SPENDING ON EMPTY: HOW THE BIDEN ADMINISTRATION'S UNPRECEDENTED SPENDING INCREASED RISK OF WASTE, FRAUD, AND ABUSE AT THE DEPARTMENT OF ENERGY

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS

OF THE

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C O N T E N T S

Witnesses

Opening statements and the prepared statements for the witnesses are available in the U.S. House of Representatives Repository at: docs.house.gov.

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SPENDING ON EMPTY: HOW THE BIDEN ADMINISTRATION'S UNPRECEDENTED SPENDING INCREASED RISK OF WASTE, FRAUD, AND ABUSE AT THE DEPARTMENT OF ENERGY

Tuesday, April 18, 2023

HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:22 p.m., in room 2154, Rayburn House Office Building, Hon. Pat Fallon [Chairman of the Subcommittee] presiding.

Present: Representatives Fallon, Donalds, Perry, Fry, Luna, Edwards, Langworthy, Brown, Stansbury, and Norton.

Mr. FALLON. This hearing on the Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs will come to order. We want to welcome everyone.

Without objection, the Chair may declare a recess at any time.

I recognize myself for the purpose of making an opening statement.

The Biden Administration's rampant spending spree has put American taxpayer dollars at even greater risk of waste, fraud, and abuse, which obviously none of us want. We just have to take a look at the alleged COVID relief spending, hundreds of billions of dollars just shoved out the door into the hands of, on too many occasions, criminals and fraudsters. This Committee has and will continue to conduct oversight over that money. That is our job, and that is what we were all elected to do.

Today's Subcommittee hearing will examine the Department of Energy's budget and spending. According to the DOE's Inspector General, the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act have created enormous challenges at the Department. In fact, the Inspector General said that these are "historic and unprecedented times" at the Department in light of the massive spending.

President Biden and congressional Democrats' spending spree grew the Department's budget—get this—from $45 billion in 2022, exactly 45.3 billion, to over $100 billion in just one year in 2023. You know, it has doubled, historic and unprecedented times, absolutely. Under the Inflation Reduction Act, the Infrastructure Investment and Jobs Act alone, Democrats directed the Department to distribute $336 billion in loans on extremely tight deadlines, and that is critical. Under one program alone, the Department will need to distribute approximately $32 million per day on average in loans to meet the September 30, 2026 deadline. The speed and complexity of the review process raises concerns about whether the Department can successfully oversee these funds.

The IG also identified several common risks within the Department programs, which will get worse under the new spending and loan programs. These risks include, but aren't limited to, the inefficient oversight of projects at the transaction level, inadequate internal controls at both the Federal and recipient levels, potential conflicts of interest and undue influence and compliance problems with contract and grant terms and conditions. Given these serious challenges, Congress must evaluate the safeguards in place at the Department to prevent fraud, waste, and abuse of American taxpayer dollars.

In a series of reports, the Inspector General highlighted the need to address waste, fraud, and abuse in the Agency's Financial Assistance Awards, Clean Energy Demonstration Projects, the Loan Programs Office, and the Weatherization Assistance Program. Across these programs, the Inspector General highlighted insufficient staffing as a chief concern. The Department apparently needed to go on a hiring blitz to fill vacancies, and new rules are raising questions about the qualifications and technical skills of the new hires who are brand new to the Department. Some of these programs receiving billions of dollars have not been used in decades, meaning their oversight personnel are simply not existent. Yet even while the Department has been filling these vacancies, it has also been distributing funds. Combine this with the hiring blitz, with ongoing vacancies and positions intended to oversee these funds, and we are looking at high risk of disaster.

If that wasn't enough cause for concern, reports already indicate funds from the Infrastructure Investment and Jobs Act are going to, of all places, China. The Department awarded Microvast, a lithium battery company, $200 million of taxpayer money despite the company's primary operations taking place not the United States, not an allied nation, but in China, placing it at serious risk by influence of the Chinese Communist Party. Congress and the American people must be assured that taxpayer dollars are not going to entities, of course, owned, operated, or susceptible to control or influence of the CCP.

Today, we welcome our witnesses from the Department as well as the Inspector General and look forward to their testimony about how their offices will ensure that the Department of Energy can and will be good stewards of taxpayer dollars.

I now recognize the Ranking Member Stansbury for the purpose of making an opening statement.

Ms. STANSBURY. Thank you, Mr. Chairman, and I want to welcome our witnesses who are here with us today. This last Congress, our congressional Democrats made landmark and generational investments in infrastructure, clean energy, and domestic manufacturing when they enacted the Infrastructure Investment and Jobs

Act, the Inflation Reduction Act, and the CHIPS and Science Act. Our extreme colleagues on the right want to cast these laws as wasteful, despite the extraordinary benefits they will provide for the American people and the planet, in order to curry brownie points with special interests and climate deniers. Let me be clear. The investments that we are making through these bills will lower costs, create jobs for millions of Americans, increase domestic manufacturing and energy production, and combat climate change.

As Democrats, we are committed to championing positive investments in domestic energy and manufacturing as well as providing good, well-paying jobs for all Americans. In fact, the Inflation Reduction Act has already catalyzed more than 100,000 clean energy jobs and led to increased investment by businesses and manufacturing across the United States. This includes in the West, in Colorado, where private sector company, CS Wind, plans to expand the largest wind turbine factory in the world.

In North Carolina, Toyota has invested $2.5 billion in an electric vehicle battery facility, and Wolfspeed has committed to building the world's largest carbide materials factory. In South Carolina, BMW has announced $1.7 billion to shift to electric vehicle manufacturing, and Bosch has announced $260 million in investment in the production of electric motors. And in Texas, where SK Signet announced plans to build an electric vehicle charger manufacturing facility, Tesla is investing $770 million to expand its vehicle factory, and Air Products and AES announced a combined $4 billion investment in the future of our energy economy.

As this hearing gavels in just days away from Earth Day, it is important for us to talk about why these historic investments are so critical to combating climate change and moving our economy toward a clean energy future. It is absolutely vital that we shift to clean energy sources. Such efforts are our best chance at avoiding the most devastating impacts of climate change. That is why Democrats' investments in the Bipartisan Infrastructure Law and the Inflation Reduction Act are so significant in helping to pave the way for the future.

I would also like to point out that investing in our communities is not a waste. The communities that most need these investments are the ones that are most likely to suffer from the impacts of climate change. Roughly $1.8 billion out of $4.5 billion that is slated for clean energy initiatives in the Inflation Reduction Act will go to low-income American homes. In addition, the Administration's Justice40 Initiative aims to ensure that 40 percent of the benefits achieved through these investments in climate action and clean energy will flow to our under-served communities.

We know that the Department of Energy is committed to responsibly stewarding these funds and ensuring that these historic investments are put to work for the American people and help to serve our most vulnerable communities. But as we sit here today, Republicans' concerns seem to stem from special reports that go back over a decade when the Department of Energy has already worked tirelessly to address concerns and to administer these investments that are so crucial for our climate and clean energy future and our national labs in science and technology programs. Our President is committed to ensuring that these funds are used appropriately. And, in fact, the President's budget for this year includes almost a 55-percent increase for the Inspector General at DOE.

