

CATHY McMORRIS RODGERS, WASHINGTON
CHAIR

FRANK PALLONE, JR., NEW JERSEY
RANKING MEMBER

ONE HUNDRED EIGHTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6115

Majority (202) 225-3641

Minority (202) 225-2927

December 4, 2024

Mr. Jigar Shah
Director
Loan Programs Office
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20002

Dear Director Shah,

We write to you concerning the Department of Energy's (DOE) Loan Programs Office (LPO) and its push to rush out loans and loan guarantees in the closing days of the current administration.

Reportedly, the LPO is scrambling to close the \$25 billion in pending loans under that program before President Biden leaves office.¹ The LPO has closed on eight loans in just over two months.² This includes three direct loans and one loan guarantee announced after the election, which total more than \$2.6 billion. Since the election, the LPO has been finalizing loans at an exponentially higher rate than that of the rest of the current administration's tenure. The LPO has finalized four loans in a little over a month, compared to the other ten loans approved

¹ See Benjamin Storrow et al., *Biden Inks Billion-Dollar Climate Deal to Foil Trump Rollback*, E&E NEWS BY POLITICO, Nov. 19, 2024, <https://www.eenews.net/articles/biden-inks-billion-dollar-climate-deals-to-foil-trump-rollbacks/>.

² See Thomas Catenacci, *Biden-Harris Admin Races to Dish Out \$25 Billion for Green Energy Before Trump Takes Office, Sparking Fraud Fears*, FREE BEACON, November 22, 2024, <https://freebeacon.com/biden-harris-administration/biden-harris-admin-races-to-dish-out-25-billion-for-green-energy-before-trump-takes-office-sparking-fraud-fears/> (stating seven loans have been finalized in the last two months). The November 22, 2024, article does not appear to include a November 22, 2024, announced loan to ENTEK. LOAN PROGRAMS OFFICE, DEP'T OF ENERGY, ENTEK, <https://www.energy.gov/lpo/entek> (last visited Dec. 2, 2024). Another loan guarantee to Eos was also finalized on December 3, 2024. Press Release, Loan Programs Office, Dep't of Energy, Biden-Harris Administration Announces \$303.5 Million Loan Guarantee to Eos Energy Enterprises to Advance Next Generation Battery Energy Storage Systems, Dec. 3, 2024, <https://www.energy.gov/articles/biden-harris-administration-announces-3035-million-loan-guarantee-eos-energy-enterprises-0>. This total presumably includes a September 2024 loan to Holtec Palisades, a November 2024 loan to Li-Cycle, an October 2024 loan to LongPath, an October 2024 loan to Project Marahu, a November 2024 loan to SK Siltron CSS, an October 2024 loan to Thacker Pass, and a September 2024 loan to Viejas Microgrid. See LOAN PROGRAMS OFFICE, DEP'T OF ENERGY, *Portfolio Projects*, <https://www.energy.gov/lpo/portfolio-projects> (last visited Dec. 2, 2024).

over nearly four years.³ Additionally, since the election, the LPO has issued four conditional commitments totaling \$19.3 billion.⁴

The last-minute drive to expedite loans exposes the federal government—and American taxpayers—to tremendous risk.⁵ In its recent report on top management challenges facing the agency, the DOE Office of the Inspector General (OIG) warned of several alarming factors that will compound to produce a heightened risk of loan default.⁶ The OIG flagged that as most of the LPO’s authority will expire between 2026 to 2030, the LPO may feel pressure to “beat these deadlines” and issue loans it otherwise would not have.⁷ Additionally, assessing new markets, changing technologies, and newly created applicants will challenge its due diligence process.⁸ The OIG also fears that the LPO may inadvertently fund foreign adversaries if the DOE’s new Research, Technology, and Economic Security Vetting Center fails.⁹ According to the OIG, the process has already twice failed to prevent the DOE from approving applicants with prohibited foreign adversarial ties to receive funding.¹⁰ Even prior to this post-election scramble, the OIG considered this program “one of the largest financial risks facing the Department today.”¹¹

On election day, the American people rejected the Biden-Harris administration’s rush-to-green agenda. To honor the will of our electorate and facilitate an orderly transition, we insist that the Biden-Harris administration cease its campaign to quickly distribute federal funding before the incoming administration takes office. As such, we request that the LPO pause issuance of any additional conditional commitments, loans, or loan guarantees in the final weeks of the current administration.

Thank you for your attention to this matter. If you have any questions about this request, please contact the Majority Staff of the Energy and Commerce Committee at (202) 225-3641.

³ See Storrow, *supra* note 1 (stating 12 loans have been finalized). This article predates a loan to ENTEK announced on November 22, 2024. See LOAN PROGRAMS OFFICE, DEP’T OF ENERGY, ENTEK, *supra* note 2.

⁴ This includes conditional commitments to Starplus Energy, Rivian LLC, Sunwealth, and Grain Belt Express. See Blog, Loan Programs Office, Dep’t of Energy, LPO Announces Conditional Commitment to Starplus Energy to Construct Lithium-Ion Battery Factories in Indiana, Dec. 2, 2024, <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-starplus-energy-construct-lithium-ion-battery>; Blog, Loan Programs Office, Dep’t of Energy, LPO Announces Conditional Commitment to Rivian to Support the Construction of EV Manufacturing Facility in Georgia, Nov. 26, 2024, <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-rivian-support-construction-ev-manufacturing>; Blog, Loan Programs Office, Dep’t of Energy, LPO Announces Conditional Commitment to Grain Belt Express to Construct High-Voltage Direct Current Transmission Project, Nov. 25, 2024, <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-grain-belt-express-construct-high-voltage-direct>; Blog, Loan Programs Office, Dep’t of Energy, LPO Announced Conditional Commitment to Sunwealth to Deploy Solar PV and Battery Energy Storage, Creating Wide-Scale Virtual Power Plant, Nov. 25, 2024, <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-sunwealth-deploy-solar-pv-and-battery-energy>.

⁵ See OFFICE OF THE INSPECTOR GEN., DEP’T OF ENERGY, DOE-OIG-25-05, MANAGEMENT CHALLENGES AT THE DEPARTMENT OF ENERGY—FISCAL YEAR 2025 1-4 (2024), *available at* <https://www.energy.gov/sites/default/files/2024-11/DOE-OIG-25-05.pdf>.

⁶ *Id.* at 4.

⁷ *Id.* at 2-3.

⁸ *Id.* at 3-4.

⁹ *Id.* at 4.

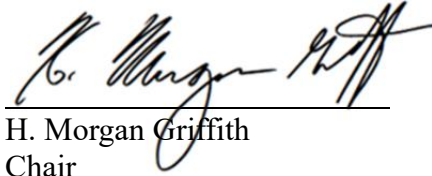
¹⁰ *Id.*

¹¹ *Id.*

Sincerely,



Cathy McMorris Rodgers
Chair
Committee on Energy and
Commerce



H. Morgan Griffith
Chair
Subcommittee on Oversight and
Investigations



Jeff Duncan
Chair
Subcommittee on Energy, Climate,
and Grid Security

CC: Frank Pallone Jr., Ranking Member, Energy and Commerce Committee
Diana Degette, Ranking Member, Subcommittee on Energy, Climate, and Grid Security
Kathy Castor, Ranking Member, Subcommittee on Oversight and Investigations