

Congress of the United States
House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

2321 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6301

(202) 225-6371
<http://science.house.gov>

July 30, 2025

Ms. Sarah Nelson
Acting Inspector General
U.S. Department of Energy
1000 Independence Ave. S.W.
Washington, D.C. 20585

Dear Acting Inspector General Nelson:

The Committee on Science, Space, and Technology writes to express concerns regarding the Biden-Harris Administration's potentially questionable lending practices through the Department of Energy's (DOE) Loan Programs Office (LPO). Reporting suggests that, under the guise of advancing clean energy, the Administration sent billions of taxpayer dollars through the LPO to politically aligned nonprofit organizations. President Biden's Inflation Reduction Act of 2022 significantly expanded the LPO's lending authority within its clean energy and climate provisions.¹ With this enlarged capacity of hundreds of billions of dollars in increased funding, the LPO, directed by Jigar Shah, lent large sums to improperly vetted candidates, likely violating its own regulations and federal law. To restore public trust in federal spending, transparency and accountability must guide all loan decisions. Accordingly, we request a formal briefing with LPO staff to gain deeper insight into the program's operations under the prior Administration and how they compare under the current one.

There are many alarming examples of improper decision-making under the Biden-Harris Administration's use of the LPO. In September 2023, the office lent \$3 billion to Sunnova, a solar energy provider, that shares a board member with the Cleantech Leaders Roundtable (hereinafter "Roundtable"), an organization founded by Director Shah.² Private gain, rather than

¹ The Inflation Reduction Act of 2022, Pub. L. No. 117-169, Part 4, 136 Stat. 2042-2046 (2022).

² *Sunnova Signs \$3.0 Billion Loan Guarantee Agreement with U.S. Department of Energy to Expand Clean Energy Access*, SUNNOVA NEWS DETAILS (Sep. 28, 2023), <https://investors.sunnova.com/news-events-and-presentations/news-details/2023/Sunnova-Signs-3.0-Billion-Loan-Guarantee-Agreement-with-U.S.-Department-of-Energy-to-Expand-Clean-Energy-Access/default.aspx>; Letter from House Committee on Energy and Commerce to Jigar Shah (Oct. 18, 2023), <https://www.energy.senate.gov/services/files/4E07A737-1874-4FDE-9346-BAB706EC9052>.

public good, appears to be a significant factor in this lending decision, especially given Sunnova's history of locking elderly customers into predatory, long-term contracts.³ Equally suspect, in May 2024, Director Shah approved a \$1.6 billion loan to Plug Power, a hydrogen fuel company heavily backed by Shah's former firm, Generate Capital.⁴ Likewise, in November 2024, the LPO issued a \$1.2 billion loan to Entek, a manufacturer of electric vehicle components.⁵ The Roundtable's programming arm, the Cleantech Leaders Climate Forum, has publicly praised Entek for its financial contributions.⁶

A month later, DOE's Office of Inspector General (OIG) disseminated a preliminary report outlining the LPO's disregard for various federal prohibitions on self-dealing, collusion, conflicts of interest, and fraud.⁷ Specifically, the report identified violations of the following rules and regulations:

- Federal Acquisition Regulation (FAR) 9.504(a)(1): Requirement to identify and evaluate conflicts as soon as possible.⁸
- FAR 9.504(a)(2): Requirement to avoid, neutralize, or mitigate potential conflicts before contract award.⁹
- FAR 9.506(a): Requirement to seek information if more information is necessary to identify conflicts.¹⁰

³ Alana Goodman, *Biden Admin Gave \$3 Billion Loan to Solar Company Accused of Scamming Elderly*, THE WASHINGTON FREE BEACON (Nov. 22, 2023), <https://freebeacon.com/energy/biden-admin-gave-3-billion-loan-to-solar-company-accused-of-scamming-elderly/>; Senate Committee on Energy and Natural Resources, *Barrasso, E&C Chair Rodgers Demand Answers from DOE Regarding Loan to Company with History of Predatory Sales Practices*, REPUBLICAN NEWS (Dec. 8, 2023), <https://www.energy.senate.gov/2023/12/barrasso-e-c-chair-rodgers-demand-answers-from-doe-regarding-loan-to-company-with-history-of-predatory-sales-practices>; Andrea Lucia, et.al, *Texas Families Take on Houston-based Solar Company in Arbitration Case*, CBS NEWS (Sep. 26, 2024), <https://www.cbsnews.com/texas/news/texas-families-take-on-houston-based-solar-company-in-arbitration-case/>

⁴ Generate Capital, *Technology Companies*, <https://generatecapital.com/technology-companies/>.

⁵ U.S. Department of Energy, Loan Programs Office, *ENTEK*, <https://www.energy.gov/lpo/entek>.

⁶ Cleantech Leaders Climate Forum's Post, LINKEDIN (2024), https://www.linkedin.com/posts/cleantech-leaders-climate-forum_home-entek-activity-7110032592355119104-kK3-?utm_source=share&utm_medium=member_desktop; Cleantech Leaders Climate Forum, LINKEDIN,

<https://www.linkedin.com/company/cleantech-leaders-climate-forum/>; *Looking back on Deploy23*, DEPLOY24, https://www.deploytogether.com/wp-content/uploads/240820_Deploy23-Highlights_F.pdf.

