



# The Definition Of Insanity

*Yet Another Obama-Backed Green Energy Company Explores The Graceful Path To Bankruptcy*

## ECOTALITY, ANOTHER TAXPAYER-BACKED GREEN ENERGY COMPANY, IS ON THE VERGE OF BANKRUPTCY

### **ECotality Inc. Is Exploring Options For Corporate Restructuring And Potential Bankruptcy Filings.**

"Although the Company is currently exploring options for a restructuring or sale of the entire business and/or assets of the Company, the Company may need to file a petition commencing a case under the United States Bankruptcy Code as part of any such process or otherwise in the very near future." (Ecotality, Inc., [U.S. Securities And Exchange Commission](#), 8/8/13)

### **ECotality Inc. Is An Electric, Solar Product, And Advanced Battery Company Partially Supported By The Department Of Energy.**

"Ecotality Inc. (ECTY) said it is exploring strategic options, including a restructuring or sale, after citing a range of problems, including payment suspensions from the U.S. Department of Energy. The electric transportation company has hired FTI Consulting Inc. (FCN) to help with its review. The company provides clean electric transportation and storage technology services that are used in on-road and grid-connected vehicles, material handling and airport electric ground support applications. The firm also makes specialty solar products and advanced battery systems." (Saabira Chaudhuri, "Ecotality Exploring Restructuring Or Sale., Cites List Of Challenges," [The Wall Street Journal](#), 8/12/13)

**In 2009, ECotality Got Over \$100 Million In Stimulus Funds.** "In 2009, Ecotality was awarded a Recovery Act grant for about \$100 million for electric vehicle demonstration and infrastructure evaluation. The Recovery Act award was intended to conduct the largest U.S. demonstration to date of electric vehicles and related infrastructure and to gather data to guide future widespread electric vehicle deployment. For this award, Ecotality planned to install three different types of charging stations (two commercial and one residential) for electric vehicles in various geographical regions around the country. Consumers and businesses that enrolled in the project received a charging station paid for through the grant as well as a credit toward installation costs." ("Audit Report: The Department Of Energy Vehicle Technologies Program's \$135 Million In Funding To Ecotality, Inc.," [U.S. Department Of Energy Office Of Inspector General](#), 7/13)

**In 2010, ECotality Was Subpoenaed By The S.E.C. For Charges Of Insider Trading.** "A company awarded \$126.2 million in stimulus taxpayer funds from the U. S. Department of Energy is under investigation for insider trading according to a federal subpoena obtained by CBS News. The company, San Francisco-based Ecotality, makes and installs chargers for electric cars. The company received a

subpoena from the Securities and Exchange Commission in October of 2010.” (Laura Strickler, “Stimulus Recipient Under Investigation For Insider Trading,” [CBS News](#), 3/22/13)

## **ECOTALITY IS ANOTHER COMPANY IN A LONG LINE OF GREEN ENERGY COMPANIES THAT FAILED DESPITE RECEIVING MILLIONS IN TAXPAYER DOLLARS**

**A123 SYSTEMS:** In October 2012, Taxpayer-Backed A123 Systems, A Maker Of Rechargeable Lithium-Ion Batteries For Electric Cars, Filed For Bankruptcy. “A123 Systems Inc. (AONE), a maker of rechargeable lithium-ion batteries for electric cars, filed for bankruptcy after failing to make a debt payment that was due yesterday. The company listed assets of \$459.8 million and debt of \$376 million as of Aug. 31 in Chapter 11 documents filed today in U.S. Bankruptcy Court in Wilmington, Delaware. Chapter 11 is the section of the Bankruptcy Code used by companies to reorganize.” (Dawn McCarty and Craig Trudell, “Electric Car Battery Maker A123 Systems Files Bankruptcy Papers,” [Bloomberg Businessweek](#), 10/16/12)

- **A123 – Which Received Nearly \$250 Million In Taxpayer Dollars - Subsequently Changed Its Named To B456 Systems.** “B456 Systems Inc., the bankrupt electric-car battery maker formerly called A123 Systems Inc. (AONEQ), won court approval of a plan to exit bankruptcy that pays creditors from the proceeds of selling virtually all its assets. .. A123, which was awarded a federal grant of as much as \$249.1 million and only used about \$132 million to build two plants in Michigan, listed assets of \$459.8 million and debt of \$376 million as of Aug. 31 in court documents.” (Michael Bathon, “Ex-Battery Maker B456 Wins Approval Of Bankruptcy Plan,” [Bloomberg](#), 5/20/13)