When Republicans claim that they are conducting real oversight, they are focused on programs and agencies that have worked specifically to fortify against fraud, waste, and abuse with talking points that literally have very little relationship to reality. The Administration has prioritized preventing fraud, waste, and abuse across the Federal Government and ensuring that the benefits of the Infrastructure Law, the Inflation Reduction Act, and the CHIPS Act are no exception. And I look very much forward to hearing from our witnesses today. And with that, Mr. Chair, I yield back.

Mr. FALLON. Thank you. I am pleased to introduce our two witnesses today. Teri Donaldson served as an Inspector General of the United States Department of Energy, and Dr. Kathleen Hogan is the Principal Deputy Under Secretary and Acting Under Secretary for Infrastructure at the Department of Energy. I look forward to hearing from each of you this morning, or this afternoon rather, on this important topic.

Pursuant to Committee Rule 9(g), the witnesses will please stand and raise your right hands.

Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[A chorus of ayes.]

Mr. FALLON. Let the record show that the witnesses all answered in the affirmative. We appreciate you both being here today and look forward to your testimony. Let me remind the witnesses that we have read your written statements and they will appear in full in the hearing record. Please limit your oral statements to five minutes.

As a reminder, please press the button on the microphone in front of you so that it is on, and the Members can hear you. When you begin to speak, the light in front of you will turn green. After four minutes, the light will turn yellow, and then the red light will come on, and that is that time and cue, as you may suspect, to wrap it up.

I recognize Inspector General Donaldson to please begin her opening statement.

STATEMENT OF HONORABLE TERI DONALDSON INSPECTOR GENERAL U.S. DEPARTMENT OF ENERGY

Ms. DONALDSON. Thank you, Chairman Fallon and Ranking Member Stansbury, for inviting me to testify today and talk a little bit about the types of fraud, waste, and abuse that we might encounter given some of the risk factors within the landscape at the Department of Energy.

The Chairman mentioned probably the most significant risk factor, which is sheer volume of dollars. So, in Fiscal Year 2022, the budget for the Department was a little over $44 billion. Underneath IIJA, IRA, CHIPS Act, and the legislation giving a billion dollars to Puerto Rico for solar, that number is now at $478 billion when you include the loan-related dollars, so from $44 to $478 is a really big hop. Also, these statutes created 71 brand new programs, which is a staggering number.

This is, by the way, the largest amount of money under all of these bills did, in fact, go collectively to the Department of Energy, and this is the largest number of new programs collectively, so there is a lot going on in Dr. Hogan's world right now just with this huge volume of very important issues being worked on. New programs do bring particular risks as the Chairman mentioned. By definition, you are utilizing newly designed and untested internal controls, so that is a big risk factor. Also, a lot of the money in this situation will go to states, local governments, and tribes, and it is not at all clear whether states, local governments, and tribes are ready to take it.

So, there are readiness assessments being done, and there are issues associated with that. One of their questions is how much of the money are they allowed to use to conduct oversight. So, there are many questions being asked there and those are very important. You do not, by virtue of granting money to others, remove the Federal nature of the money, so the risks just travel right along with it.

I will also comment briefly on the lack of funding for Department oversight, you know. As all of you know, the Department is the front line of defense. IIJA awarded only three percent for administrative costs, a little more flexibility under IRA, which I think was really good news but administrative costs focused primarily on moving the money out the door to its intended use. Oversight is a small part of that. Oversight is making sure that the dollars actually landed where Congress wanted them to land, some of the important projects mentioned by Congresswoman Stansbury, so it is really important. It is that look in the rearview mirror to make sure the dollars were delivered where they were supposed to go.

I will also quickly point out one of the most, sort of obvious, risk factors in this package was that my shop, the Office of the Inspector General, was woefully under-funded in all four bills. So, in the CHIPS Act, the Office of the Inspector General received zero. The $1 billion appropriation for solar in Puerto Rico, my office received zero. In IRA and IIJA, we did receive some amount of money, but compared to the other inspectors general whose agencies received money, ours was the tiniest fraction of that, and this is really important.

And I appreciate that the President has included a bump up, you know, in his proposed budget in recognition of this. It is still going to leave a shortfall that is enormous in terms of my budget, which allows me to conduct audits, inspections, and evaluations. So, I always say there is no substitute. You can do a lot of planning, a lot of coordinating with others, but there is no substitute for having the people and the technology to do those targeted projects that allow you to find where the system is breaking or broken, and allow you to work on those big fraud cases that we all know are coming just because this is a lot of money moving fast. But we are trying to work as hard as we can on the front end to minimize that.

So, quickly, I will mention what I think is the most important tool in the tool bag. In addition to people, I mentioned technology.

Data analytics is a gift to the world of inspectors general and a gift to Federal agencies, that if they properly utilize it, can be on the front end of oversight and prevent a lot of the fraud, waste, and abuse. So, data analytics is something that Congress has been heavily endorsing since 2015 with the Fraud Reduction and Data Analytics Act; again, in 2018, Foundations of Evidence Based Policymaking Act; Payment Integrity Act 2019. Those are all very important pieces of legislation where the Federal Government has recognized you have to acquire and scrub quality data in order to have data analytics really work for you.

I am looking forward to your questions. Thank you very much.

Mr. FALLON. Thank you. The Chair now recognizes Dr. Hogan, and please begin your opening statement.

STATEMENT OF KATHLEEN HOGAN
PRINCIPAL DEPUTY UNDER SECRETARY AND
ACTING UNDER SECRETARY FOR INFRASTRUCTURE
U.S. DEPARTMENT OF ENERGY

Ms. HOGAN. Chairman Fallon and distinguished Members of the Subcommittee, thank you for this opportunity to provide an update on the Department of Energy's efforts to safeguard taxpayer dollars in the implementation of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, known as IIJA and IRA.

So, IIJA and IRA really are truly historic investments in renewing American infrastructure and supporting American energy security for decades to come. And we at the Department are working hard to swiftly implement these laws so we can get these resources out to communities, in your districts, and in every corner of the country as quickly as possible. We also acknowledge and respect that when Congress appropriated these resources, you entrusted the Department with investments using taxpayer dollars, and we take this responsibility incredibly seriously. And every day, our team of experts and professionals are working hard to ensure that taxpayer dollars provided to us by Congress are being spent effectively, efficiently, and responsibly.

Through the implementation of IIJA and IRA, we are striving to lower energy bills for American households, improve energy reliability and security, and ensure that America is positioned to lead the world in manufacturing the energy technologies of the future. And the Department appreciates the passion and interest of Members on both sides of the aisle in your efforts to make sure these investments reach your districts. We at the Department are happy to continue to work with Congress and provide information and updates as we continue to implement these laws thoughtfully and responsibly.

