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COMMITTEE ON ENERGY AND NATURAL RESOURCES

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December 13, 2023

The Honorable Teri L. Donaldson
Office of Inspector General
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Inspector General Donaldson,

I am urgently calling for a comprehensive investigation into systemic issues within the Loan Programs Office (LPO) at the U.S. Department of Energy (DOE), particularly highlighted by the conduct of its Director, Jigar Shah. The relationships and interactions between Director Shah and the Cleantech Leaders Roundtable (CTLR), an organization he founded, raise significant questions about the impartiality of the LPO's operations. I am concerned that Director Shah's position as Director of the LPO has been turned into a profit center for CTLR. I am also concerned that CTLR members are receiving special treatment by the LPO.

These conflicts are detailed in my attached correspondence to Director Shah and separately to DOE's Designated Agency Ethics Official, Susan Beard. A notable instance is the \$3 billion partial loan guarantee awarded to Sunnova under Director Shah's leadership, where Anne Slaughter Andrew, a board member of Sunnova, also served on the CTLR board. Her subsequent departure from the CTLR board, following inquiries from legislative bodies, underscores the need for thorough scrutiny.

New evidence starkly contradicts Director Shah's claims of disassociation from CTLR in his attached December 7, 2023 letter, including his continued promotion on CTLR's website. Archives of CTLR's official website reveal CTLR was still promoting Director Shah's close affiliation with the organization, as well as Shah's official government title, as early as December 2021¹ and as recently as March 2023,² a full two years after Director Shah officially left CTLR. As late as March 2023, Director Shah was listed as "Board President Emeritus" at CTLR.³ The current CTLR website no longer features Director Shah on its home page.⁴

¹ [Cleantech Leaders Roundtable \(archive.org\)](#)

² [Cleantech Leaders Roundtable \(archive.org\)](#)

³ Id.

⁴ [Cleantech Leaders Roundtable](#)

CTLR's Executive Director Andrea Luecke has repeatedly affiliated Director Shah with CTLR well after Director Shah began his tenure as LPO Director^{5, 6} even promoting access to Director Shah at invite-only events as a means to build CTLR's membership.⁷

Furthermore, it appears that Director Shah is downplaying his role within the LPO to mitigate concerns about his close ties with CTLR. Despite his assertions before the Senate Committee on Energy and Natural Resources on October 19, 2023, about minimal involvement in LPO's decision-making, there is substantial evidence pointing to his considerable influence within the office. Director Shah claimed, "I have no role to play whatsoever in choosing who gets a loan. In fact, those decisions are made by federal staff," and characterized himself as "not that important."⁸ However, the reality of his role seems to contradict these statements.

Director Shah's impact within the LPO extends beyond direct involvement in loan approvals. As he himself notes in his December 7th letter, his influence is more nuanced, subtly guiding the direction of the LPO. This indirect yet significant sway in LPO activities underscores his integral contribution to the office's strategic operations.

The industry-wide recognition of Director Shah's influence further attests to his prominence and sway within the LPO. His listing as a "Titan" on the *Time* 100 Most Influential Climate Leaders in Business 2023 list⁹ is a testament to his status in the sector. This is further corroborated by Anne Slaughter Andrew, who, at the Deploy23 event, referred to him as "our resident sage,"¹⁰ a mark of deep respect from a peer in the industry. Additionally, CTLR member Catherine McLean likened Director Shah to a one-name celebrity "like Madonna" in an interview with CTLR Executive Director Andrea Luecke.¹¹

These observations highlight Director Shah's individual impact on the LPO. His insights and guidance play a pivotal role in shaping the LPO's decision-making and strategic direction, pointing to a concentration of his influence within the office. This situation emphasizes the significance of leadership in molding the ethics and practices of the LPO and underscores the necessity of maintaining balance and impartiality in LPO's operations.

In light of these concerns, the proposed investigation should focus on the following areas:

1. Evaluation of Discrepancies in Director Shah's Disassociation Claims with CTLR:

An examination of the inconsistencies between Director Shah's stated disassociation from CTLR and evidence of his continued recognition as "Board President Emeritus" by the

⁵ [Post | LinkedIn](#)

⁶ [Post | LinkedIn](#)

⁷ [Post | LinkedIn](#)

⁸ ['It's a Very Bad Look': Biden Energy Loan Czar Freezes Up During Senate Hearing on 'Pay-To-Play' Allegations \(freebeacon.com\)](#)

⁹ [The 100 Most Influential Climate Leaders in Business 2023 | TIME](#)

