



Opening Statement of Chairman Brian Babin

Energy Subcommittee Hearing
Risky Business Part 2: The DOE Loan Guarantee Program
April 30, 2025

I want to thank our Energy Subcommittee Chairman and my friend, Mr. Weber, for holding this important hearing.

Today, we will discuss and evaluate the DOE Loan Guarantee Program. While the program plays an important role in helping companies commercialize emerging energy technologies, it must avoid duplicating efforts that the private sector can already deliver.

This hearing will also provide an opportunity to review how the previous administration directed taxpayer dollars toward massive green energy initiatives.

Since the Department of Energy's Loan Guarantee Program was established, more than \$137 billion in taxpayer dollars have been used to support a portfolio of over 90 projects.

Too often, loan guarantees were handed out based on political favoritism instead of merit.

I'm also concerned about the three billion dollar loan guarantee DOE provided in 2023 to the solar company Sunnova Energy, that's now at risk of bankruptcy and becoming a Solyndra 2.0.

Rigorous oversight should be expected when billions of taxpayer dollars are at stake – especially when politics can influence how those dollars are spent. This Committee, along with the Energy and Commerce Committee and the Oversight and Government Reform Committee, has held numerous hearings over the years highlighting concerns with the program.

In addition to congressional oversight, the DOE Inspector General and the nonpartisan Government Accountability Office have repeatedly flagged concerns about mismanagement and lack of accountability within the loan program.

In December, the DOE Inspector General's office expressed concerns about the DOE Loan Programs Office's handling of potential conflicts of interest.

As part of Congress' oversight mandate, we have a responsibility to ensure that the proper transparency is in place to protect taxpayer dollars from unnecessary risk.

The loss of taxpayer dollars through the DOE loan program raises serious questions about its overall effectiveness and what actions Congress must take to better safeguard taxpayer funds.

We cannot keep putting American tax dollars on the line when loan guarantee recipients are in danger of default. Nor can we assume the federal government is better equipped than the private sector to determine which technologies will succeed in the commercial market.

Today's hearing will examine the future of the DOE Loan Guarantee Program – how it can and should be improved. Is the risk to taxpayers worth the benefits gained? Are taxpayers truly seeing a return from the Loan Programs Office?

Is the program fulfilling its intended purpose of bridging the gap between innovative technologies and private investment, or is federal intervention crowding out other innovation in the energy marketplace?

These are critical questions that deserve the kind of insightful discussion I hope we can have today.

It is Congress' duty to ensure careful management of federal resources and determine the best path forward for the DOE loan program.

We are fortunate to have a strong panel of witnesses here to help this Committee answer some of these important questions and offer recommendations for the future of the DOE Loan Guarantee Program. I want to thank each of you for joining us today, and I look forward to your testimony. With that, I yield back.