You know, beginning in January 2022, very shortly after the IIJA was signed into law, our team began engaging with the DOE Office of Inspector General on behalf of and in coordination with the program offices responsible for implementing IIJA. We sought then, as we do now, to better understand how DOE can proactively improve its oversight of this funding. And over the past 15 months, the Office of the Under Secretary has coordinated 27 meetings with the OIG and DOE program officials to discuss program design and implementation. These meetings are designed to provide the opportunity for an engaged, open, and transparent conversation about program design, risk mitigation strategies, best practices, and lessons learned. And, you know, the topics of discussion have ranged from DOE's approach to Build America Buy America requirements to how specific provisions are being implemented.

From the very start, the Office of the Under Secretary for Infrastructure and program officials across the Department have demonstrated a thorough transparency with our Inspector General with regard to our plans and activities. In turn, the Office of the Under Secretary has really gained substantial insights from our OIG on what trends are now being seen with respect to recent investigations and reports, the latest scams and methods that criminals are using to defraud the Government, and common mistakes that funding recipients make. And with this knowledge, we are better positioned to maximize the impact of this funding and reduce fraud, waste, and abuse. We have also shared with the OIG the critical process improvements the Department has made over the last decade across multiple program offices to strengthen our protections and mitigate risks associated with our financial assistance and loan guarantee programs.

The Department truly appreciates the OIG's perspective considerations for the implementation of the IIJA, which did come in the form of a number of special reports last year. While these are not the end products of the typical audit process, they contain and collect helpful historical context and guidance on best practices. You know, one example, one key concern the Inspector General has highlighted in the 2022 reports is about adequate staffing at the Department and the need to provide the necessary oversight of funding programs and projects. You know, we have been focused on hiring a sufficient staff from day one with a particular focus on project and program oversight specialists, grant management and contracting specialists, and financial and audit oversight staff to responsibly oversee the significant investment Congress has made. And as we continue to do this work, we remain steadfast in our commitment to be responsible stewards of taxpayer dollars and will continue to take proactive steps as necessary to prevent fraud, waste, and abuse as we really work to deliver the benefits that this money can do for the future of the country.

And we really look forward to continue our work with you and thank you for the opportunity to be here, and we look forward to your questions.

Mr. FALLON. Thank you. I now recognize myself for five minutes of questions.

IG Donaldson, in your report titled, "Management Challenges at the Department of Energy, Fiscal Year 2023," you warned about a greatly increased risk of fraud, waste, and mismanagement given the massive spending flowing through the Department. So, you posed critical questions in your report, one of which you asked 'do these spending bills allow the Department to create an appropriately sized oversight infrastructure to ensure that these funds are delivered as Congress intended.' Can you expound on that?

Ms. DONALDSON. I can. So, historically, the Department—well, it has always been probably the leanest Federal agency. So, over 90 percent of its dollars historically pass through and end up with its contractors. So, when I came on board in this position, now four years and change ago, I inherited a lot of reports noting that there were problems during the audits, and the Department would even acknowledge they were under-resourced for oversight. So, there would be a set of requirements. Only some of them were being met or followed. They simply didn't have the people, so that was a real theme that I inherited in this job.

So, when the new bills came along, that was, I think, the very first question we had talked to the Department of Energy about is, are you going to be able to make up some of that shortfall with the allocations in those earmarks for administrative cost? What amount of that will you actually be able to use for auditors and oversight? And I think they are still working through those issues.

Mr. FALLON. So, what you are saying is even when they were at a budget of $46 billion, there were concerns about their oversight capability?

Ms. DONALDSON. Noted by my predecessors——

Mr. FALLON. OK.

Ms. DONALDSON [continuing]. And GAO.

Mr. FALLON. Now, with double that kind of budget that now explodes, fair enough to say that that concern would be greatly increased?

Ms. DONALDSON. They will need to dedicate a lot more resources to oversight. That is correct, sir.

Mr. FALLON. Dr. Hogan, what has the Agency's response been to this critical question? Are you satisfied with the response?

Ms. HOGAN. I mean, we are working hard to bring the staff on that can provide the necessary oversight for these projects. I think, as we have talked about, many of these programs are new. That is interesting in that it gives us the opportunity to bring people on to participate in the design of these programs really before we get into the project management with the dollars on the street, which means we can be hiring for where we need to be sort of six months ahead and bring people on and train them up, which is something we have been focused on——

Mr. FALLON. OK.

Ms. HOGAN [continuing]. Across the board.

Mr. FALLON. And a second question was asked in the report, do these massive spending bills allow the Department's OIG to execute its statutory obligations to protect these funds. And can you expound on that, IG Donaldson?

Ms. DONALDSON. Yes, I can. The funding issues I mentioned a moment ago are really quite remarkable. As I said, without funding, you simply can't cover that portfolio. So, even now, we are shifting some from our existing portfolio, which is hugely important work—environmental liabilities, pit production—and trying to sort of squeeze in some resources to have all of these meetings with Dr. Hogan's shop and prepare. But that doesn't mean that we automatically will have the resources to do audits, inspections, and investigations. We won't, right? So, we are trying to do the planning to where when additional money arrives, we will be able to do that. But right now, we are in a bad situation funding-wise.

Mr. FALLON. Yes. Dr. Hogan, on March 22d, Chairman Comer and myself wrote to Secretary Granholm seeking documents and information related to IG Donaldson's report and the DOE funding announcements. Yesterday, DOE submitted some of these documents. In one email from May 9, 2022, a staff member in the OIG's office stated, "We believe administrative remedies, such as suspension and debarment, should be considered by the loan programs offices and instances, such as Solyndra, where company officials provide misleading information or provide false statements." Has the DOE implemented this recommendation?

Ms. HOGAN. We implement a full set of mitigation strategies across the portfolios that we run.

Mr. FALLON. But respectfully, have you implemented this particular recommendation?

Ms. HOGAN. The Federal Government and DOE have disbarred entities from being able to participate in Federal business if they cross certain lines, yes.

Mr. FALLON. So, you are implementing this recommendation? That is what you are saying? Yes? Yes?

Ms. HOGAN. Yes.

Mr. FALLON. OK. Great. OK. So, you know, as we all know, Solyndra is the same company that in 2009 received half a billion dollars from the Energy Department, despite having submitted a misleading application, laid off its employees, shutdown, and filed bankruptcy two years after receiving the funds. The last question, can the Department commit to producing the rest of the documents that we requested by the end of this week?

Ms. HOGAN. We are working through the document requests that you have, and we will——

Mr. FALLON. Can you commit to it, though?

Ms. HOGAN. We will get to you as many documents as we can get as quickly as we can.

Mr. FALLON. We would really appreciate that. It is a pretty simple request, and that is it. Considering the money involved, I think it would help us do our oversight job. Thank you very much. The Chair recognizes the gentlelady from Ohio, Ms. Brown.

Ms. BROWN. Thank you very much. The 117th Congress was one of the most productive in our Nation's history. Congressional Democrats, with the help of some Senate Republicans, sent groundbreaking legislation to President Biden's desk, like the Bipartisan Infrastructure Law and the CHIPS and Science Act. In addition, Democrats unilaterally passed what will go down as one of the most important pieces of legislation in American history: the Inflation Reduction Act.