⁷ U.S. Dept. of Energy, Memorandum for the Under Secretary of Energy for Infrastructure (Dec. 17, 2024), <https://www.energy.gov/sites/default/files/2024-12/Interim%20Findings%20Department%20of%20Energy%20Loan%20Programs%20Office%20Conflicts%20of%20Interest.pdf>; see also *The Department of Energy's Payment Integrity Reporting in Fiscal Year 2024*, U.S. DEP'T OF ENERGY OFF. OF INSPECTOR GEN. (May 27, 2025), <https://www.energy.gov/sites/default/files/2025-05/DOE-OIG-25-20.pdf>.

⁸ *Contracting Officer Responsibilities*, ACQUISITION.GOV (Jan. 17, 2025), <https://www.acquisition.gov/far/9.504>.

⁹ *Id.*

¹⁰ *Procedures*, ACQUISITION.GOV (Jan. 17, 2025), <https://www.acquisition.gov/far/9.506>.

- Department of Energy Acquisition Regulations (DEAR) 952.209-72(c), (f): Requirement to disclose related party relationships and take steps to avoid conflicts of interest.¹¹
- LPO policies: Requirement to monitor contracts for conflicts of interest and disclose such conflicts or any circumstances that may create an actual or apparent conflict of interest.¹²

Additionally, the report directly connected the LPO's regulatory violations to increased risk to American taxpayers.¹³ Loans issued for private gain, or even the perception of private gain, by unelected officials erode taxpayer trust in the government. The LPO loans are inherently risky, often financing unproven technologies and ventures with a high potential to default.¹⁴ Sunnova exemplifies this risk. Less than two years after receiving \$3 billion from the LPO, the company has filed for bankruptcy.¹⁵ The OIG concluded its report by requesting that the LPO pause all lending activities pending the establishment of stronger oversight of conflicts of interest.¹⁶

Despite the OIG's findings and requests, former DOE Secretary Jennifer Granholm appears to have taken no action and continued to engage in questionable lending practices. Secretary Granholm approved over \$15 billion in similarly irregular loans just days before President Trump's inauguration, despite recommendations from the OIG's office to pause lending.¹⁷ One specific case of perceived favoritism involves Secretary Granholm, a former Michigan governor, lending nearly \$9 billion to Michigan-based DTE Energy, which donated more than \$34,000 to her gubernatorial campaign and whose then-CEO served in her state administration.¹⁸ She also approved approximately \$6 billion for Consumers Energy, another

¹¹ *Organizational Conflicts of Interest*, ACQUISITION.GOV (Aug. 2009), https://www.acquisition.gov/dears/part-952%E2%80%9494solicitation-provisions-and-contract-clauses#Section_952_209-72_T48_50325402121.

¹² U.S. Dept. of Energy, *Department of Energy Interim Conflict of Interest Policy Requirements for Financial Assistance*, <https://www.energy.gov/management/departments-energy-interim-conflict-interest-policy-requirements-financial-assistance>.

¹³ *Supra* at 8.

¹⁴ *Id.*

¹⁵ Clair Hao, *Struggling Houston solar company Sunnova Energy files for bankruptcy after mass layoffs*, HOUSTON CHRON. (June 9, 2025), <https://www.houstonchronicle.com/business/energy/article/sunnova-energy-bankruptcy-houston-20368061.php>.

¹⁶ Granholm objected to this recommendation, perhaps because she hoped to later emulate Shah's self-serving lending practices.

¹⁷ Thomas Catenacci, *Energy Secretary Jennifer Granholm Spends Final Days in Office Sending Billions to Home State, Defying Inspector General*, THE WASHINGTON FREE BEACON (Jan. 20, 2025), <https://freebeacon.com/energy/energy-secretary-jennifer-granholm-spends-final-days-in-office-sending-billions-to-home-state/>.

¹⁸ *Id.*; U.S. Dept. of Energy, *Deal Digest: LPO's Latest Conditional Commitments Help Keep Power Affordable Through New Generation and Expanded Transmission for Utility Customers in Twelve States*, BLOG (Jan. 16, 2025), <https://www.energy.gov/lpo/articles/deal-digest-lpos-latest-conditional-commitments-help-keep-power-affordable-through-new>.

Michigan-based company that donated significantly to her gubernatorial campaign and whose senior vice president served as Governor Granholm's climate policy adviser and deputy legal counsel.¹⁹ These transactions sent tens of billions of dollars out the door between President Trump's election and inauguration, dwarfing pre-election lending.

The Committee supports DOE's efforts to implement the OIG's recommendations and scrutinize legally concerning loans. As stewards of taxpayer dollars, we must address the LPO's questionable lending history through both administrative and congressional actions. Transparency, impartiality, and competitive rigor are not optional; they are essential prerequisites to any federally backed loan program.

To better understand the Biden-era LPO's lending practices and to complement the Trump-Vance Administration's oversight efforts, we respectfully request a formal briefing with LPO staff in the coming weeks. We appreciate your attention to this important matter and look forward to working collaboratively to ensure full integrity in taxpayer-funded loan programs. If you have any questions, please contact Caroline Floam of the Committee's majority staff at (202) 225-6371.

Sincerely,



Brian Babin
Chairman
Committee on Science, Space,
and Technology



Rich McCormick
Chairman
Subcommittee on
Investigations and Oversight
Committee on Science, Space,
and Technology



Randy Weber
Chairman
Subcommittee on Energy
Committee on Science, Space,
and Technology

¹⁹ *Id.*

Cc: Zoe Lofgren, Ranking Member, Committee on Science, Space, and Technology
Emilia Sykes, Ranking Member, Committee on Science, Space, and Technology, Subcommittee
on Investigations and Oversight; Deborah Ross, Ranking Member, Committee on Science,
Space, and Technology, Subcommittee on Energy; James Danly, Deputy Secretary, U.S.
Department of Energy