

To: Reporters, Interested Parties
Fr: The White House
Da: May 25, 2010
Re: Background on the President's Visit to Solyndra, Inc. in Fremont, CA

ECONOMIC CLIMATE IN FREMONT

Located in the southeast section of the San Francisco Bay Area, Fremont, CA is part of Alameda County. The city of Fremont has an estimated population of 203,000, while Alameda County has close to 1.5 million residents. As the second largest city in the Silicon Valley area, Fremont is known for its innovative technology industry with over 1,200 high-tech, life science, and clean technology firms including Amgen, Purfresh, and Solyndra.

The recession came late to Silicon Valley. In 2008, demand for commercial real estate waned and home foreclosures in the region rose 186 percent from the previous year, although the number of foreclosures is now starting to decline. Additionally, 4,700 jobs were lost in Fremont with the closure of New United Motor Manufacturing Inc. auto plant in April 2010. That same month, Alameda and Contra Costa counties lost a combined 1,700 jobs.

However, many Silicon Valley companies weathered the storm by cutting costs as sales declined, and recent earning reports indicate the high-tech industry is seeing a return to growth as consumers are purchasing the latest gadgets and firms are upgrading their computer and networking systems.

On May 20th, Tesla Motors and Toyota Motor announced plans to collaborate on the development of electric vehicles by purchasing the recently closed New United Motor Manufacturing (NUMMI) auto assembly plant to produce the Model S sedan. The companies predict that roughly 20,000 cars per year will be produced at first, bringing approximately 1,000 employees back to the plant. Some former workers have already been re-hired and, as the facility expands, up to 10,000 new workers could be employed. Last year Tesla Motors received a \$465 million Department of Energy loan guarantee to develop advanced vehicle technology, part of the Administration's larger commitment to ensure that the next generation of fuel-efficient cars and trucks are made in the United States.

The April 2010 unemployment rate in California was 12.3 percent. The March 2010 unemployment rate in the Fremont area was 11.0 percent.

BACKGROUND ON SOLYNDRA

Solyndra, Inc. designs and manufactures photovoltaic systems, comprised of panels and mounts, for the commercial rooftop market. Using proprietary cylindrical modules and thin film technology, Solyndra's light weight, non-penetrating systems are designed to provide simple and easy installations and the lowest cost of electricity for typical low slope commercial rooftops. The five-year-old company operates out of a 300,000 square foot manufacturing complex in Fremont, CA.

Last year, the Department of Energy closed a \$535 million loan guarantee with Solyndra, supported by the American Recovery and Reinvestment Act, for the construction of a new commercial-scale manufacturing facility for its proprietary solar panels. The expansion project, known as Solyndra Fab 2, will allow Solyndra to introduce into large-scale commercial operation its new and highly innovative process for the manufacture of its breakthrough design for solar panels. As a result of this critical investment, Solyndra broke ground on the construction and renovation of approximately 700,000 square feet of manufacturing space in September 2009.

Solyndra Fab 2 is an active construction site enabling the creation of over 3,000 construction-related jobs, making it one of the biggest Recovery Act-funded projects as measured by jobs. Solyndra estimates that the new factory could create as many as 1,000 long-term jobs, split between jobs in operations and supply. Hundreds more jobs will be created to install Solyndra solar panels on rooftops around the country.

Solyndra Fab 2 is an example of the Administration's focus on leveraging private capital, investing in innovation and driving job growth across the supply chain through strategic Recovery Act investments. Solyndra Fab 2 is benefitting suppliers across the country which are contributing building materials and production equipment components as well as those that will provide the factory with raw materials for years to come. Additionally, the company is actively competing in the global marketplace with 80 percent of its innovative solar technology exported to foreign customers in 2009. For more on Solyndra watch the White House video [HERE](#).