These bills make up part of the most expansive, forward thinking, and restorative agendas in modern history. Democrats are taking steps to propel our Nation's infrastructure decades into the future, promoting our strategic and national security interests, as well as passing the largest-ever investment in our climate. That means clean jobs and investment. The Inflation Reduction Act has already led to the creation of 100,000 jobs and, as my colleague pointed out, billions of dollars in investment by domestic manufacturing companies since its passage last year. Meanwhile, the plan from my colleagues on the other side includes proposing the cut from the lifesaving programs, like Medicaid, while holding the payment of our Nation's debt hostage. That right there is backward, catastrophic, and the Republican agenda.

Now, let us talk about how the Biden Administration is responsibly stewarding taxpayer dollars. In June 2022, the Department of Energy's Office of Inspector General issued a report on preventing fraud, waste, and abuse in the Loan Programs Office. Dr. Hogan, can you tell us how much of the Department's budget has actually increased per year because of IIJA and the IRA?

Ms. HOGAN. Yes. I mean, our budget is substantially larger because of the IIJA and the Inflation Reduction Act, with $68 billion coming in through the IIJA and additional $30-plus million coming in through the Inflation Reduction Act. At the same time, we know that this is a historic investment in our future for the purpose of, you know, improving the economic opportunity for our communities and building jobs. And we don't view this as a one-year appropriation-type opportunity. It really is a many, many year effort to move out and help our communities improve their economic opportunity.

So, you know, say it is a 10-year-ish-type opportunity. You can take the $100 billion that is coming into the Department of Energy divided by 10. So, it is sort of like a $10 billion average increase in the budget to the Department. That is not a perfect way to do it because there are different timelines associated with different provisions. But that is what we are looking to do, is build the capacity to work with our applicants and with our communities over the next decade to truly make the difference that these dollars can make that Congress has trusted us with.

Ms. BROWN. Thank you so much. Back to the report. Dr. Hogan, has the Loan Programs Office taken steps to remedy the areas identified in the special report, and if so when were those reforms implemented?

Ms. HOGAN. Yes, the Loan Programs Office is a very different office today than what it was so many years ago. It has been able to stand up a number—expanded staff, but not just expand its headcount. It has been able to invest and build out new capabilities to assess, in a due diligence way, technical risk and business risk or the program for the projects that it is reviewing, as well as we have been able to build out any number of additional review capabilities within the Agency and across agencies, bringing in the capabilities of our Treasury Department, as an example. So, it is a very different program today.

Ms. BROWN. And, Dr. Hogan, what are the most significant changes that you anticipate at the Department of Energy as a result of the Bipartisan Infrastructure Law and Inflation Reduction Act?

Ms. HOGAN. I am sorry. What is that?

Ms. BROWN. Most significant changes you anticipate at the Department of Energy?

Ms. HOGAN. You know, the Bipartisan Infrastructure Law and IRA really have brought to the Department the opportunity to work with our communities and build out manufacturing, and help just capitalize on what is going to be a major opportunity to build jobs and be global leaders in the manufacturing that will go with a clean energy economy. So, I think——

Mr. FALLON. The gentlelady's time has expired.

Ms. BROWN. Thank you.

Mr. FALLON. Thank you. The Chair now recognizes gentleman from South Carolina, Mr. Fry.

Mr. FRY. Thank you, Mr. Chairman, for having this hearing today, and thank you to both of our witnesses for being here.

Thanks to President Biden's tremendous spending spree, the DOE has seen a massive budget growth just this year alone. I think my biggest concern and what we echoed, Inspector General, is that, is the Department ready to handle that? The Infrastructure Investment and Jobs Act and the Inflation Reduction Act gave the Department of Energy $100 billion in appropriated funds, $336 billion in loan authorizations, and $30 billion from the CHIPS and Sciences Act. Let us take a closer look at what these chunks of money do.

And the Inflation Reduction Act included $9 billion for home energy rebates and appliance upgrades, meaning the Federal Government will pay you $840 just to install an electric stove and up to $14,000 for high efficiency electric home rebates. The Infrastructure Investments and Jobs Act sets up an additional, as we talked about, dozens of programs. The CHIPS Act includes $250 million for a new carbon material science. This money doesn't grow on trees. It is coming straight from the pockets of hardworking Americans.

So, Dr. Hogan, I want to turn to you. Given the speed at which this was passed and given the OIG report, do DOE employees face significant pressure from this Administration to exhaust the funds now available under the IIJA and the IRA?

Ms. HOGAN. We are working hard to balance the urgency that we think it is important to get these resources out on the street and benefit people. At the same time, we are balancing that with what we think we need to do to do it right. So, do we feel urgency? Yes, but we are doing it, we believe, with a balance to think through effective design, think through effective controls, and to engage many of the so-called co-implementers for these provisions in what it will take to do it well.

Mr. FRY. Again, I want to turn to permitting real quick. How does slowdowns in permitting affect your ability to properly distribute the funds that expires in just a few short years?

Ms. HOGAN. As you know, permitting is a huge issue, and figuring out how to make permitting happen as efficiently and as effectively and smoothly is something that we are all interested in doing. At the same time, what we have been doing at the Department is engaging with our sister agencies to streamline whatever it is we have the opportunity to do. And Congress did give us some additional dollars in the Inflation Reduction Act to bring more resources to bear, so there don't have to be bottlenecks where we can just move things through it quickly.

Mr. FRY. Do you anticipate permitting delays because of existing laws? Is that correct?

Ms. HOGAN. Permitting is an important part of what we need to do, again, to do project review. So, absolutely, permitting is something that is part of many of the projects that we will be undertaking.

Mr. FRY. Real quick, Dr. Hogan—I am crunched for time a little bit—but how do permitting delays impact the U.S. ability to utilize energy sources in general?

Ms. HOGAN. I mean, that is a complex problem, and we would be happy to engage with you. I mean, there are certain provisions and ways to move forward on Federal lands, and there are certain provisions, you know, on other properties. So, we are doing what we can to streamline and move efficiently where we can. And again, we would really appreciate a fulsome conversation about how to do permitting effectively so that we can get the benefits for what these dollars offer this country around manufacturing jobs, *et cetera*.

Mr. FRY. Dr. Hogan, which DOE programs are most vulnerable to those permitting delays?

Ms. HOGAN. You know, there are a number of demonstration projects. There are transmission projects. And the way permitting intersects with these projects will be different based on where they are and where they will be constructed.

Mr. FRY. In a briefing with Committee staff, DOE mentioned interagency conversations with the Department of Interior, as an example, to address these permitting issues. In your opinion, which areas of the permitting process are in most need of reform, and has DOI been receptive to DOE's permitting concerns?

Ms. HOGAN. We are having very good conversations with our sister agencies about what it is we can do to streamline permitting, and, again, we would love to come up and talk with you further about where we see opportunities to improve these.

Mr. FRY. In your opinion, just right now, what do you think is in most need of reform from a permitting perspective?

Ms. HOGAN. It is a deeper conversation, so again, we would love the opportunity to come up and have a deep conversation with you.

