

# Parent of Obama-backed battery maker goes bankrupt

MATTHEW DALY - Associated Press - Associated Press

The parent company of an electric car battery maker that received a \$118 million grant from the Obama administration filed for Chapter 11 bankruptcy protection on Thursday.

New York-based Ener1 said it has been affected by competition from China and other countries.

Ener1 subsidiary EnerDel received a \$118 million stimulus grant from the Energy Department in 2009, and Vice President Joe Biden visited the company's new battery plant in Indiana last year.

Ener1 is the third company to seek bankruptcy protection after receiving assistance from the Energy Department under the economic stimulus law. California solar panel maker Solyndra Inc. and Beacon Power, a Massachusetts energy-storage firm, declared bankruptcy last year. Solyndra received a \$528 million federal loan, while Beacon Power got a \$43 million loan guarantee.

Solyndra, of Fremont, Calif., was the first renewable-energy company to receive a loan guarantee under the 2009 stimulus law, and the Obama administration frequently touted it as a model for its clean energy program.

Since then, the company's implosion and revelations that the administration hurried a review of the loan in time for a 2009 groundbreaking has become an embarrassment for President Barack Obama and a rallying cry for GOP critics of the administration's green energy program.

The chairman of a House subcommittee that is investigating Solyndra said the latest bankruptcy showed that the administration's clean energy program has failed.

"Unfortunately, you can now add Ener1 to the growing list of failed companies that went belly up after hundreds of millions of dollars in administration backing," said Rep. Cliff Stearns, R-Fla.

"One bankruptcy may be a fluke, two could be coincidence, but three is a trend," Stearns said. "Our investigation continues, and we are working to ensure taxpayers are never again stuck paying hundreds of millions of dollars because of the administration's risky bets."

An Energy Department spokeswoman said EnerDel had received \$55 million so far under a program in which EnerDel matches federal investment dollar-for-dollar.

## Parent of Obama-backed battery maker goes bankrupt

Published on Chem.Info (<http://www.chem.info>)

---

Ener1 said in a statement that the restructuring would not affect EnerDel's operations. The company makes lithium-ion batteries for electric cars such as the Chevrolet Volt.

"While it's unfortunate that Ener1, the parent company, has entered a restructuring process," a recent infusion of \$80 million in private investment "demonstrates that the technology has merit," said Jen Stutsman, a spokeswoman for the Energy Department.

"The restructuring is not expected to impact EnerDel's operations and they do not expect to reduce employment at the site" near Indianapolis, Stutsman said.

—

Follow Matthew Daly on Twitter: (at)MatthewDalyWDC

**Source URL (retrieved on 03/27/2015 - 1:53am):**

<http://www.chem.info/news/2012/01/parent-obama-backed-battery-maker-goes-bankrupt>