Energy and Commerce Committee
Subcommittee on Oversight and Investigations
Hearing, "Microvast and More: Oversight of President Biden's Energy Spending Spree"
June 21, 2023

Good afternoon, and welcome to today's hearing of the Energy and Commerce Committee's Subcommittee on Oversight and Investigations.

Today, for the first time, this Committee welcomes a representative of the Department of Energy's new Office of Manufacturing and Energy Supply Chains or "MESC." In February 2022, the Department announced it was reorganizing the entire agency and creating three new program offices, including MESC. According to the Department, MESC will strengthen energy supply chains and support a domestic manufacturing base necessary for what the Department calls the “clean and equitable energy transition.”

In particular, MESC will administer a dozen programs funded by the Infrastructure Investment and Jobs Act and Inflation Reduction Act. Many of these programs are brand new.

Not long after its creation, this new program office attracted widespread scrutiny after it announced $2.8 billion in financial awards to 20 companies under its Battery Manufacturing and Recycling Grants Program in October of 2022. The companies selected included Microvast, Inc. According to the Department’s announcement, it has selected Microvast to receive $200,000,000 to build a battery component manufacturing facility in Tennessee.

After learning of Microvast's concerning ties to China, Chair Rodgers and I sent a letter to Secretary of Energy Jennifer Granholm on December 14, 2022, requesting a briefing that included specific information about that award. The Department has yet to answer our specific questions or provide this information.

As such, we requested the Department testify before the Subcommittee at a May 23, 2023 hearing. Unfortunately, the Department refused to attend, citing inadequate notice. Then, the night before the hearing, the Department stated it had decided not to move forward with the award to Microvast. The Department has not shared the reason for this decision or any more details behind it.

We had an informative discussion with the witnesses who did join us on May 23 to discuss challenges facing our energy sector supply chains. Among other topics, witnesses shared their expertise on threats posed by foreign rivals to our energy security and the risks of throwing large sums of taxpayer dollars to favored industries.

However, my colleagues and I have a lot of questions that only the Department of Energy can answer. For example, if MESC's goal is to boost domestic industry and secure energy supply chains, how will it prevent the billions of dollars of financial assistance it plans to administer from being siphoned off by companies aligned with foreign rivals such as the Chinese Communist Party? How does the Department vet applicants for its financial awards? As we are aware of at least one other selectee that is not moving forward with the awards process, what is the future of this Battery Manufacturing and Recycling Grants Program?

These are just a few of the many questions we have as we seek to learn more about this new program office's efforts to manage the billions of taxpayer dollars with which the Biden Administration has entrusted it.

While we were disappointed in the Department's refusal to participate in our hearing last month, we were eager to take them up on the offer to join us in June.

As such, we welcome Mr. David Howell, Principal Deputy Director of MESC. Mr. Howell has previously served as MESC's Acting Director as well as Director of the Department's Vehicle Technologies Office.

Today, we hope to learn more about this new office, including how it interacts with other program offices within the Department and contributes to government-wide efforts to strengthen our energy security. Is this new program office another tool of the Biden Administration to subsidize renewable energy and preferred industries and hand out taxpayer dollars to friends and allies, or will this program office take meaningful action to safeguard all Americans' access to affordable, reliable energy? We hope to gain some insight on this today.

I thank Principal Deputy Director Howell for joining us today, and I look forward to our discussion.