Mr. FRY. Thank you, Mr. Chairman. I yield back.

Mr. FALLON. Thank you. The Chair recognizes the gentlelady from Washington, D.C., Ms. Holmes Norton.

Ms. NORTON. Thank you, Mr. Chairman. Dr. Hogan, in 2022, the Department of Energy Office of Inspector General issued four special reports. These were prospective reports anticipating potential areas of risk rather than identifying new risk areas. They serve to highlight for the Agency and for Congress various areas identified in previous DOE OIG reports. So, Dr. Hogan, how did the Department engage with OIG on these reports?

Ms. HOGAN. Yes. So, as you stated, these are reports that our Inspector General wrote from really pulling together a lot of information from past audits that had been developed. So, we did not participate in the same way we would with a deep audit where they would be engaging with us and getting information because the information body more or less existed.

But what I will say is, we are just so appreciative of the Inspector General producing these reports for us, and engaging in conversations around the findings that they have, and the trends and patterns that they pulled out from these reports. They are really so helpful to help us get organized around where to look as a sort of foundational approach to the controls and systems that we will be building into our work going forward.

Ms. NORTON. Well, Dr. Hogan, three of four special reports identified insufficient staffing as a risk to the administration of funds and performance of oversight functions. What steps has the DOE taken to address this concern and increase staffing?

Ms. HOGAN. So, we are working hard right now to buildup the staff that we need to deploy so that we can manage the funding through these two laws and minimize fraud, waste, and abuse. You know, again, many of the programs that were provided to the Department by Congress are new programs, which means they need a fair amount of design work up front, stakeholder engagement work through requests for information. So, we are bringing the teams on to do that work, and then simultaneously hiring for the project management staff we will ultimately need when we get to the point of project management. So, really, we are moving out on all fronts from a hiring perspective.

Ms. NORTON. Well, Dr. Hogan, how is the DOE addressing cybersecurity threats related to implementation of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act?

Ms. HOGAN. Another really important question. That is something that is also part and parcel of our daily work. I mean, we have gone through the bill and IRA provision so that we understand where we believe the greatest cyber risks are. And then we are engaging in the design of these programs and what will be required by the applicants to develop cybersecurity plans, that will be again necessary as part of the whole project. We call that sort of designing cybersecurity in from the get-go as opposed to trying to bolt it in at the back end.

Again, we are bringing forth our cyber experts through our Office of Cybersecurity, Energy Security, and Emergency Response, as well as our cyber capabilities from our information officer, our chief information officer, and are working to bring the best of what we can to these projects.

Ms. NORTON. Well, is it true, Dr. Hogan, that DOE was aware of these risks described in the special reports prior to their issuance in 2022 and had already been instituting the OIG's recommended reforms in a proactive manner?

Ms. HOGAN. Yes. What is nice about what the OIG brought forth, is really going back and looking at the many types of issues that have happened over time and pulling them together in one place. But some of the, you know, information that was there, like around the weatherization program, as an example, was from the era of 2012 and from the Loan Programs Office, you know, maybe up to 2015, 2016. So, the Department was aware of these things, and the Department has been actively putting controls in place or building out capabilities as necessary to address these issues for many years. But, so, from those programs perspective——

Mr. FALLON. The gentlelady's time has expired.

Ms. HOGAN. Sorry.

Mr. FALLON. The Chair recognizes gentleman from North Carolina, Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chair. On October 19, 2022, the Department of Energy announced the availability of $2.8 billion under the law for manufacturing of batteries for electric vehicles and the electric grid. Reports later indicated that the Department of Energy awarded Microvast, a lithium battery company, $200 million of American taxpayer dollars despite the company's primary operations taking place in China. I have a bit of an interest in China this afternoon. Dr. Hogan, are you aware of funds under the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, or the CHIPS and Science Act going to China, Chinese companies, or companies susceptible to control or influence by the Chinese Communist Party?

Ms. HOGAN. We are not aware of any dollars going to companies as you describe.

Mr. EDWARDS. What are you doing to prevent the transfer of funds to other adversarial companies, entities, or nations?

Ms. HOGAN. We at the Department have a history of doing due diligence around any potential applicant for these types of solicitations. We do vetting, leveraging information we get through our intelligence and counterintelligence experts at the Department. We, based on the times that we now have and the magnitude of dollars that we are now talking about, are amping up the efforts that we have had to date. We have established a new vetting center to coalesce this type of information and expertise so that we can double down on the types of assessments you are discussing, you are bringing up.

Mr. EDWARDS. And, so, are you assuring this Committee that these dollars could not and will not be distributed to Chinese entities?

Ms. HOGAN. These dollars will not go to Chinese entities.

Mr. EDWARDS. Is that in policy or in law? What would be the prohibitive source to ensure that those dollars don't go to Chinese entities?

Ms. HOGAN. I think it is both, but I will find that answer for you.

Mr. EDWARDS. All right. Inspector General Donaldson, does the OIG recommends safeguards to prevent American taxpayer dollars from going to entities owned, operated, or susceptible to control or influenced by the Chinese Communist Party?

Ms. DONALDSON. Yes, sir, without a doubt.

Mr. EDWARDS. What about other adversarial entities or nations?

Ms. DONALDSON. We feel exactly the same about all the nations of concern.

Mr. EDWARDS. And what are those safeguards?

Ms. DONALDSON. Well, the Department has been working on this for years, and thankfully working with involving the Office of the Inspector General on the area that we refer to as research security. So, there are several ways that you can try to combat this. I think the U.S. General Accounting Office is about to launch an audit of the Department on technology transfers. But when technology is leaving our facilities, technology that the taxpayers have paid for, that is a very important issue, and we all know that a lot has already flown the coop.

So, you do that through a series of careful disclosures in connection with grants and other sorts of financial assistance tools, and then if those disclosures are inaccurate, you have to prosecute those people. It is very important that you have a strong message of deterrence in connection with those disclosures. That is your basic grant fraud.

Mr. EDWARDS. And, so, for either of you, I started my comment with some background information that $200 million of American taxpayer dollars were used for companies doing operations in China. In spite of the safeguards, how did that happen?

Ms. HOGAN. Well, let me first sort of correct the record there. So, the company that was selected for negotiation for an award, Microvast, is a U.S. company. That said, that company has not yet received any money. It was selected for a negotiation and is in that process where we are continuing to do the type of due diligence we are discussing.

Mr. EDWARDS. Thank you, Mr. Chair. I see my time has expired.

Mr. FALLON. Thank you. The Chair now recognizes the gentlelady from New Mexico, Ms. Stansbury.

Ms. STANSBURY. All right. Thank you, Mr. Chairman, and again, welcome to our witnesses today. It is a pleasure to have you here, and we appreciate the work that you do.

