to support artificially low SG&A allocations to project.

9. Detailed timeline of Fab 1 milestones

STATUS:

— Status report of Fab 1 received, but detailed timeline of milestones not provided.

10. Details on construction cost overrun facility

STATUS:

— Discussed at 1/6/09 LGPO meeting but not resolved.

Footnote 63

From: [redacted]
To:
Cc:
Subject: RE: RSCAP DE-RS04-00001 - Independent Market Advisory Services to the U.S. Department of Energy in support of a loan guarantee application from Solyndra, Inc.
Date: Friday, January 30, 2009 1:10:05 PM

[redacted]
We have received notification of selection to provide Independent Market Advisory Services in support of Solyndra, Inc's loan guarantee application. We have forwarded a copy of the signed signature page of the Matching Order to [redacted], and per his email (below) this is to request a kick-off conference call at your earliest convenience.

The Beck team is looking forward to working with you on this next phase of the Solyndra project.

Regards,
[redacted]

[redacted]
Vice President R. W. Beck Federal, Inc.

[redacted]
1001 Fourth Avenue, Suite 2500, Seattle, WA 98154-1004

R.W. Beck
Mind Powered: Insight with Impact.
rwbeck.com <blocked::http://rwbeck.com/>
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From: [redacted]
Sent: Friday, January 30, 2009 10:00 AM
To: [redacted]
Cc: [redacted]
Subject: RE: RSCAP DE-RS04-00001 - Independent Market Advisory Services to the U.S. Department of Energy in support of a loan guarantee application from Solyndra, Inc.

[redacted]
Thank you for notification of our selection to provide Independent Market Advisory Services in support of Solyndra, Inc's loan guarantee.

application. Find attached a .pdf of the signed signature page of the Matching Order that you sent earlier today. I will mail two original copies of the signature page to your attention for your signature.

As requested I will immediately contact [redacted] to arrange a kick-off conference call.

We look forward to assisting DOE on this assignment!

Regards,
[redacted]

[redacted]

Vice President R. W. Beck Federal, Inc.

[redacted]

1001 Fourth Avenue, Suite 2500, Seattle, WA 98154-1004

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From: [redacted]
Sent: Friday, January 30, 2009 4:16 AM
To: [redacted]
Cc: [redacted]
Subject: RSCAP DE-RS04-00001 - Independent Market Advisory Services to the U.S. Department of Energy in support of a loan guarantee application from Solyndra, Inc.

[redacted]

I am pleased to inform you that the Statement of Capability, Availability and Price submitted by R.W. Beck, Inc. in support of the subject RSCAP has been selected as the best value to DOE. Attached is the Matching Order for this work. Please review the Matching Order, in particular the information specific to R.W. Beck, and have a duly authorized official of your firm sign the enclosed signature page of the Matching Order. Please email me a .pdf copy of the signed Matching Order signature page or any corrections that need to be made. In addition, please return two copies of just the signature page with original signatures by mail to:

U.S. Department of Energy

Office of Headquarters Procurement Services

Attn: [redacted]

1000 Independence Avenue SW

Washington, DC 20585

The Contracting Officer's Representative (COR) for this project is [redacted]. After you have emailed the signed Matching Order back to me you are requested to contact the COR to schedule a kick-off meeting to review the Matching Order. After we have gone over the Matching Order we will introduce you to Solyndra, Inc.

Please contact me if you have any questions.

<<Matching Order beck for Solyndra Marketing.doc>> <<Matching Order Attach 3 Consultant NDA-COI.doc>>

[redacted], Contracting Officer

U.S. Department of Energy

[redacted]

Footnote 64

[redacted] [redacted]

From: Isakowitz, Steve
Sent: Sunday, February 22, 2009 8:07 AM
To: 'Matt_Rogers[redacted]
Subject: Fw:

Followup from my previous email. We'll talk...

