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October 25, 2023

Mr. Jigar Shah
Director
Loan Programs Office
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585

Dear Mr. Shah,

I write with great concern regarding clear inconsistencies between your recent testimony before the Senate Committee on Energy and Natural Resources (Committee) and a recent account presented in the Wall Street Journal detailing your activities within the Department of Energy's Loan Programs Office (LPO).

Before the Committee on October 19, 2023, you made it a point to underplay your involvement and influence in the LPO, suggesting a minimal or sideline role. You said to the Committee, "I have no role to play whatsoever in choosing who gets a loan. In fact, those decisions are made by federal staff." You stated later in the hearing that you are "not that important."¹

The July 3, 2023 Wall Street Journal article titled "Joe Biden's \$400 Billion Man" presents a contrary narrative. The article clearly indicates that you have been instrumental in the process of giving loans to companies you personally identify. The most glaring contradiction lies in your association with Li-Cycle Holdings. The Wall Street Journal article explicitly states that you reached out to and coaxed Ajay Kochhar, the CEO of Li-Cycle Holdings, into taking a \$375 million federal loan. The Wall Street Journal states:

"Some [companies were] reluctant to apply, worried about the complicated approval process and the risks of taking a government loan. Shah, eager to get funds out the door, can be impatient. In September, he pressed a startup company that has a plan for recycling batteries to borrow hundreds of millions of dollars from the federal government to construct a plant.

The company's chief executive, Ajay Kochhar, was hesitant, unsure how quickly it could repay. "Get your ass to Pittsburgh," where a clean-energy conference was about to start, Shah told the executive, according to people familiar with the conversation.

¹ ["It's a Very Bad Look': Biden Energy Loan Czar Freezes Up During Senate Hearing on 'Pay-To-Play' Allegations \(freebeacon.com\)](https://www.freebeacon.com)

At a coffee shop soon after, Shah told Kochhar, of Li-Cycle Holdings, that its recycling plant could easily generate enough revenue for repayment. Five months later, the two announced a \$375 million federal loan."²

These actions don't align with someone in a mere peripheral role, but rather with someone who wields significant influence and actively exercises it. Your involvement in Li-Cycle's loan process is extremely concerning given Li-Cycle's October 23rd decision to "pause" construction on the facility you endorsed for funding, resulting in the layoff of 200 construction workers.³

It is now clear that you personally recruited and facilitated a federally-backed loan of \$375 million to a company that is on the brink of collapse. The bad judgment of pushing for a taxpayer-backed loan to a company with a huge risk profile demonstrates the lack of internal controls in your loan-making process.

Given the growing uncertainty about your precise role in the LPO, underscored by differences between your testimony and the Wall Street Journal's portrayal, it's crucial for transparency, accountability, and public trust that these inconsistencies be addressed. Are you "Joe Biden's \$400 Billion Man," or are you "not that important?"

I ask that you provide a response to this letter, as well as the October 18th letter sent to you by Chair Rodgers of the House Committee on Energy and Commerce and myself, no later than November 8, 2023.

Sincerely,



John Barrasso, M.D.
Ranking Member

² [Joe Biden's \\$400 Billion Man - WSJ](#)

³ ['A punch in the belly': Unions reel from Li-Cycle's abrupt hold on construction project | WHAM \(13wham.com\)](#)

Questions

1. How do you reconcile the differences between your testimony to the Committee and the account given in the Wall Street Journal, especially concerning your involvement in LPO decisions?
2. Can you provide clarity on your role and influence within the LPO, especially in light of the Wall Street Journal article's depiction of your proactive involvement in pursuing potential loan recipients?
3. The Wall Street Journal article highlighted above states, "All the loans need a series of approvals from a committee of senior Energy Department staff, as well as Energy Secretary Jennifer Granholm, the White House Office of Management and Budget and the Treasury Department."
 - a. Does this include explicit approval by you?
 - b. What parts of the approval process are you involved in?
 - i. Please describe each of these parts in detail.
4. Given the narrative presented in the WSJ article, can you elaborate on the procedures and criteria that the LPO employs in determining the suitability of a company for a loan, ensuring that taxpayers' funds are utilized judiciously?
 - a. Please describe in detail the LPO decision-making process to include:
 - i. The structure of LPO's decision-making body, including names, titles, and associated responsibilities
 - ii. The levels of approvals necessary for each loan, whether dependent upon the size of the company or the size of the loan
 - iii. Any applicable process to overrule the decisions of lower ranking officials that you or any of your superiors may exercise
 - b. Does the LPO have a credit review board?
 - i. Are you a member of this board?
 1. If so, please describe in detail your role on this board.
5. How does the LPO plan to address public concerns and ensure transparency and clarity in its operations moving forward?
6. How do you justify the advocacy for such a significant loan to Li-Cycle Holdings when the company itself later announced a "pause" on construction of the very project the loan was meant to support?