You know, I want to just say at the outset here that I have been proud to be part of one of the most productive Congresses ever in the history of the United States. In fact, this last Congress, we passed more generational legislation than has passed in decades in this country that includes the Bipartisan Infrastructure Bill. It includes the Inflation Reduction Act, which not only makes the largest investment in Department of Energy Programs, it makes the largest investment in clean energy and climate programs ever in the history of this country and in the history of any country on the planet ever. It is massive. It is a huge investment. And the reason why we made that investment is to tackle the global climate crisis so that our planet does not cross a global tipping point as we are pursuing a clean energy future.

And in addition to that, we passed the CHIPS Act to address our national security issues around the manufacturing of CHIPS to help modernize our national labs, which the Department of Energy oversees, to update our science and innovation around all of our clean energy issues, and to ensure that we are repatriating technologies that actually make us vulnerable to these foreign influences that actually we have been discussing here today.

So, taken as a collective, these pieces of legislation, which this Congress passed with the support of our President, were really designed to tackle three crises that the United States was facing: rebuilding our economy in the wake of disastrous manufacturing policies for decades, which off-shored millions of American jobs to other countries, and which, of course, made our country vulnerable in the wake of a global pandemic and affected us with global supply chain shortages and inflation, which we are still experiencing today. It threatened our national security as so much of our actual infrastructure and technologies that we use for our national security are now manufactured overseas, and, of course, the global climate challenge.

And of course, the Department of Energy, Dr. Hogan and Honorable Donaldson, are really at the forefront of tackling these challenges across all three of those crises. So, I am delighted to have the opportunity to talk to you about them here today. And for me, these really touch close to home because I represent New Mexico's 1st congressional District, which is also home to Sandia National

Laboratories, whose core mission is actually to address all three of those crises—the global climate crisis, our energy security, our national security—and to help stimulate manufacturing and repatriate American manufacturing back home.

So, we have heard a lot of strange claims today about the purpose of these bills and how the funds will be used. But I just want to make sure that we are completely clear on this one piece, which I think keeps coming up over and over here, which is about the national security implications of these bills.

So, Dr. Hogan, you know, let us turn to the CHIPS Act first. Is not the reason that we passed the CHIPS Act primarily, the big push this last year in addition to all of the science and technology and labs, things that we included, was actually to address our national security risks from China and chip manufacturing overseas?

Ms. HOGAN. I believe that is why we passed that, absolutely.

Ms. STANSBURY. And, in fact, in addition to that, these investments that we are making in major energy infrastructure, you know, the kinds of investments that we are talking about, these private sector companies and these public private partnerships, will help to build that clean energy infrastructure that will make us not only energy secure in this country, but more competitive internationally. Is that true?

Ms. HOGAN. Yes. There is a huge investment wave ahead of us as we seek to have a global clean energy economy and a huge opportunity for new manufacturing and quality jobs that go with that.

Ms. STANSBURY. And, you know, I want to just end on this note, which is that I know, Dr. Hogan, you have been involved with the IPCC for many years and, in fact, have been honored nationally, including in association with the Nobel Prize in the IPCC's work. We know that global climate change is already happening. The impacts are already being felt here at home. Is it not true that the reason we passed the Inflation Reduction Act is that it will help us reduce our climate emissions if we are effective in implementing it by 30 percent or 40 percent by 2030?

Ms. HOGAN. Yes. These two laws together are really powerful in bringing together the climate protection that you are speaking to as well as the economic opportunity and, really, economic opportunities for communities in every corner of every state.

Ms. STANSBURY. Thank you, Ms. Hogan, and that is exactly why we passed these bills, and we are grateful for your implementation and vision.

Mr. FALLON. The Chair now recognizes the gentleman from Pennsylvania, Mr. Perry.

Mr. PERRY. I thank the Chairman. Thank you, ladies for being here. I am going to start right with what I would consider kind of the fox guarding the hen house. As you know, many of us know Secretary Granholm sat on the board of Proterra, which is an electric vehicle company, from 2017 to 2021. Now, she sold her shares in Proterra, but we know that she also promoted, in November 2021 at the JFK Airport, where she stood in front of Proterra-made business buses, Proterra-connected vehicles to advertise the SuperTruck 3, and for other government funding programs. Just to give you some numbers in case you are not aware, over $76 million of the $200 million in funding announced in the event went to heavy vehicle manufacturers associated with Proterra, including Daimler Trucks, Ford Motor Company, and General Motors.

My concern is there is a trend at the Department of Energy of money going to politically favored entities. As you know, during the Obama Administration that was Solyndra, A123 systems, Fisker, *et cetera*, and ironically, Secretary Granholm provided funding to A123 and Fisker, both having operations in Michigan, as the Governor of Michigan. And as you are likely aware, these two entities were sold for pennies on the dollar to the Chinese.

To both our witnesses, in your respective roles, how are you going to safeguard the hundreds of billions of dollars literally at your fingertips when the head of the Agency continues to promote projects for her former employer? Ms. Donaldson?

Ms. DONALDSON. Well, as you know, Congressman, there are a set of laws that control conflicts of interest. That is a project that is of great interest to me and probably one of the projects we will be launching in the next few weeks in connection with the new funds. So, it is very important that you gather information about those conflicts, that there be prohibitions, those sorts of things. It is a challenging area, especially when you realize how all the new staffing you are ramping up and you are hiring all these people, it presents an opportunity for people to sort of sneak in that, candidly, might intend to go back to——

Mr. PERRY. And we are going to get into that, and I appreciate your response. Dr. Hogan, anything from your end on this?

Ms. HOGAN. You know, we are putting solicitations on the street, we are getting applications in, and we are reviewing those applications with subject matter experts from within the Department and externally in a way that is totally separate from the political core in the Department, so——

Mr. PERRY. So, we are making sure that the application process, that the money just doesn't end up in the pockets to Democrat donors and Chinese Communist Party-backed entities. The application process is what we are relying on. I just want to confirm what you just said.

Ms. HOGAN. Yes.

Mr. PERRY. OK.

Ms. HOGAN. It is a merit-based, risk-based application process.

Mr. PERRY. All right. And to the IG, Ms. Donaldson, do all the FERC Commissioners honor the ethics commitments, since we are on the subject? I mean, do you feel that they do?

Ms. DONALDSON. Well, the commissioners are bound by those——

Mr. PERRY. Well, yes, I know we are bound by—we take an oath around here, but I wonder if half the people have read the Constitution. Have there been any concerns raised to your office about the independence, integrity, or conflicts of FERC commissioners?

Ms. DONALDSON. We have had allegations in the past pertaining to FERC. I don't think we have any open matters pending to——

Mr. PERRY. So, for example, is there one on the FERC Commissioner Allison Clements regarding outstanding ethics issues because she has not updated her ethics agreement to account for her husband's work in the industry, the very industry that she regulates? Moreover, there are reports that the commissioner has briefed funders of far-left organizations on FERC priorities. Are you aware of these things? Can you enlighten us on these occurrences?

Ms. DONALDSON. I don't believe we have an open matter fitting that description, sir.

Mr. PERRY. So, are you saying that the matter has been resolved?

Ms. DONALDSON. I don't think we have ever opened one. If you give me one moment, I will confirm that, but I don't think we have ever opened a matter of fitting that description. Yes, I don't think so.