----- Original Message -----
From: Chris Gronet [redacted]
To: Isakowitz, Steve
Sent: Fri Feb 20 13:56:00 2009
Subject:

Hi Steve,

I believe we can raise the $147M in equity based on reviews with investors since our last discussion, but under the following conditions:

1. Debt-to-Equity: 80%/20%. Total project: $735M, FFB debt = $588M, Solyndra Equity = $147M
2. Confirm Solyndra does not pay Credit Subsidy Cost
3. [redacted]
4. Solyndra covers any cost overruns, 100% guarantee but no pre-funding
5. Solyndra parent financial covenant expires at project completion
6. [redacted]
7. Change of Control: DOE consent right except for investment-grade U.S. and European companies; consent requirement expires at project completion
8. Extension of application deadline for Phase 2 to April 30
9. Fundraising support after conditional commitment: Steven Chu visits Solyndra with press interviews (target by end of March)
10. Target close in May, break ground in June

They emphasized that few investors are doing any funding at all in this market.

The talking points for Steven Chu could include:
-6000 green jobs during construction (about 1800 after the factory is completed and running at full capacity) -new example of green manufacturing development in the U.S.
-some of our key vendors do work for the auto industry (help save jobs in middle America) - another example of how America solves problems with the engine of innovation (new solar panel design born in Silicon Valley)

Look forward to our call. I hope Solyndra can be a great first project with rapid results for the Loan Guarantee Program.

Best,

Chris Gronet
CEO
Solyndra, Inc.

47700 Kato Road
Fremont, CA 94538 USA
[redacted]

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Thank you for your cooperation.

From: [redacted]
To:
Subject: RE: LGPO Weekly Report
Date: Friday, February 27, 2009 9:43:01 AM

Solyndra -- further discussions were held with Solyndra via conference call, focusing on the remaining outstanding issues re completion of the Term Sheet. Some progress was made, but a fundamental difference remains regarding the appropriate gearing ratio for a B-rated greenfield manufacturing facility using innovative technology unproven at the proposed scale
of operation. The sponsor continues to hold out for 80-20 leverage, even if appropriated subsidy is applied to the project.

[redacted]
Loan Guarantee Program
Department of Energy
[redacted]

-----Original Message-----
From: [redacted]
Sent: Thursday, February 26, 2009 4:12 PM
To: [redacted]
Subject: LGPO Weekly Report

Please send me your inputs by 10am tomorrow!

Thanks,

[redacted]
Senior Administrative Assistant
U.S. Department of Energy
Loan Guarantee Program Office
1000 Independence Avenue
Washington, DC 20585
[redacted]

[redacted]

From: [redacted]
Sent: Thursday, February 26, 2009 11:07 PM
To: [redacted] Frantz, David; [redacted]
Cc: Bill Stover; [redacted]
Subject: Revised Open Issues Proposal
Attachments: Solyndra Open Issues Proposal (02.26.09).doc

All,

As requested, attached is a revised proposal with all of Solyndra's positions on the open deal points that were discussed today. We have left all of the issues from the original proposal on this revised list, and have marked "Agreed" for those issues where it is our understanding that DOE and Solyndra are in agreement.

The remaining issues are still open. As we discussed this afternoon, we have made the concessions on the change of control, the parent level financial covenant, and the pre-funding of the cost overrun account (with no early release of the funds) in an effort to get to the 80/20 debt/equity split and based on significant feedback from our board and investor constituents.

We are still working through the financial models you requested and will distribute those separately tomorrow.

We understand that you will need time to review these proposals and the financial models and look forward to hearing back at your earliest convenience, but in the interim if there are any disconnects on the points marked "Agreed" please let us know as soon as possible.

We look forward to your response.

Thanks.

[redacted]

[redacted]

[redacted]

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Thank you for your cooperation.

Footnote 68

[redacted] [redacted]

From: Isakowitz, Steve
Sent: Sunday, February 22, 2009 10:36 AM
To: Rogers, Matt
Cc: [redacted]
Subject: RE: Swat teans on solyndra, beacon. And [redacted]

I'll shoot to get in around 815-830am.

-----Original Message-----
From: Rogers, Matt
Sent: Sunday, February 22, 2009 10:23 AM
To: Isakowitz, Steve
Subject: Re: Swat teans on solyndra, beacon. And [redacted]

Thanks for the note--you and I continue to be well aligned on this. My sense reading through the recent summaries is that we can actually moves these quite quickly if we get the right resources in place. We definitely need to talk re personnel. I'll be in the office circa 8am on monday if you have time before the tag up. Regards, mr

----- Original Message -----
From: Isakowitz, Steve
To: Rogers, Matt
Sent: Sat Feb 21 08:59:06 2009
Subject: Re: Swat teans on solyndra, beacon. And [redacted]

att,

To show we think a like, I just asked Dave late yesterday for a similar task re: the top 3, especially how we can accelerate the other two applicants. This is the result of a problem we're hitting with the first applicant

You and I ought to talk Monday about how we coordinate with him to ensure he's getting consistent direction. There are also other loan matters that we should discuss between the two of us re: personnel matters, application negotiations, and other sensitive matters.