¹⁰ [Deploy23 Plenary 3: Driving Deployment – A Culture of Innovation - YouTube](#)

¹¹ [Interview with Andrea Luecke, Executive Director of Cleantech Leaders Roundtable - Dylan Green \(dylan-green.com\)](#)

organization, and its potential effects on the transparency of decision-making within the LPO. Specifically:

- i. Did Director Shah authorize the use of his name and DOE title for CTLR's webpage?
 1. If he did not, what cease and desist actions did DOE's LPO take to prevent CTLR from using an official DOE title to promote its activities and expand its membership?
 - ii. In his December 7, 2023 letter to me, Director Shah claims his activities listed in my October 18, 2023 letter were conducted "in a personal capacity."
 1. For all activities covered by my October 18, 2023 letter was Director Shah on official leave? Did he personally cover all expenses related to the events?
 2. Is it common practice for senior DOE officials to attend events that appear directly related to their official functions in a non-official "personal" capacity?
2. **Review of LPO Processes and Procedures Related to the Awarding of Loans and Loan Guarantees:** This includes a comprehensive review of the financials and board controls of applicants, ensuring thorough due diligence and integrity in the selection process, along with an analysis of internal DOE decision-making processes to assess the levels of approval and the checks and balances within the LPO.
 3. **Conflict of Interest and Impartiality Protocols:** Review the LPO's conflict of interest policies and impartiality protocols, especially in relation to high-level executives and their external organizational ties. As it relates to Director Shah specifically:
 - i. Was Director Shah recused from participation in CTLR events?
 1. If not, should Director Shah have been recused to prevent conflicts of interest or the appearance of conflicts of interest?
 4. **Influence Dynamics within the LPO:** Investigate the internal influence dynamics, focusing on the impact of leadership prominence on staff decisions, loan approvals, and the strategic direction of the office.
 5. **Systemic Influence and Association within the LPO:** An evaluation of how personal and professional associations, as demonstrated by Director Shah's relationship with CTLR, affect decision-making within the LPO and its ethical operation.
 6. **Analysis of the Sunnova Loan Guarantee and Anne Slaughter Andrew's Role:** An inquiry into the approval process of the \$3 billion loan guarantee to Sunnova, including an investigation into any potential conflict of interest arising from Anne Slaughter Andrew's dual roles.

An investigation is critical to ensure the LPO operates with the highest standards of integrity, impartiality, and transparency.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "John Barrasso". The signature is written in a cursive style with a large initial "J".

John Barrasso, M.D.
Ranking Member

Congress of the United States
Washington, DC 20510

October 18, 2023

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

Dear Mr. Shah,

We write concerning a recent report about the close relationship between the Department of Energy's (DOE) Loan Programs Office (LPO), which you lead, and Cleantech Leaders Roundtable, a trade association you founded.¹ The role that Cleantech Leaders Roundtable has assumed, appearing to act as a gatekeeper for companies seeking vital financial assistance from the LPO, warrants a thorough examination.

The close collaboration between your office and Cleantech Leaders Roundtable, evident from the recent co-hosted, invitation-only Deploy23 conference,² presents potential conflicts of interest. It gives rise to perceptions of a pay-to-play scheme, where access to DOE loans could be potentially influenced by affiliations with Cleantech Leaders Roundtable. Such a perception deeply undermines the public's trust, and the recent approval of a \$3 billion loan to Sunnova,³ whose Board of Directors shares a common member with Cleantech Leaders Roundtable,⁴ only compounds these concerns.

Given the circumstances and the potential implications of these revelations, we want to understand better the relationship between the LPO and the Cleantech Leaders Roundtable. Transparency in these matters will not only protect the integrity of the LPO, but also ensure that the American public continues to have confidence in the institution's fairness and impartiality.

We anticipate a thorough and transparent response addressing these concerns. We ask that you answer the following questions and provide the requested information and documentation below:

1. Please describe in detail your current relationship with the Cleantech Leaders Roundtable.

¹ [Biden's Energy Loan Czar Founded a Trade Association. Now It's Selling Access to Him. \(freebeacon.com\)](https://www.freebeacon.com)

² Id.


³ [DOE Announces \\$3 Billion Partial Loan Guarantee to Sunnova's Project Hestia | Department of Energy](https://www.doe.gov)


⁴ CLEANTECH LEADERS ROUNDTABLE, *About Cleantech Leaders Roundtable*, <https://www.cleantechleaders.org/> (last visited Oct. 10, 2023); SUNNOVA, *Board of Directors*, <https://www.sunnova.com/about-sunnova/board-of-directors> (last visited Oct. 10, 2023).