Mr. PERRY. So, are you saying that there is no matter open and at this point you are unaware? Are you unaware of this circumstance where a husband works for the industry?

Ms. DONALDSON. I will say that I am unaware of it. It is possible. We have a pretty, you know, big apparatus for taking in new matters. It is possible it is coming through, and I just haven't been briefed on it yet.

Mr. PERRY. Could you——

Ms. DONALDSON. But I could get back to you on that, sir.

Mr. PERRY. I would appreciate that.

Mr. PERRY. I would appreciate your report to the Committee regarding any information in that regard, and I thank the Chairman. I yield.

Ms. DONALDSON. Sure.

Mr. FALLON. Thank you. The Chair now recognizes the gentlelady from Florida, Mrs. Luna.

Mrs. LUNA. To follow up on some questions asked by Mr. Edwards earlier, what is the DOE's process to catch the taxpayer dollars that were going to Chinese-affiliated companies? Like, do you have an oversight that looks into people before you award contracts? The reason I ask that is because, obviously, the CCP has been known for corporate espionage. And obviously, with you guys, I am sure that there needs to be probably a bigger set of oversight and security for that before you guys are awarding government contracts.

Ms. HOGAN. Yes, and again, thanks for this question. We know it is a big issue, a big concern to you and to us. So, you know, we do due diligence on every applicant that we are thinking is in the zone of being meritorious for an award. So, we do due diligence around ownership issues with countries of greatest concern, and we are doubling down on our capability to do that. So, we have always done that in what we call a pre-selection phase, and by "selection," I mean it is a meritorious project. And we would like to select and then actually enter into a deeper negotiation to get to the point where you actually award money, a lot of standard terms and conditions that companies need to agree to, to get a government award. And during that whole post-selection process, we do even more due diligence around these types of foreign concerns.

Mrs. LUNA. Are you guys doing anything currently to promote domestic energy production?

Ms. HOGAN. We are doing a lot to promote domestic energy production and utilization of domestic supply chain.

Mrs. LUNA. So, one of the biggest issues that I am currently seeing exists in Congress is a lot of people will talk about clean energy, but it is not really clean, especially, when it is tied to China or Chinese productions, for example, windmill manufacturers, right? So, I guess what I am trying to say is, instead of facing a global climate crisis, we are facing the global China crisis. And I am that you would agree—kind of "yes" or "no" real quickly, do you agree that China is one of the biggest threats to our climate as a whole?

Ms. HOGAN. China is a big emitter of greenhouse gases, correct.

Mrs. LUNA. And those greenhouse gases do not stay contained in the China region, correct?

Ms. HOGAN. Right. It is a global——

Mrs. LUNA. OK.

Ms. HOGAN [continuing]. Pollutant, right.

Mrs. LUNA. Yes. How about you, Honorable Donaldson?

Ms. DONALDSON. That is a little out of the lane for an inspector general.

Mrs. LUNA. No, I mean, it is just your opinion. I would like to know because you guys are obviously in important positions, and I want to see your view and perspective on that.

Ms. DONALDSON. That is certainly what is reported.

Mrs. LUNA. OK. So, I think that if there is any way that you guys can help kind of tailor that and make sure that we are not doing anything to really enable these companies and corporations, I think that that would be the best thing.

I guess my last question for you would be, we are currently seeing that China has an insanely big monopoly on critical minerals that we need to produce some of these things for electric vehicles. What would you say would be the best way that we here in the United States could handle that instead of outsourcing some of these operations to other countries like China, for example, the domestic harvesting production?

Ms. HOGAN. We are very interested in building out the critical mineral material supply chain in the United States to the extent that the United States will embrace this in different ways. You know, it is in many parts of that landscape. In addition, I think we are very engaged with a number of international allies so that we can have strategic alliances——

Mrs. LUNA. Real quickly. Sorry.

Ms. HOGAN [continuing]. Where we can work together.

Mrs. LUNA. What allies are those, just so I know?

Ms. HOGAN. Like Canada, Australia. There is a list of countries that also have resources that we work with around opportunities for critical minerals and materials.

Mrs. LUNA. Do you know if anyone has ties to BRICS, any of the BRICS countries?

Ms. HOGAN. We can get back to you on that.

Mrs. LUNA. OK. The reason I ask is because BRICS is currently working to undermine the U.S. dollar as a whole by forming an alliance in their debt with China, so I just want to make sure. Thank you very much. Mr. Chairman, I yield my time.

Mr. FALLON. Thank you. The Chair now recognizes the gentleman from Florida, Mr. Donalds.

Mr. DONALDS. Thank you, Chairman. Inspector General, hello. How are you? Dr. Hogan, hi. A couple of things. Quick question.

The Department of Energy has considered TRISO fuel—T-r-i-s-o—as the most robust nuclear fuel on Earth. However, the United States does not have a domestic supply of Halo or other small amounts at DOE and must currently rely on Russia to fuel our Nation's innovative advanced reactors. In your opinion, what level of investments should Congress provide to establish and build out America's Halo-producing capability?

Ms. HOGAN. We are very interested in the United States having a strong nuclear industry. We are very happy to come back and talk with you about what that takes. As you know, it is complicated, and the war in Ukraine and the position that Ukraine and Russia are now in has made something that we need a different strategy on.

Mr. DONALDS. Dr. Hogan, do you think the American people understand that we get most of our uranium from Russia?

Ms. HOGAN. Yes. I don't know what the average citizen thinks about that, but certainly we are at a point now with the war in Ukraine and with Russia that we need another strategy in this country.

Mr. DONALDS. Let me ask you this question. The Nuclear Regulatory Commission, do you think they have the capability and the wherewithal to actually permit new commercial reactors in the United States for use, not for study?

Ms. HOGAN. I think they have the capability to permit reactors, yes.

Mr. DONALDS. So, what is the problem? What is the holdup? They haven't created a new one. All right. Let me rephrase that. They have not allowed a commercial reactor for use since they were created. So, what is the holdup?

Ms. HOGAN. I don't know, but again, I am happy to have a broader conversation with you. We have got amazing nuclear energy experts at the Department of Energy and happy to come up and talk with you about what we see as the strategies for this country for the future.

Mr. DONALDS. When you say the strategies for the future, I mean, you got to help me understand. Is the Department of Energy even processing this stuff right now? Like, do not get me wrong—I get it. The line of question on nuclear fuels and nuclear reactors is probably not something you guys prepped for over at DOE coming over here today. I understand that. But is there any discussion going on at the Department of Energy for actually creating sustainable base-load power for America because if it is the position of the Biden Administration and, frankly, Secretary Granholm that every American should buy an electric vehicle to the tune of $61,000 a year when most Americans can't afford spending $61,000 for the car, they can't afford to buy that.

If that is her position, is she aware that by doubling the size of the electric vehicle market in the United States, we don't have enough electricity on the grid? Does she realize this? And what is the plan in the DOE to prevent the grid from going essentially dark?

