



Opening Statement of Energy Subcommittee Chairman Randy Weber

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

Good morning. Today, the Energy Subcommittee will hold the second installment of Risky Business: The DOE Loan Guarantee Program. This is a timely update from the first installment we held in February of 2017, a hearing I also had the opportunity to chair. This morning, we will examine the Department of Energy's (DOE) Loan Programs Office, or LPO, and its taxpayer investment portfolio made during the Biden Administration. Further, we will explore LPO's role and future in supporting the next generation of energy technologies.

In the Energy Policy Act of 2005, Congress authorized the Secretary of Energy under Title XVII to provide loan guarantees to innovative and advanced energy technologies, including fossil energy, nuclear energy, renewable energy, and energy efficiency. However, Congress didn't stop there. Two years later, it expanded this authority by creating the Advanced Technology Vehicles Manufacturing or ATVM loan program in the Energy Independence and Security Act of 2007, which supported the domestic production of fuel-efficient, advanced technology vehicles.

With these vastly expanded authorities, the Obama Administration made a series of investments embroiled in bankruptcy. One famous case was the solar company Solyndra, which defaulted after receiving over half a billion dollars in loan guarantees from DOE.

During our committee's 2017 hearing, I sat in this very seat and voiced my concern over the potential costs to the American taxpayer if one of the many proposed projects, like the Ivanpah solar project, were to fail and default. Fast forward to earlier this year, and the project has announced that it will close ahead of schedule, perhaps as early as the end of the year. The original plan was for this facility to operate until 2039, eventually paying back the \$1.6 billion loan DOE awarded the company, but this will no longer be the case.

With the passage of the Energy Act of 2020, Infrastructure, Investment, and Jobs Act (IIJA), and the Inflation Reduction Act, LPO again expanded its loan capacity and the scope of its projects. The Energy Act of 2020 expanded eligible projects that use already commercialized technologies. Likewise, the IIJA expanded the scope of eligible projects under ATVM to include medium and heavy-duty vehicles, trains, maritime vessels, and hyperloop technologies.

The Inflation Reduction Act established new programs such as the Energy Infrastructure Reinvestment (EIR) Program, under section 1706 of Title XVII, and increased LPO's loan authority over tenfold from \$40 billion to \$412 billion. New programs like the EIR Program were given \$250 billion in loan capacity, while the Carbon Dioxide Transportation Infrastructure Finance and Innovation Program was given \$25 billion. This does not include the \$62 billion authorized for Title XVII and \$55 billion for ATVM.

With these massive increases in scope and loan authority, in October of 2022, then-Ranking Member Frank Lucas and I sent a letter to the DOE highlighting our concern regarding LPO's ability to "manage its programs and make sound investments with federal funds, given past shortcomings and mismanagement."

Despite our concerns, the Biden Administration worked quickly to use its expanded authorities and eligible projects. The Government Accountability Office (GAO) released a report in February highlighting that LPO closed almost 25 billion in loan guarantees in the last quarter of 2024 alone. That is a rapid increase to the point GAO stated in its report that "it is uncertain whether LPO can still ensure it has the capacity and expertise to effectively monitor these loans and guarantees." Now, almost three years later, the concerns highlighted in our original letter were clearly well-founded.

Today, I hope we can engage in a productive conversation about the merits and problems this program has historically demonstrated, and hopefully, our vision for where it should go moving forward. I thank our esteemed panel of witnesses for being here today, and I look forward to their testimony.

With that, I yield back the balance of my time.