

# Congress of the United States

## House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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[www.science.house.gov](http://www.science.house.gov)

September 8, 2015

The Honorable Ernest Moniz  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Dear Secretary Moniz:

The Committee on Science, Space, and Technology is conducting oversight of the Department of Energy's (DOE) decision to make available \$1 billion in new clean energy loan guarantees under the Title XVII Section 1703 Loan Guarantee Program, and the release of the Department of Energy Inspector General (DOE IG) report on the misconduct surrounding the Department's 2009 loan guarantee to Solyndra. To assist the Committee's oversight of these matters, I am writing to request related documents and information.

On August 22, 2015, President Obama announced that the DOE Loan Programs Office (LPO) would make an additional \$1 billion in loan guarantees available for commercial scale distributed energy projects.<sup>1</sup> The DOE LPO issued guidance to consider distributed energy projects under the Renewable Energy and Energy Efficiency (REEE) and Advanced Fossil Energy Projects, including rooftop solar, energy storage, smart grid technology, and methane capture and storage technology.<sup>2</sup> According to your statement after the announcement, these loans will support energy technologies that "will be central to the President's Clean Power Plan."<sup>3</sup>

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<sup>1</sup> U.S. Department of Energy, *President Obama Announces More Than a Billion Dollars in Energy Department Initiatives to Advance Innovative Clean Energy Technologies*. August 24, 2015, available at <http://www.energy.gov/articles/president-obama-announces-more-billion-dollars-energy-department-initiatives-advance>

<sup>2</sup> U.S. Department of Energy, *Guidance for Distributed Energy Projects*. August 24, 2015, available at <http://www.energy.gov/lpo/distributed-energy-projects>

<sup>3</sup> U.S. Department of Energy, *President Obama Announces More Than a Billion Dollars in Energy Department Initiatives to Advance Innovative Clean Energy Technologies*. August 24, 2015, available at <http://www.energy.gov/articles/president-obama-announces-more-billion-dollars-energy-department-initiatives-advance>

This announcement was followed by the release of the long-awaited DOE IG report on the Solyndra loan guarantee on August 26, 2015.<sup>4</sup> While the report outlines consistent false claims and limited disclosure of current contract information on the part of Solyndra executives, the IG also found that DOE officials repeatedly failed to verify claims made about performance and sales provided by the company.<sup>5</sup> On two occasions, the Department relied on third party reviews of Solyndra's finances that also blindly accepted Solyndra leadership's reports on existing contracts and prices.<sup>6</sup> The IG report recognizes that DOE officials had many opportunities to validate Solyndra's claims but did not do so, and specifically states that DOE's "due diligence process missed opportunities to surface and critically analyze problematic information that Solyndra had provided to the Department."<sup>7</sup>

Incorporating distributed energy technology into the DOE loan guarantee program will likely require more rigorous screening and oversight from DOE LPO, particularly because of the often complex financing mechanisms and management structures employed in business plans for distributed energy projects. According to the Department's solicitation guidance, distributed energy projects will be considered as one single project even with "an aggregation of installations and facilities at multiple locations," and guidance indicates that only one of the facilities in question must be located in the U.S. to qualify for the program.<sup>8</sup>

Given the Committee's responsibility to ensure that limited federal resources for research, development, demonstration, and commercial application of energy technologies are spent responsibly, greater detail regarding DOE management of the Loan Guarantee program is warranted. In order to assist the Committee with its oversight, please produce the following documents, in electronic format:

1. All documents and communications referring or relating to the DOE IG report on Solyndra, including but not limited to communications between or among DOE, the Executive Office of the President, and other outside organizations. Please include all e-mail, text messages, telephone records, meeting notes, memoranda, and other documents.

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<sup>4</sup> See Kevin Freking, *Report: Solyndra misrepresented facts to get loan guarantee*. Associated Press. August 26, 2015, available at <http://bigstory.ap.org/article/30189ac3d2eb4daf926f2575cf6d0874/report-solyndra-misrepresented-facts-get-loan-guarantee>

<sup>5</sup> U.S. Department of Energy Office of the Inspector General, *Special Report: The Department of Energy's Loan Guarantee to Solyndra, Inc.* August 24, 2015, available at <http://energy.gov/sites/prod/files/2015/08/f26/11-0078-1.pdf>

<sup>6</sup> See Kevin Freking, *Report: Solyndra misrepresented facts to get loan guarantee*. Associated Press. August 26, 2015, available at <http://bigstory.ap.org/article/30189ac3d2eb4daf926f2575cf6d0874/report-solyndra-misrepresented-facts-get-loan-guarantee>

<sup>7</sup> U.S. Department of Energy Office of the Inspector General, *Special Report: The Department of Energy's Loan Guarantee to Solyndra, Inc.* August 24, 2015, available at <http://energy.gov/sites/prod/files/2015/08/f26/11-0078-1.pdf>

<sup>8</sup> U.S. Department of Energy, *Third Supplement to Loan Guarantee Solicitation Announcement Federal Loan Guarantees for Renewable Energy and Energy Efficiency Projects*. August 24, 2015, available at [http://www.energy.gov/sites/prod/files/2015/08/f26/DEP\\_Supplement\\_REEE\\_Solicitation\\_%20082415.pdf](http://www.energy.gov/sites/prod/files/2015/08/f26/DEP_Supplement_REEE_Solicitation_%20082415.pdf)

2. All documents and communications referring or relating to the \$1 billion in new clean energy loan guarantees under the Title XVII Section 1703 Loan Guarantee Program announced on August 24, 2015, including documents and communications regarding DOE protocol for the evaluation, verification, and approval of new loans for distributed energy projects between January 8, 2014, to August 30, 2015.
3. All documents and communications referring or relating to the Environmental Protection Agency's (EPA) Clean Power Plan's impact on any decision related to the DOE Loan Guarantee program loans, including but not limited to communications between or among DOE, EPA, the Executive Office of the President, and other outside organizations, between January 8, 2014, to August 30, 2015.

Additionally, please make arrangements by September 15, 2015, to brief Committee staff on this matter.

We request that you provide the requested documents and information as soon as possible, but no later than noon on Tuesday, September 22, 2015. When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2321 of the Rayburn House Office Building and the Minority Staff in Room 394 of the Ford House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

If you have any questions about this request, please contact Emily Domenech of the Committee Staff at 202-226-2179. Thank you for your attention to this matter.

Sincerely,



Rep. Lamar Smith  
Chairman



Rep. Randy Weber  
Chairman  
Subcommittee on Energy



Rep. Jim Bridenstine  
Chairman  
Subcommittee on Environment



Rep. Barry Loudermilk  
Chairman  
Subcommittee on Oversight

cc: The Honorable Eddie Bernice Johnson, Ranking Minority Member