Ms. HOGAN. There are a few questions in there. One, we are very supportive of a nuclear industry in this country. The Department of Energy has had a nuclear energy research program for a number of years. We are advancing a number of demonstration reactors, and those are linked, as you probably know, to the need for the Halo fuel supply. So, we are very interested in figuring out that roadmap going forward. At the same time, we understand that electric vehicles take more electricity than the alternative. And there has been a lot of work to figure out what a modernized grid should look like and what we can do to invest in the electric grid in this country to serve the needs of electric vehicles while also maintaining reliable resilient electricity supply.

Mr. DONALDS. Well, I will say for the record, I am not sitting here in favor of mass expansion of electric vehicles in the United States because the component pieces actually are dirtier than the internal combustion engine if you take into account the mining of cobalt, lithium, rare earth, *et cetera*, and then when you have to actually dispose of the batteries. But in that interim piece when Americans have to use it, if what the EPA has done, which is basically going to force Americans to buy electric cars even though they do not want them, it is not really clear to me that Secretary Granholm and the Biden Administration have a plan for actually putting enough electricity on the grid to support America's needs. I am out of time. I will yield back to the Chairman.

Mr. FALLON. Thank you. All right. The Chair now recognizes the gentlelady from New Mexico, Ms. Stansbury, for a closing statement.

Ms. STANSBURY. All right. Well, thank you, Mr. Chairman, and, again, thank you to our wonderful witnesses. I want to just say, Mr. Chairman, what a difference leadership makes. I think we see before us two women leaders who are serving our Nation in the Department of Energy and serving under a female Secretary of Energy. And in a world that has long been dominated for countless generations by men, I am personally, as a woman in STEM, very grateful to have you here and for your leadership in the Agency.

You know, my thoughts on this hearing as I was sitting here listening to my friends across the aisle sort of beat the same drum over and over again about foreign influence, it actually made me think of the movie Mean Girls and the quote "stop trying to make fetch happen," sort of as if we just say and will this narrative into being and say it over and over again, somehow it will be what is actually occurring.

I think we have heard here today, the Department has been clear, the Administration has been clear. The Department has undertaken significant reforms to ensure that there are appropriate controls, that there is appropriate due diligence whenever contracting and grant making occurs, to ensure that we are standing up programs in a way that not only meets the requirements of the law, but is informed by the communities that will be impacted by them. And these new programs will be stood up quickly with appropriate staffing to get the dollars on the ground to make the impact that they were designed to.

And, you know, I think sometimes we get lost in the arguments about why these bills were actually passed. So, I just want to take a moment to return to that, which is that we passed these three bills that we are talking about here today: one, to make a huge generational investment in the crumbling infrastructure this Nation, to repatriate our manufacturing back to American shores to create American jobs, and rebuild our economy and our supply chains; two, to address the significant national security risk that was faced by our country, that is faced by our country in the manufacturing of CHIPS overseas; and three, and probably most significantly, to address our national security and global environmental security issues around the global climate crisis.

And together, the Bipartisan Infrastructure Law, the CHIPS Act, and the Inflation Reduction Act literally represent the largest investment ever in the history of this country in clean energy and climate change. And I am proud to stand with the Administration, to stand with our President and my Democratic colleagues, who helped to make it possible to pass these bills. And I will note my friends across the aisle, who voted against all of these bills that will lower costs, that will create millions of jobs over the coming decades, that will rebuild our economy and make sure that it is a clean energy economy, and that will help our families.

And I want to say on a personal note, I grew up in a low-income family. The weatherization programs that we are talking about here today, these are not just, you know, putting in new windows, which they are for families. We are talking about people who are living in trailers and in rural areas and tribal communities across our country, who are going to have the opportunity to get new appliances, to get new windows, and to significantly lower their monthly costs. And all of that money that they will be saving through that will be able to be put toward putting food on the table, a roof over their head, and helping their kids go to school. That is what these bills are all about.

And, so, when we talk about the administration of these funds, when we talk about what DOE and the amazing staff who are standing behind you, sitting behind you, in the Department do every day, they are going to be administering these funds so that we can put our country on a clean energy path. We can put our planet on a global climate resilient path, and we can put our families on a path to economic security.

So, Mr. Chairman, I appreciate you holding this hearing. I appreciate our witnesses for being here today, and I appreciate the service of every single one of our Federal employees who is out there working every day to get these dollars on the ground. Thank you, Mr. Chair.

Mr. FALLON. Thank you. You know, the purpose of the hearing was not to re-debate the need or lack thereof of legislation that was passed last year. The purpose of this hearing was to talk about the oversight mechanisms when massive amounts of money is being spent and are loaned out and to prevent fraud, waste, and abuse, which should be an absolutely bipartisan mission because not one person is helped when there is a fraudster taking money away, when that money is abused, or it is wasted.

And I, you know, heard terms like "climate deniers" and "fluoride" and "don't do anything to combat climate change" in the 117th Congress. Well, one thing that they did was create historic deficits, and that is something that we are going to have to talk about when our entire budget will be gobbled up by interest payments on our debt.

And I like what one of my colleagues said from Florida about talking about global climate crisis. What about the China crisis? Let's be very clear here that the United States, and I am very proud of the fact, that we have reduced our emissions in this country because we are responsible. And we have reduced them, I believe, by about 20 percent over the last 20 years. But let us look at China. They have increased their carbon footprint by 300 percent over the last 20 years.

And I would love to see the American left talking more about that because if you really do care about the climate, the No. 1 thing we should be talking about is China's emissions and having them follow the EU and the United States lead and being responsible global partners. The United States is not a planet. We all live and share on this one little blue marble, so talking about fraud, waste, and abuse and trying to be preventative is healthy.

I was actually thinking about this this morning about what my Democratic friends would talk about because I thought this was going to be rather bipartisan hearing because this is just about ensuring that money that has already been allocated, whether you voted "yes" or "no" on it, is the Inspector General, do they have the mechanisms in place to ensure that it is spent properly. Because, you know, to use the IG's words and not mine, there are an increased risks with new programs. Well, there are 71 new programs, which mean there is a lot more increased risk, and when an Agency goes from $45 billion to $100 billion in one year, that is a dramatic increase. And, again, using the IG's words, that is a lot of money moving fast, and I think that, you know, nobody wants another Solyndra.

I think that we can all agree on that, because not one person that was in need got any help from that $500 million. Not one environmentalist would say that was money well spent, because it didn't work. And it was, you know, we were defrauded. And I also was—I grew up in a home that cost my parents $13,000, so I would say by any definition that was humble beginnings. And that is why we live in the greatest country history has ever known because with a lot of effort and work, you can improve your lot in life. In a lot of countries, unfortunately, you don't have that opportunity.

And that is why, again, I just wanted to be real focused on why we had this hearing was to just prevent that fraud, waste, and abuse. It did seem like while they say that they are going to undertake reforms, some of them have not been made yet, but money is going out the door. That is a dangerous cocktail.

So, in closing, I would like to thank our panelists once again for their important insightful testimony, and with that and without objection, all Members will have five legislative days within which to submit materials and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their response.

Mr. FALLON. If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 3:39 p.m., the Subcommittee was adjourned.]

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