Lastly, as of late yesterday, we didn't get the rulemaking from OGC. I told Dave to take the weekend once he gets it to review it with his team. I don't want to blindly send it out to omb with only GC having looked at it.

Steve

----- Original Message -----
From: Rogers, Matt
To: Frantz, David
Cc: Isakowitz, Steve
Sent: Sat Feb 21 02:07:25 2009
Subject: Swat teans on solyndra, beacon. And [redacted]

Dave,

Thank you for the briefing materials this evening--very helpful. Can we get together at 11am monday. I would like to discuss how we mght put swat teams together to complete crb review for the top three deals in three.weeks. Looks like you have put the foundation in place and cd benefit from some more resources. Regards, mr

Footnote 71

[redacted]

[redacted]

From: [redacted]
Sent: Thursday, March 05, 2009 5:10 PM
To: [redacted] Frantz, David; Colyar, Kelly; [redacted]
Subject: Project Processing Timelines
Attachments: Project Processing_Accelerated Timelines_Shaded.xls

Hot off the press. Dates were reviewed with Matt Rogers. The wish is to have Solyndra through the CRB in time for the President's speech in California on the 18th.

[redacted]
Director, Loan Origination
Loan Guarantee Program
U.S. Department Of Energy
1000 Independence Avenue, SW
Washington, DC 20585
[redacted]

Footnote 72

[redacted] [redacted]

From: Frantz, David
Sent: Friday, March 06, 2009 9:32 AM
To: Isakowitz, Steve
Subject: RE: CALL ME PLEASE

Steve,

This is fine with the note that we are presently planning the credit committee for Mar. 12th and the CRB for Mar. 17th.

Dave

David G. Frantz
US Department of Energy
Director, Loan Guarantee Office, CF-1.3
[redacted]

From: Isakowitz, Steve
Sent: Thursday, March 05, 2009 7:04 PM
To: Frantz, David
Subject: CALL ME PLEASE

Dave,

Please call me regarding Solyndra. How did the negotiations end?

Assuming we can get to a handshake, I need to send to Rod O'Connor the significance of the event so he can send to the WH. Please review my text below for accuracy.

Thx,
Steve

==============================

-- DOE has a handshake agreement for a "conditional commitment" with an applicant for a solar manufacturing plant

-- Before we can announce the "conditional commitment" the following items must happen:

(1) The applicants Board must approve it on Monday

(2) The DOE loan office will received and review a independent marketing study that will need to support the applicant's business plan

(3) DOE will the submit the conditional commitment to its Credit Review Board for approval. DOE expects to have the CRB meeting by March 16.

-- If the applicant and DOE Boards approve the conditional commitment, DOE is at liberty to announce the result.

-- However, the applicant must fulfill the conditions before the actual loan is released. The most critical condition will be the applicant raising the outstanding equity.

Footnote 73

[redacted]

[redacted]

From: Klain, Ronald A [redacted]
Sent: Friday, March [redacted]
To: Rogers, Matt; OConnor, Rod
Subject: Re: White house energy events next two weeks

Matt,

[redacted] -- much more interest in that than solar panels.

Ron

From: Rogers, Matt
To: Klain, Ronald A.; OConnor, Rod
Sent: Fri Mar 06 18:03:43 2009
Subject: White house energy events next two weeks

Ron,

[redacted]

Likewise, we are on track to have potus announce the first doe loan to solyndra a thin film solar mfg in la on march 19, assuming their board approves the terms this monday. We will then need credit committee and credit board meetings on our side next week to confirm the conditional commitment. Solyndra will still need to raise 100 mm in equity capital before funding, but this is an important story about govt lending resucitating the capital markets to get sponsor equity off the sideline.

So, we are working the weekend to make both go. Your call on next steps. Regards, mr Matt Rogers Senior Advisor to the Secretary for ARRA
[redacted]