**ABOUND SOLAR:** Abound Solar Was Given A \$400 Million DOE Loan Guarantee For “Plans To Open A Massive Solar-Panel Plant In Tipton,” Indiana. “Abound Solar Inc., a Loveland, Colo.-based manufacturer that plans to open a massive solar-panel plant in Tipton, has raised \$110 million from investors and closed on a \$400 million government loan guarantee to increase its production capacity, the company announced Tuesday.” (“Abound Solar Completes Financing For Tipton Plant,” [Indianapolis Business Journal](#), 12/15/10)

- **In July 2012, Abound Solar Announced It Would File For Bankruptcy And Lay Off 125 Employees.** “Abound Solar, which filed for a Chapter 7 liquidation in U.S. Bankruptcy Court in Delaware, had said last week that it planned to shut down and would lay off 125 employees.” (Caroline Humer, “Abound Solar Files To Liquidate in Bankruptcy,” [Reuters](#), 7/2/12)

**AMONIX SOLAR:** In July 2012, “Amonix Solar Manufacturing Plant In North Las Vegas, Heavily Financed Under An Obama Administration Energy Initiative, Has Closed Its 214,000-Square-Foot Facility 14 Months After It Opened.” (Hubble Smith, “Amonix Closes North Las Vegas Solar Plant After 14 Months, Heavy Federal Subsidies,” [Las Vegas Review-Journal](#), 7/18/12)

- **Since Obama Took Office, Solar Company Amonix Has Received Over \$20 Million In Combined Stimulus Grants, Tax Credits, And DOE Funding.** ([The White House](#), Accessed 11/1/12; [Department Of Treasury](#), Accessed 11/1/12; [Department Of Energy](#), Accessed 11/1/12)

**BEACON POWER:** Beacon Power Was Awarded A \$43 Million Federal Loan Guarantee In August 2010 To Build A 20-Megawatt Flywheel Energy-Storage Plant In Stephentown, NY. “In August 2010, Beacon Power was awarded a \$43 million federal loan guarantee that the Tyngsboro, Mass., company used to put in place a 20-megawatt flywheel energy-storage plant in Stephentown, N.Y.” (Yuliya Chernova, “Renewable-Energy Firms Facing Financial Hurdles,” [The Wall Street Journal](#), 10/27/11)

- **Beacon Power Filed For Bankruptcy In October 2011.** “A Massachusetts company that received a \$43 million Energy Department loan guarantee last year filed for bankruptcy Sunday, a step

certain to fuel criticism of federal green energy financing in the wake of the solar company Solyndra's collapse." (Ben German, "Second Energy Department-Backed Company Goes Bankrupt," [The Hill](#), 10/31/11)

**CARDINAL FASTENER: Cardinal Fastener & Specialty Co. Received \$480,000 Through The Section 48C Advanced Manufacturing Tax Credit Program.** ([Internal Revenue Service](#), Accessed 4/25/12)

- **Obama: "In Some Ways You Can't Think Of A More Iconic Company Than Cardinal Fastener."** (President-Elect Obama, [Remarks At Cardinal Fastener](#), Bedford Heights, OH, 1/16/09)
- **In June 2011, Cardinal Fastener Filed For Chapter 11 Bankruptcy Protection.** "Cardinal Fastener & Specialty Co., the Bedford Heights bolt-maker that became a supplier to the U.S. and European wind turbine industry in 2007, filed for Chapter 11 bankruptcy Thursday and suspended operations." (John Funk, "Cardinal Fastener Files For Chapter 11 Bankruptcy Protection From Creditors," [The Cleveland Plain-Dealer](#), 6/30/11)

**ENER1: Ener1, An Energy Storage Company That Received A \$118.5 Million Stimulus Grant, Filed For Bankruptcy.** "An Indiana-based energy-storage company that received a \$118.5 million stimulus grant from the Energy Department filed for bankruptcy Thursday. Ener1 is asking a federal bankruptcy court in New York to approve a plan to restructure the company's debt and infuse \$81 million in equity funding." (Andrew Restuccia, "Obama-Backed Electric Car Battery-Maker Files For Bankruptcy," [The Hill's E2 Wire](#), 1/26/12)

- **A Year After Vice President Joe Biden Praised Ener1, The Company Was Bought Outright By A Russian Businessman With Ties To Russian President Dmitry Medvedev.** "A little more than a year after Biden's visit to Ener1's Indiana manufacturing plant, the company's technology is owned outright by Boris Zingarevich, a Russian businessman with ties to Russian President Dmitry Medvedev, a fact that concerns some technology experts in the U.S." (Julie Wernau, "U.S.-Backed Battery Company's Sale To Russian Tycoon Sparks Anxiety," [Chicago Tribune](#), 4/8/12)

**ENERGY CONVERSION DEVICES: Energy Conversion Devices Received A \$13 Million Stimulus Tax Credit.** "ECD says it's pushing ahead with plans to use the \$13 million stimulus tax credit it received to upgrade other parts of its Auburn Hills operations to produce a new, more efficient line of solar cells. When ECD announced the Department of Energy award, it said the \$42 million project would create about 600 additional jobs in Michigan." (Joseph B. White, "Green Jobs That Can Be Outsourced," [The Wall Street Journal's Washington Wire](#), 8/11/10)

