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## The man behind Solyndra's rise and fall: Chris Gronet

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Mercury News

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When President Barack Obama visited [Solyndra](#) in May 2010, then-CEO Chris Gronet gave him a personal tour in what was the high point of the young startup's meteoric rise.

But behind the scenes, Solyndra was mired in trouble. Gronet, a veteran Silicon Valley technologist who founded the company, had quietly been stripped of many of his executive duties, and Solyndra's board of directors was searching for his replacement.

Little more than a year after Obama's visit, Solyndra filed for bankruptcy, throwing more than 1,000 employees out of work and igniting a fierce debate about the role of government in supporting clean-energy companies.

Two Solyndra executives were called to testify before the House Energy and Commerce Committee -- both invoked their Fifth Amendment right to not incriminate themselves -- but Gronet so far has escaped the spotlight. But documents released by congressional investigators and interviews with former Solyndra employees indicate that he, more than any other individual, is responsible for the company's sudden rise and spectacular fall.

Gronet founded Solyndra in 2005 and personally pushed for its \$535 million loan guarantee from the Department of Energy, which was used to build a new 300,000-square-foot manufacturing facility along Interstate 880. He fired off demanding emails to Energy Department staff members when his company's application hit snags or delays. He attended a White House meeting hosted by Energy Secretary Steven Chu and Treasury Secretary Tim Geithner, pressed for Chu to visit Solyndra and even suggested talking points for him.

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But as Solyndra was racing to build its new factory, demand for its cylindrical solar panels was softening amid fierce competition and a global recession.

### 'Delusional thinking'

Former Solyndra employees say Gronet -- often described as driven and aggressively ambitious -- poured his heart, soul and professional reputation into the company but fell dangerously in love with a solar technology that was expensive to make and had limited commercial appeal.

"Chris is basically a decent guy, but he's like many high achievers in Silicon Valley," said one former employee who worked closely with Gronet and spoke on condition that he not be identified. "There was irrational

exuberance about the cylindrical design. One of the most dangerous things business people can do is fall in love with their product. There was a lot of delusional thinking that this product was better than everybody else's."

Gronet, who lives in Portola Valley and has kept a low profile since Solyndra's collapse, did not respond to several interview requests. His attorney, Miles Ehrlich, declined to comment for this report because of the ongoing investigations into Solyndra's loan guarantee by House Republicans, who are searching for signs of political favoritism, and the Justice Department, for possible accounting fraud. Gronet apparently is working on a new venture in cleantech.

Gronet has not been charged with any crime, and he has not been asked to testify before Congress. However, emails released as part of the congressional investigation show the intense and hands-on role he played in pushing for Solyndra's loan guarantee under two administrations.

### Irate emails

Solyndra first applied for an Energy Department loan guarantee in late 2006. A loan guarantee is not a direct loan, but a

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FREMONT, CA - MAY 26: Ben Bierman (R) and Chris Gronet (L) lead U.S. President Barack... ( Pool )

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contractual obligation that the federal government will cover the borrower's debt in the case of default. When the application was delayed as Energy Department staff members sought additional information about the fast-changing solar market, Gronet was stunned and upset.

"I was appalled to learn on Friday that our application is being delayed yet again," Gronet wrote in a Jan. 12, 2009, email to Steve Isakowitz, then the Energy Department's chief financial officer. "Many people worked through the holidays to make sure we were doing our part to stay on track."

Later that day, in another exchange with Isakowitz, Gronet vented further and relayed that he was speaking to David Frantz, a George W. Bush appointee who was then director of the department's Loan Guarantee Program.

"I am on the phone with David Frantz now, and I find the response completely unacceptable," Gronet wrote. "An apology from David is not enough."

A month later, Gronet wrote another email outlining 10 conditions that he wanted the Energy Department to meet as Solyndra tried to raise money from private investors. He pressed for Chu to visit Solyndra, even suggesting talking points about construction jobs and green manufacturing that the Energy secretary could use.

"Another example of how America solves problems with the engine of innovation (new solar panel design born in Silicon Valley)," Gronet wrote in the Feb. 20, 2009, email. "I hope Solyndra can be a great first project with rapid results for the Loan Guarantee Program." (The documents released to date do not include a direct response to Gronet's list of 10 conditions.)

### Valley experience

Gronet, 49, has a solid Silicon Valley résumé, including a bachelor's degree in materials science and a doctorate in semiconductor processing from Stanford. One of his mentors was James Gibbons, the legendary former dean of Stanford's School of Engineering.

In the mid-1980s, Gibbons and a small group of doctoral students, including Gronet, worked together on "rapid thermal processing," a semiconductor manufacturing process that involves quickly heating silicon wafers to extraordinarily high temperatures.

Gronet and Gibbons jointly filed several patents and founded a startup called G-Squared Semiconductor, with the goal of manufacturing RTP (rapid thermal processing) equipment. Applied Materials acquired G-Squared in 1991 for an undisclosed sum, and Gronet became general manager of Applied's RTP Product Group. He stayed with Applied for 11 years, until 2002.

After taking a few years off, he joined U.S. Venture Partners in Menlo Park as an entrepreneur-in-residence, a common move for talented executives eager to launch their own tech startups. In 2005, Gronet began spending time at the Colorado offices of the National Renewable Energy Laboratory, or NREL, the government's premier lab for renewable energy research and development. The vast majority of solar panels manufactured in the world are made with silicon, but researchers at NREL and elsewhere were experimenting with materials such as copper, indium, gallium and selenium, known as CIGS.

"He wanted to do a startup, and he asked us, 'Can you guys show me what CIGS is about?' " said Rommel Noufi, a solar scientist at NREL who met Gronet in 2005. "We spent a year showing him the technology. He's a very good scientist, and he's an easy person to work with -- very agreeable and accommodating."

One of the big manufacturing challenges with CIGS is that it is very sensitive to moisture. Gronet and his team ultimately came up with a new "form factor" -- instead of manufacturing a flat solar panel, they would etch CIGS material onto a glass tube and insert it into a second outer tube that would be hermetically sealed.

"From my point of view, it was a smart idea," Noufi said. "We thought there was innovation there."

The company was incorporated as Gronet Technologies in May 2005 and renamed Solyndra in January 2006. In 2006, the company responded to a solicitation from the Energy Department, which was looking to invest in clean technology. Ultimately, 143 companies responded, and Solyndra was one of just 16 companies invited to take the next step and submit a full application. The process was arduous: Scores of consultants reviewed the applications, and Solyndra's loan was ultimately approved after Obama took office.

Former Gov. Arnold Schwarzenegger and Chu attended the high-profile groundbreaking of the company's original Fremont factory in September 2009, and Solyndra quickly became the poster child for both the stimulus funding and the promise of green jobs.

### Out of the picture

However, the solar market was changing rapidly. The cost of silicon was plunging and Chinese competitors were expanding, flooding the market.

After Obama's visit in May 2010, Gronet largely disappeared from public view. Brian Harrison was named CEO that July; venture capitalists who serve on Solyndra's board of directors declined to comment as to why Gronet was ultimately pushed aside. Gronet remained on Solyndra's board of directors but resigned his position as chairman Aug. 19, days before Solyndra imploded. It filed for bankruptcy in September.

"He will be pursuing new opportunities and challenges in cleantech," Solyndra said in the last news release issued before ceasing operations. "We would like to thank Chris for his innovations and efforts that gave birth to Solyndra and for his visionary leadership during the first five years. We wish him success in his new endeavors."

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