Solyndra Fab 2 Project Facts

- Solyndra Fab 2 is sourcing \$309 million in building materials from 22 U.S. states, \$210 million in production equipment components from 12 U.S. states, and anticipates purchasing raw materials from 15 U.S. states. In total, companies in 29 states stand to benefit from the project.
- The \$309 million in building materials for Fab 2 are 100 percent U.S. content.
- Solyndra says that over its lifetime the first phase of the facility could manufacture up to 7 gigawatts of solar panels, which can generate electricity equivalent to 3 or 4 coal fired power plants.
- The completed facility will be capable of producing enough solar panels each year to generate 500 megawatts of solar power.
- The company says the completed plant will produce about as many new solar panels as the US produced in 2005.

RECOVERY ACT FUNDING IN FREMONT, CA AND ALAMEDA COUNTY

Alameda County received **over \$904 million** in Recovery Act funding. This includes:

- Alameda County received **\$302 million** from the Department of Transportation, including \$147.6 million for highway projects, \$137 million for transit projects, \$17 million from the Federal Aviation Administration, and \$1.54 million for maritime projects.

- This includes a \$34 million investment to help eliminate a major bottleneck for freight moving along the Alameda Corridor to and from the Ports of Los Angeles and Long Beach
- The Small Business Administration provided over **\$34.9 million** in Recovery Act loans to businesses in the Fremont and Centreville area.
- Nearly \$4 million in Pell Grants supported the education of students in Fremont, including students at Ohlone Community College.
- Solyndra received a **\$535 million** loan guarantee from the Department of Energy, and Sierra Solar Power, Inc. received a **\$3,000,000** grant from the Department of Energy to develop a high-volume tool for mass manufacturing of photovoltaic devices
- The City of Fremont received an Energy Efficiency and Conservation Block Grant of **\$1,891,200** from the Department of Energy.
- The Northern California Cancer Center received a total of approximately **\$1.1 million** from the Department of Health and Human Services
- The Department of Housing and Urban Development provided a Homelessness Prevention and Rapid Re-housing grant to the City of Fremont totaling over \$680,000.
 - In addition, the City of Fremont received roughly \$446,000 in Community Development Block Grant funds from the Department of Housing and Urban Development to better provide coordinated social services to needy families and children.

THE RECOVERY ACT IN CALIFORNIA

Total Jobs & Spending

- **JOBS CREATED AND SAVED** – CEA estimates that **340,000** jobs were created or saved by the Recovery Act in California through March, 2010.
- **TOTAL SPEND** – More than \$40 billion in Recovery funds has been made available to California– and more than \$27.1 billion has already been spent.

Investing in Infrastructure

- **CONSTRUCTION** – 1,158 transportation projects have been obligated in California, totaling more than \$3.8 billion.

- SMALL BUSINESS – 7,902 Recovery Act-backed small business loans have been given to California small businesses, supporting more than \$4.7 billion in lending. That is a 110% increase from the weeks right before the Recovery Act was passed.

Relief to Individuals

- TAX RELIEF – Because of the Making Work Pay tax credit, 12.6 million California working families will collectively receive \$6.4 billion in tax relief.
- UNEMPLOYMENT BENEFITS – More than 3,080,000 California residents have expanded unemployment benefits because of the Recovery Act.
- STIMULUS PAYMENTS – More than 5.2 million California seniors, veterans and other high-need residents have received one-time economic relief payments of \$250, totaling more than \$1.3 billion.

Helping States

- TEACHERS – Close to **46,000 education positions** were reported as funded by the Recovery Act in Q1 2010 in California – which has received more than \$5.4 billion in State Fiscal Stabilization Funds (SFSF).
- MEDICAID – The Recovery Act has already made more than \$8.2 billion available to help prevent additional Medicaid cuts in California. The state has spent more than \$6.7 billion of the available funds.
- ‘COPS’ PROGRAM GRANTS: Law enforcement agencies in California received over \$211 million in funding to support 649 police officers’ salaries and benefits for three years.