ADDENDUM #1:
FEDERAL TRANSFER REPORT – EXPORT-IMPORT BANK

★ GREEN ENERGY SECTOR SUPPORT BY EX-IM BANK  $3.0 Billion

According to the Special Initiatives - Environment page of the EX-IM website, financial assistance for ‘environmentally friendly’ projects focus on renewable energy equipment, energy efficiency technologies, wastewater treatment projects, air pollution technologies, waste management services, other various environmental goods and services.

In this addendum report, we highlight insider dealing, cronyism, and over $140 million worth of failures within the ‘green energy’ EX-IM financial transaction portfolio. With additional time and resources, further research would turn up much more. We found the EX-IM disclosed data a target rich environment. We consider this addendum a limited subset of a much larger whole.

Among our findings:

- Since 2009, EX-IM has authorized approximately $2.0 billion to support the export of goods and services related to renewable energy production around the world. EX-IM discloses a total portfolio of $3.0 billion in this space.

- Siemens Energy, Inc was chosen by EX-IM as the 2015 Renewable Exporter of the Year and also won the second award, 2015 Renewable Deal of the Year. These awards highlighted the 2014 wind turbine sales to Peru. Since 2007, Siemens has been the recipient of $709.53 million in EX-IM financing with concentration in countries like Mexico, South Korea and Saudi Arabia.

  The parent corporate office of Siemens is in Germany. With a market cap of $85.84 billion, Siemens is one of the largest and most influential European companies. It’s telling that EX-IM choose a U.S. division of Siemens as the 2015 EX-IM superstar.

- Since 2007, General Electric (GE) has the deep pocket support of EX-IM Bank accounting for a total of $7.5 billion. EX-IM support of GE Energy amounted to $3.01 billion. Furthermore, many ‘renewable energy’ companies that GE acquired also received EX-IM support. GE also received $1.2 billion in federal stimulus money.

  GE has been able to create billions of dollars in corporate assets through the utilization of cheap EX-IM financing. For example, EX-IM supported a $2 billion transaction between GE and Reliance Infrastructure – one of the largest business houses in India (2012).

  GE purchased ABW Solar after EX-IM extended long-term loans of up to 18 years to build three solar photovoltaic power projects in southwestern Ontario for $236.72M.
Cronyism is evident from our research. In addition to picks that often look political, EX-IM frequently participates in the funding of specially connected companies alongside other federal grant and loan agencies, including the Small Business Administration, Department of Energy, and Department of Agriculture.

Example 1: Solyndra - EX-IM Bank gave credit terms on $10.3 million of foreign sales for the infamously bankrupt solar panel manufacturer – just six months before it went out-of-business. Department of Energy loan guarantees of $535 million and loan recapitalizations just weren’t enough. In February, 2011, EX-IM approved $10.3 million in long-term credit to Solyndra’s exports to Belgium. By August, 2011, Solyndra’s demise left 1,100 people unemployed and unpaid debts of almost $600 million.

Example 2: Abengoa Solar is a Spanish company with very special ties: former New Mexico Governor Bill Richardson, an advisory board member to EX-IM, also sits on Abengoa’s advisory board. Abengoa has obligations of over $225 million in EX-IM support. Abengoa Solar also received $1.2 billion in Department of Energy loan guarantees (2011). But in fact, Abengoa Solar has received more than $2.65 billion in loans and grants through the Department of Energy (DOE)– the second largest recipient of the $16 billion DOE stimulus program.

Abengoa functions on some EX-IM transactions as the “primary source of repayer” for the importer with General Electric as the exporter ($75.8 million in support). On other transactions, Abengoa is the domestic exporter.

Billions of dollars of EX-IM transactions run counter to the “environmental” congressional mandate (1994). In this regard, EX-IM has infuriated environmental groups claiming the Obama administration is on a “fossil fuel subsidy binge.” For example, EX-IM gave $3.0 billion for Exxon Mobil exports to the Papa New Guinea Liquid Gas project (2012) – discussed earlier in our report. EX-IM provided $917 million in financing for a coal plant in India (2010) and $805 million for a coal plant in South Africa (2011).

As background, the New York Times just showcased the extremely toxic air and environmental quality in New Delhi, India. The air is twice as bad as Shanghai, China. India has 13 of the top 25 most polluted cities worldwide.

Case Study examples

→ Areva, $53.75 Million, $2 Billion in Department of Energy loan guarantees
Areva Solar North America received nearly $54 million in EX-IM support for its exports to India. All three transactions were for long-term loans of up to 18 years. Areva as a global company is based in France and was approved for federal loan guarantees of $2 billion relating to uranium enrichment at the Eagle Rock Facility near Idaho Falls, Idaho (2011).
ABB, Inc, $89.22 Million, $12.6 Million in federal stimulus funding, $2.5 Million North Carolina Dept. of Commerce, $400,000 from One NC Fund, plus local NC tax incentives

While EX-IM supported $89.22 million in ABB Inc. exports (2012) to Mexico, the company also received over $12.6 million in federal stimulus funds expressly to create green energy manufacturing jobs. But, ABB laid-off employees at Lake Mary, FL and transferred their work to a new facility in San Luis Potosi, Mexico. This loss of US jobs occurred at the same time of stimulus funding (2009) – while ABB was supposed to be creating domestic jobs. ABB is headquartered in Zurich, Switzerland with North American operations in North Carolina - as one of the largest conglomerates in the world with over 150,000 employees.