- **In February 2012, Energy Conversion Devices Inc, A Michigan Based Solar-Technology Company Filed For Bankruptcy Protection.** "Energy Conversion Devices Inc., a pioneering Michigan-based solar-technology company, filed for bankruptcy protection Tuesday with a plan to slash its debt and sell its business at a court-supervised auction." (Patrick Fitzgerald, "Energy Conversion Devices Files For Chapter 11," [The Wall Street Journal](#), 2/14/12)

**FISKER AUTOMOTIVE: In March, Fisker Automotive Announced That They Would Lay Off Most Workers In A Sign Of The "Death Of The Anaheim Company."** "Stymied by unsuccessful efforts to craft a deal with Chinese investors to save the company, struggling carmaker Fisker Automotive laid off most of its workers Friday. Analysts said the move, combined with retaining a bankruptcy law firm last month, likely signals the death of the Anaheim company, which was founded by auto designer Henrik Fisker in 2007 with high hopes of selling highly styled hybrid sports cars and sedans." (Jerry Hirsch, "U.S. Taxpayers Could Wind Up With Fisker Automotive Assets," [Los Angeles Times](#), 4/5/13)

- **"Fisker Has Sold Just 2,000 Of Its Karma Hybrid Sports Cars And Hasn't Assembled A Vehicle In About Nine Months."** (Jerry Hirsch, "U.S. Taxpayers Could Wind Up With Fisker Automotive Assets," [Los Angeles Times](#), 4/5/13)

- **The Energy Department Has “Seized \$21 Million From Fisker Automotive, The Financially Distressed Electric Carmaker That Has Drawn \$192 Million In Federal Loans.”** (Ben German, “Energy Dept. Recoups \$21 Million From Struggling Green Automaker,” [The Hill](#), 4/23/13)
- **Fisker’s CEO Admitted That No Cars Had Been Made In The United States.** REP. MARK MEADOWS: “How many of these vehicles were ever produced in the United States?” BERNHARD KOEHLER, FISKER CO-FOUNDER AND CHIEF EXECUTIVE OFFICER: “The Atlantic is in development right now...” MEADOWS: “So, zero?” REINHARD: “Correct.” (Committee on House Oversight and Government Reform Subcommittee on Economic Growth, Job Creation and Regulatory Affairs, [Hearing](#), 4/24/13)

**MIASOLÉ: MiaSolé Received \$101.8 Million Through The Section 48C Advanced Energy Manufacturing Tax Credit.** ([Internal Revenue Service](#), Accessed 11/1/12)

- **In October 2012, Miasole Was Sold To China’s Hanergy Holding Group For \$30 Million.** “Miasole, which raised hundreds of millions of dollars as one of Silicon Valley’s hottest cleantech startups, has agreed to be sold to China’s Hanergy Holding Group for \$30 million, according to a source familiar with the matter. The company will continue to operate as a unit of Hanergy, and no employees will be laid off for a year after the deal closes, the source said, adding that it is expected to happen later this month.” (Nicola Groom, “China’s Hanergy To Buy U.S. Solar Startup Miasole,” [Reuters](#), 10/1/12)

**NEVADA GEOTHERMAL: Nevada Geothermal Power (NGP) Received A \$98.5 Million Loan Guarantee Despite Never Turning A Profit And At Risk Of Failing.** “Nevada Geothermal Power (NGP) said in its financial filings that it has never operated profitably and that the company is at risk of failing as a going concern. ... NGP received a \$98.5 million loan guarantee under the same program that awarded Solyndra a loan guarantee.” (Aamer Madhani, “Profits Elude Geothermal Companies,” [USA Today](#), 10/6/11)

- **NGP “Warns Of Multiple Defaults” In Its SEC Filings And Was “Already Having Trouble Paying The Bills.”** “Others are also struggling with potential problems. Nevada Geothermal -- a home state project personally endorsed by Senate Majority Leader Harry Reid -- warns of multiple potential defaults in new SEC filings reviewed by CBS News. It was already having trouble paying the bills when it received \$98.5 million in Energy Department loan guarantees.” (Sharyl Attkisson, “Tax Dollars Backing Some ‘Risky’ Energy Projects,” [CBS News](#), 1/13/12)

**RASER TECHNOLOGIES: Raser Technologies Received \$33 Million For A Geothermal Plant In Utah But Is Now Bankrupt.** “Raser Technologies Inc., for example, filed for bankruptcy protection last April, after receiving a \$33 million grant for a geothermal plant in Beaver County, Utah. Lecia Langston, a Utah state economist, said the plant now has fewer than 10 employees.” (Ilanthe Jeanne Dugan and Justin Scheck, “Cost Of \$10 Billion Stimulus Easier To Tally Than New Jobs,” [The Wall Street Journal](#), 2/24/12)

