

## DOE Mulls Green Energy Loans At \$23 Million Per Job

By [SEAN HIGGINS](#), INVESTOR'S BUSINESS DAILY Posted 09/27/2011

The Department of Energy is set on Thursday to announce whether nine federal loan guarantees amounting to \$6.5 billion for green energy projects will get final approval.

The number of full-time, permanent jobs they would create? According to the DOE's own figures, a grand total of 283. That is nearly \$23 million per job.

It's also a drop in the bucket toward the five million green jobs President Obama promised as a candidate in 2008.

It's not clear how many of the loans will get approved. The DOE refused comment prior to the Thursday announcements.

In the last week, the DOE has approved three loans totaling \$624 million and creating 110 permanent jobs. But two other big loan projects totaling nearly \$2 billion reportedly fell through.

The program has come under increased scrutiny ever since solar panel maker Solyndra went bankrupt late last month. Taxpayers are potentially on the hook for \$527 million.

Jerry Taylor, senior policy analyst for the free-market Cato Institute, says the whole program shows that the federal government should not be picking private-sector winners and losers.

"It's a lot of money for very few jobs if you do the math," Taylor said. "If nobody in the private sector is willing to invest their capital, that's a pretty good signal."

That also goes for loans to projects like nuclear power, which Republicans tend to favor, he added.

Some projects do get private capital as well — Solyndra did — but the federal loans can be key to bringing in private funds.

The program, part of the 2009 stimulus, "catalyzes American innovation and private-sector investment behind promising companies," the DOE said in a statement.

So far, the DOE has issued over \$10 billion in loan guarantees for 21 projects — including Solyndra — and claims to have created about 2,300 permanent jobs.

"The program expires on the 30th, so they cannot close any more loans after that," said DOE spokesman Damien LaVera.

Most of the nine potential projects are seeking several hundred million dollars in loan guarantees. None proposes to create more than a few dozen permanent jobs. Ironically, Nordic Windpower USA, despite seeking the smallest loan, \$16 million, has reportedly promised the most permanent jobs, 75.

The nine projects also would create about 3,650 construction jobs, but those are temporary.

**Sempra Energy (SRE)**, for example, wants \$398 million for its Mesquite Solar Project in Arizona. It's projected to employ 300 people during construction, but just seven full-time positions.

Spokesman Scott Crider told IBD that Sempra actually is seeking \$375 million. He defended the project despite the handful of jobs created. The loan will be paid back, he said, adding: "We are going to have a 150-megawatt solar facility supplying clean energy to California."

That the funds are loans, not grants, is often cited by green jobs fans. But the Solyndra failure has underscored the risks.