2. What measures have been put in place to ensure that companies affiliated with Cleantech Leaders Roundtable do not receive preferential treatment in the loan approval process?
3. Please provide all correspondence, agreements, and documentation related to the co-hosting of the recent Deploy23 conference between the DOE Loan Programs Office and Cleantech Leaders Roundtable.
4. Please describe in detail the nature of each instance of your participation in Cleantech Leaders Roundtable events and receptions since your appointment to DOE, including events that Cleantech Leaders Roundtable has cosponsored or supported financially.
5. Please provide all correspondence between the LPO, including yourself, and Cleantech Leaders Roundtable, including individual Cleantech Leaders Roundtable board members, since your appointment to DOE.
6. Have there been any DOE assessments or internal reviews conducted on the potential conflicts of interest arising from your relationship with Cleantech Leaders Roundtable or member companies?
 - a. If so, please provide the determinations resulting from such assessments and/or reviews.
7. In the course of your tenure with DOE, have you been recused in any manner as it relates to working with Cleantech Leaders Roundtable?
 - a. If not, why not?
8. Have any complaints or concerns been raised internally within the DOE regarding the relationship between LPO and Cleantech Leaders Roundtable?
 - a. If so, please describe in detail the substance, nature of each complaint, and any actions taken in response to such a complaint. If you have not taken any actions in response to such a complaint, why not?

We look forward to your prompt response.

Sincerely,


John Barrasso, M.D.
Ranking Member
U.S. Senate Committee on Energy
and Natural Resources


Cathy McMorris Rodgers
Chair
U.S. House Committee on Energy and
Commerce

JOE MANCHIN III, West Virginia, Chairman
RON WYDEN, Oregon
MARIA CANTWELL, Washington
BERNARD SANDERS, Vermont
MARTIN HEINRICH, New Mexico
MAZIE HIRONO, Hawaii
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JOSH HAWLEY, Missouri

RICHARD M. RUSSELL, MINORITY STAFF DIRECTOR
JUSTIN J. MEMMOTT, MINORITY CHIEF COUNSEL

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?

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RICHARD M. RUSSELL, MINORITY STAFF DIRECTOR
JUSTIN J. MEMMOTT, MINORITY CHIEF COUNSEL

November 8, 2023

Ms. Susan Beard
Designated Agency Ethics Official
U.S. Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Ms. Beard,

I write with deep concern regarding potential conflicts of interest within the Department of Energy's (DOE) Loan Programs Office (LPO). These concerns encompass both the involvement of LPO Director Jigar Shah in specific loan decisions and his relationships with external organizations, particularly Cleantech Leaders Roundtable.

I am troubled by the discrepancies between Mr. Shah's October 19, 2023 testimony before the Senate Committee on Energy and Natural Resources¹ and accounts presented in the Wall Street Journal regarding his influence in the LPO's loan-making processes.² The Wall Street Journal's depiction of Mr. Shah's proactive role, especially in the case of Li-Cycle Holdings and the significant loan facilitated under his watch, starkly contrasts his self-described minimal involvement.

Furthermore, a recent report has highlighted a concerning relationship between the LPO and Cleantech Leaders Roundtable, a trade association founded by Mr. Shah. Mr. Shah's apparent close collaboration with this organization has included his participation as a guest speaker for "at least 10 of the organization's closed-door events and receptions, which cost up to \$250-a-person to attend."³

The potential for conflicts of interest, especially in light of a \$3 billion loan approval for Sunnova, a company who shares a board member with Cleantech Leaders Roundtable,⁴ cannot be overlooked. The board member in question, Anne Slaughter Andrew, is the spouse of the former Chair of the Democratic National Committee, Joe Andrew. Such intertwining of personal, political, and professional relationships raises further questions about the impartiality of loan approvals and the susceptibility of the process to undue political influence.

Mr. Shah, in his close collaboration with the Cleantech Leaders Roundtable, also appears to be in clear violation of the Biden Ethics Pledge's Revolving Door Ban. Upon Mr. Shah's appointment, he was required to certify that:

¹ [Full Committee Hearing to Examine the Department of Energy's Decision-Making Pro... \(senate.gov\)](#)

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

³ [Biden's Energy Loan Czar Founded a Trade Association. Now It's Selling Access to Him. \(freebeacon.com\)](#)

⁴ Id.