**SOLYNDRA: A Total Of 1,861 Workers Were Laid Off By Solyndra As It Went Bankrupt.** “Since September 1, 2010 (impact date), an estimate 1,861 workers have been separated from the firm. This total includes an estimated 649 temporary workers as well as leased workers from West Valley, Aerotek, Oxford Global, GES and Lighthouse Management. Most of these separations occurred at the time of the shut-down of the Fremont, CA facility on August 31, 2011. An additional 85 workers are threatened with separation as the company’s operations wind down.” (Employment And Training Administration, “Investigative Report TA-W-80,410; Solyndra LLC,” [Department Of Labor](#), 9/12/11)

- **The Government Will Recover Only \$24 Million Of The \$527 Million Loaned To Solyndra.** “Last week, Solyndra’s final liquidation plan estimated that the government will recover just \$24 million of the \$527 million that taxpayers lent to the company.” (Joe Stephens and Carol D. Leoning, “White House Analyst Warned Saving Solyndra Could Cost More Than Letting It Fail,” [The Washington Post](#), 8/1/12)



**STIRLING ENERGY SYSTEMS: Stirling Energy Systems Received \$10.5 Million Through The Section 48C Advanced Energy Manufacturing Tax Credit.** ([Internal Revenue Service](#), Accessed 11/1/12)

- **In September 2011, Stirling Energy Systems Filed For Chapter 7 Bankruptcy Protection.** “Solar-power equipment manufacturer Stirling Energy Systems Inc. has filed for bankruptcy, adding to a wave of troubles in the solar industry amid soft demand, falling prices and difficulty raising money.” (Cassandra Sweet, “Solar-Gear Maker Files For Chapter 7 Bankruptcy Protection,” [The Wall Street Journal](#), 9/30/11)

**THINK N.A.: Think North America Received \$16.9 Million Through The Section 48C Advanced Energy Manufacturing Tax Credit.** ([Internal Revenue Service](#), Accessed 11/1/12)

- **In June 2011, Think North America’s Parent Company Think Global Filed For Bankruptcy In Norway, Its Home Country.** “Electric-vehicle maker Think Global has filed for bankruptcy in Norway, where it is based.” (Tiffany Hsu, “Electric-Vehicle Maker Think Global Files For Bankruptcy,” [Los Angeles Times](#), 6/24/11)

**UNITED SOLAR: United Solar Received \$13.3 Million Through The Section 48C Advanced Energy Manufacturing Tax Credit.** ([Internal Revenue Service](#), Accessed 11/1/12)

- **In February 2012, United Solar And Its Parent Company Filed For Bankruptcy.** “The arrival of United Solar Ovonic and its parent company, Energy Conversion Devices in Auburn Hills, also brought hope. Thursday, they both filed for Chapter 11 bankruptcy protection.” (Joe Lafurgey, “UniSolar, Parent File For Bankruptcy,” [WOOD-TV \[Grand Rapids, MI\]](#), 2/14/12)

**VPG: Vehicle Production Group (VPG), A Van Maker That Received \$50 Million In Energy Department Loans, “Ceased Operations And Fired Almost All Of Its Employees.”** “The shutdown of a wheelchair-van maker financed by U.S. taxpayers is adding to congressional criticism of clean-energy lending by President Barack Obama’s administration that’s been a target since the 2011 bankruptcy of solar-panel maker Solyndra LLC. Vehicle Production Group LLC, a closely held startup that received \$50 million in Energy Department financing, has ceased operations and fired almost all of its employees, its former chief executive officer said yesterday. Car maker Fisker Automotive Inc., which received \$193 million from the same loan program, missed the first payment last month and has also stopped production.” (Angela Greiling Keane, “Van Maker VPG Joins Fisker as Green-Car Lending Flops,” [Bloomberg](#), 5/9/13)

- **A 2011 Energy Department Press Release Projected That Vehicle Production Group Would Create 100 Jobs In Indiana And Another 800 Direct And Indirect Jobs In 17 States.** “The compressed natural gas vehicle MV-1 will use no gasoline and will produce lower emissions than gasoline-fueled vehicles. Vehicle Production Group estimates that at full capacity, the project will produce over 22,000 vehicles per year. The company estimates the project will produce over 100 jobs in Indiana, in addition to approximately 800 more direct and indirect jobs across 17 states for the assembly, part suppliers, production and sale of the vehicle.” (Press Release, “DOE Finalizes \$50 Million Loan for Vehicle Production Group,” [Department Of Energy](#), 3/11/11)