U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY

Opening Statement

Ranking Member Zoe Lofgren (D-CA)

Subcommittee on Energy Hearing:
Risky Business Part 2: The DOE Loan Guarantee Program

April 30, 2025

Good morning and thank you, Chairman Weber and Ranking Member Ross, for holding this important hearing today. And thank you to the witnesses for being here this morning.

We are here to discuss the record of the Department of Energy's Loan Programs Office and the unique role that its programs play in our energy innovation pipeline. They provide both direct loans and loan guarantees for projects across a broad range of energy sectors including nuclear, carbon capture and management, renewables, transmission, energy storage, hydrogen, advanced vehicles, and energy-relevant critical materials and supply chains. This support is vital because private lenders are typically unwilling or unable to take on the risks associated with financing truly innovative first-of-a-kind projects of this scale on their own. These programs have been instrumental in establishing new, American-made clean energy industries.

For example, as I know we'll hear more about from Mr. Haygood, the loan guarantee program supported construction of the first new U.S. nuclear reactors in 30 years at the Vogtle Plant in Georgia, and it's now supporting the revival of the Palisades Plant in Michigan. Last year DOE issued a loan guarantee for a project that will help detect harmful and costly methane leaks from our oil and gas infrastructure in 8 states, including California, Texas, Pennsylvania, and North Dakota. And I must also note that Elon Musk's Tesla received a $465 million loan from LPO in 2010 that played a crucial role in the company's rise as a global leader in electric vehicles.

The record is now abundantly clear that DOE has been carrying out these key programs in a fiscally responsible manner. Even initial critics now view the loan guarantee program as a success, with losses equaling only 3% of the Office's entire portfolio – a rate that is lower than many venture capitalists achieve. The interest provided by these loans to the U.S. Treasury is now more than 5 times greater than those losses. So, on top of everything else they do, these programs are a substantial money-maker for American taxpayers. While there will undoubtedly be instances when an individual project does not meet its goal, LPO's overall portfolio has been strong and healthy.

This is why I am deeply concerned about reports that due to the careless, sweeping actions of this Administration across the federal government, the staff for LPO will be reduced by as much as 60% – and that's before expected reductions-in-force actions may cut it even more. This office oversees roughly $100 billion in next generation clean energy projects. And they had been doing it remarkably well with their previous staffing levels. I've seen no evidence whatsoever of any *analysis that the office's performance would somehow improve by firing more than half of their professionals. So, I expect to dig into this critical issue this morning as well.*

With that, I thank you all again for being here today, and yield back the balance of my time.