*"[He] will not for a period of 2 years from the date of [his] appointment participate in any particular matter involving specific parties that is directly and substantially related to [his] former employer or former clients, including regulations and contracts."*⁵

As the Designated Agency Ethics Official, your oversight is paramount in ensuring that the DOE operates with the highest ethical standards. Given the severity of these issues, I am requesting the following:

1. An official ethics review of Mr. Shah's relationship with Cleantech Leaders Roundtable, as well as other external organizations Mr. Shah has engaged with in his official capacity.
2. A thorough examination and assessment of Mr. Shah's adherence to the Biden Ethics Pledge, including any actions taken by Mr. Shah that may conflict with the pledge's stipulations. This should cover an evaluation of Mr. Shah's recusal protocols and decisions, especially pertaining to matters that could directly benefit his former trade association and its members within the two-year timeframe outlined by the pledge. Please provide documentation on how these protocols have been enforced and any violations that have been identified and addressed.
3. Detailed information on all communications, events, and collaborations between the LPO (including Mr. Shah) and Cleantech Leaders Roundtable, and documentation of any potential influence on loan decisions.
4. A comprehensive overview of DOE's internal reviews or assessments concerning these potential conflicts of interest, including findings and actions taken.
5. Clarification on whether Mr. Shah has faced any recusal concerning dealings with Cleantech Leaders Roundtable or related entities during his tenure at DOE.
6. A full report on any internal complaints or concerns within the DOE regarding the LPO's relationship with Cleantech Leaders Roundtable and the subsequent responses to such complaints.
7. A detailed description of all ethics guidance provided to Mr. Shah related to his employment at DOE.
8. A detailed description of all ethics guidance your office provided to Mr. Shah related to his involvement with the Cleantech Leaders Roundtable.

⁵ [Executive Order on Ethics Commitments by Executive Branch Personnel | The White House](#)

I urge you to address these issues with the urgency and seriousness they warrant. I expect a comprehensive response to these concerns and requests no later than November 21, 2023.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "John Barrasso". The signature is written in a cursive style with a large, looping initial "J".

John Barrasso, M.D.
Ranking Member



Department of Energy

Washington, DC 20585

December 7, 2023

The Honorable John Barrasso
Ranking Member
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

Dear Ranking Member Barrasso,

Thank you for your October 18, 2023 and October 25, 2023 letters regarding my work at the Loan Programs Office (LPO), and specifically about my engagement with Cleantech Leaders Roundtable (CTLR) and DOE's conditional commitment for a loan to Li-Cycle.

I share the Committee's view that it is critical that LPO's programs and evaluation process are fair and impartial, and that potential applicants and the American people see them as fair and impartial. Ensuring proper transparency into and oversight of LPO is paramount to attracting United States companies to work with the office to apply for a loan or loan guarantee and to maintaining the public's trust that taxpayer resources for these programs are protected.

The Department firmly believes in a private-sector led, government-enabled approach to our energy transformation. Under this approach, private sector engagement and leadership is crucial to identifying challenges and opportunities capital allocators face in deploying key energy technologies at scale. As Congress instructed DOE, the private sector and public sector must work together to inform, implement, and effectively leverage resources in landmark legislation like the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA), which together will help the United States make progress in this energy transformation.

When I became Director of the Loan Programs Office, I was tasked with managing our existing active portfolio of loans that were largely originated in the 2010 to 2011 timeframe. The program had otherwise been chiefly dormant. Our applicant pipeline had been very slow to grow, and the private sector did not understand or know how to engage LPO's application process. The LPO application process is rigorous and can take considerable time and effort on the part of the applicant. Part of my mandate was to revitalize the Office and help realize and communicate the potential of LPO. This means restoring trust in the institution by talking to the private sector. This mandate is shared by Congress, who, on a bipartisan basis in both the Energy Act of 2020¹

¹ Energy Act of 2020, § 9010(a)(4) (included as Division Z of the Consolidated Appropriations Act, 2021 (P.L. 116-260) (instructing DOE to "conduct outreach, including through conferences and online programs, to disseminate

and the IJIA,² provided LPO with specific direction to conduct outreach to industry through in-person engagements like conferences and through online communications.

In part in response to these directions, LPO stood up its Outreach and Business Development Division. We hired federal employees with deep private sector expertise, and with diverse technological and geographical backgrounds, in order to regain the trust of America's entrepreneurs and educate industry on opportunities for project financing at LPO. Part of my job is to participate in these outreach efforts to communicate the value of LPO program offerings and take in individual feedback on what may be preventing meritorious applicants from approaching us. In discharging these duties, my team and I have attended hundreds of gatherings and met hundreds of founders to discuss LPO programs. LPO is constantly looking for opportunities to find new entrepreneurial audiences, and welcomes any Congressional recommendations on forums and conferences to attend and spread the word. At these events and engagements, we share publicly available information about LPO and its evaluation process with attendees. Departmental officials, including myself, never offer anyone preferential treatment or share information about LPO or its evaluation process that goes beyond what is available to the broader public, including on our website at energy.gov/lpo and in our public program guidance and solicitations.