Amonix, $9 million, $20 Million federal grants and tax credits

Again, EX-IM backed a now defunct solar company with millions of dollars in “working capital” payments. In March, 2011, EX-IM provided this support by guaranteeing the transfer through Silicon Valley Bank. By July, 2012, Amonix had closed up shop owing $100 million in debt. In addition to EX-IM support, the company was also the reported recipient of $20 million in federal tax credits and grants. The Amonix CEO was tragically killed in a plane crash in December, 2011.

Evergreen Solar, Massachusetts, $31.8 Million, $50 Million State of Massachusetts

Eventually, Evergreen Solar filed for Chapter 11 bankruptcy after disclosing that they were hundreds of millions of dollars in debt without the requisite profit margins to support the liability. Evergreen received $50 million from the State of Massachusetts and $31.8 million of export support from EX-IM.

The company was the fan favorite of the Massachusetts political class. During the period 2006 to 2010, Evergreen piled up a collective deficit of over $1.003 billion. The company lost money every year: $26.7M (2006), $16.5M (2007), $228.6M (2008), $266.2M (2009), and $465.4M (2010). EX-IM support was approved during the period 2009-2010 – after its stock price had tumbled 90%. The Wall Street Journal dubbed the company, Nevergreen Solar.

During Chapter 11 proceedings, Evergreen’s plan was to shed debt, reorganize and move manufacturing to China! Isn’t the mission of EX-IM to support jobs in U.S.A.?

Abound Solar, Colorado - $18.17 Million, $400.0 Million DOE, $1.0 million in property tax rebates (CO), $12.1 million Indiana Development Corporation

Abound Solar not only received support of over $18 million in EX-IM export support to India, but also received $400 million in loan guarantees from the Department of Energy (DOE). The EX-IM support was provided in a series of transactions as late as August, 2011. But, by June, 2012, Abound filed for bankruptcy. Shutting its doors left 405 unemployed and between a $40-$60 million tab for taxpayers. Abound simply abandoned its production facilities, leaving a mess
of 100,000 solar panels and 4,100 gallons of toxic waste. Estimates of potential cleanup costs were forecasted in the range of $3.7 million.

→ **SolFocus, California, $10 Million**

In September, 2013, [SolFocus closed their doors](https://www.aaw.com/solfocus-shuts-down-solar-panel-project-loses-325-employees). EX-IM had provided funding for “working capital” loans during 2011 and most recently in August, 2012. Both of these large short-term loans were for the strange sum of $4,999,999. SolFocus had been working on a large solar project just on the other side of the southern U.S. border in northern Mexico. Over 325 employees lost their jobs when the company closed.

→ **MiaSolé (Hanergy of China), CA - $62.969 Million, Federal Tax Credits: $101.8 Million**

Once with a market value of $1.2 billion, MiaSolé received $101.8 million federal tax credits and EX-IM support included $9.0 million in “working capital” funding. Venture capital of up to $500 million had been raised for the original MiaSole thin solar panel business. Despite the government largess, MiaSole needed a “white knight to rescue it from oblivion,” and the solar company sold for a fire-sale price of $30 million to the Chinese solar giant Hanergy (2012). Total EX-IM support of MiaSole is $62.97 million – with the majority of it coming after the sale to Hanergy – despite the fact that Hanergy is a massive Chinese energy company. Is EX-IM doing proper due diligence? Analysts have [questioned its accounting practices](https://www.aaw.com/solfocus-shuts-down-solar-panel-project-loses-325-employees).

→ **Calisolar/ Silicor Materials, California - $4.5 Million, $275 Million DOE**

Only six months after EX-IM provided $4.5 million to Calisolar, they [fired 80 workers](https://www.aaw.com/solfocus-shuts-down-solar-panel-project-loses-325-employees) (2011). EX-IM wasn’t the only federal agency to provide funding - the Department of Energy (DOE) invested $275 million through stimulus programs. [36 employees more employees were laid off](https://www.aaw.com/solfocus-shuts-down-solar-panel-project-loses-325-employees) in early 2012. After receiving EX-IM funding under the name Calisolar, their name changed to Silicor Materials. On-going challenges presented by larger and well-positioned firms such as Siemens and Hanergy have analysts wondering Silicor can survive the solar shake-out.

→ **Willard & Kelsey Solar Group, LLC, Ohio - $5.85 Million, $12 Million State of Ohio**

As a start-up in 2007, Willard and Kelsey projected a $70 million first-year profit. This fantasy never came to fruition and, with only five employees, the business closed by 2013. Willard and Kelsey defaulted on $12 million in State of Ohio loans and [were sued by the Attorney General](https://www.aaw.com/solfocus-shuts-down-solar-panel-project-loses-325-employees). State officials ignored all the red flags. But, in addition to Ohio grants and loans, EX-IM provided financial support in the form of “working capital” amounting to $5.85 million: $1.35 million – 2010, $1.35 million – 2011, $3.15 million - 2012. The $3.15 million payment (over two times larger than previous EX-IM installments) was delivered in November, 2012, just seven months before press reports announcing the forthcoming bankruptcy.

What metrics at EX-IM are driving these solar financing transactions – repeatedly – in the months immediately prior to a bankruptcy or forced company sale?