LPO's loan application evaluation process, including reviewing and validating applications and underwriting transactions, is the responsibility of the federal staff of the Loan Programs Office. As Director, I stand behind the project finance, technical, and legal expertise and review performed by our expert LPO federal staff, contractor support staff, and third-party advisers. Oftentimes, federal staff elevate transaction-level issues or developments to LPO senior leadership, including our division directors and myself, for our awareness, feedback, and to help with problem-solving. However, I do not make individual decisions regarding whether an application gets through our evaluation process, or whether an applicant ultimately gets issued a loan.

Thanks to Congressional oversight and direction – and in part due to recommendations from the DOE Office of the Inspector General, the Government Accountability Office, and from a 2012 independent review led by Herb Allison – LPO has implemented important reforms that codified and strengthened LPO's structure and governance improvements.

Today, as a result of these reforms, LPO is better prepared to impartially evaluate and underwrite applications and manage risk with proper oversight and without political interference. The

information to potential applicants,” and to “conduct outreach to encourage participation of supporting finance institutions and private lenders in eligible projects”).)

² Infrastructure Investment and Jobs Act, § 40401(b)(3) (P.L. 117-58) (instructing DOE to “conduct outreach, including through conferences and online programs, to disseminate information on awards and loans under this section to potential applicants”).

Department conducts rigorous due diligence that is comparable to, if not more stringent than, what might be done in the private sector. Due diligence includes eligibility determinations and technical, market, financial, credit, legal, and regulatory reviews, among other items. This involves thorough, comprehensive credit underwriting of the transaction with robust risk management processes infused throughout. Through this process LPO identifies clear conditions that must be met prior to closing and funding a given transaction. LPO's transaction process and evaluation criteria are outlined for the public in detail on LPO's website³ and in its program guidance.⁴

After transactions undergo internal LPO validation, they are subject to approval by the Credit Review Board (CRB), the Secretary of Energy, and the Office of Management and Budget (OMB). LPO submits detailed information about the project to OMB and the U.S. Department of the Treasury (U.S. Treasury). OMB reviews the transaction and LPO's estimation of the credit subsidy cost for all loan programs. U.S. Treasury reviews transactions, which includes providing the required written analysis of the financial terms and conditions of the proposed loan for Title 17 transactions. The CRB, composed of senior DOE officials from outside of LPO, is routinely briefed on pending transactions, and the decision about whether to move forward with a given transaction is put to the CRB for a vote prior to conditional commitment. While the CRB is briefed by LPO staff, including myself, on pending transactions, it is responsible for and empowered to seek any information it finds relevant, and is not comprised of LPO staff. If a transaction receives CRB's recommendation that the Secretary of Energy approve the transaction, it must receive both OMB concurrence on the transaction's terms and conditions and apportionment of relevant funds, as well as the Secretary's approval, prior to the conditional commitment being issued to the applicant.⁵ I am a part of the concurrence process that communicates details of the potential deals to the Secretary, but again, I do not make the decision on approving these transactions.⁶

The Infrastructure Investment and Jobs Act also put into statute the evaluation elements for the reasonable prospect of repayment as a condition of loan approval and aligned statute with LPO's practice of ensuring political influence does not impact project selection.⁷ In addition, LPO has

³ U.S. Department of Energy, Loan Programs Office, "Investing with LPO," available at https://www.energy.gov/sites/default/files/2022-11/DOE-LPO_Investing_with_LPO.pdf.

⁴ E.g., U.S. Department of Energy, Loan Programs Office, "Program Guidance for Title 17 Clean Energy Financing Program" (May 19, 2023), available at <https://www.energy.gov/lpo/articles/program-guidance-title-17-clean-energy-program> (outlining evaluation criteria in the Title 17 Clean Energy Financing Program).

⁵ U.S. Department of Energy, Loan Programs Office, "Getting to Know LPO: Managing Risk, Monitoring a Growing Portfolio, and Protecting Taxpayers," (Nov. 3, 2022) available at <https://www.energy.gov/lpo/articles/getting-know-lpo-managing-risk-monitoring-growing-portfolio-and-protecting-taxpayers>.

⁶ See U.S. Department of Energy Redlegation Order No. S3-DEL-LP1-2023, § 1.5, available at <https://www.directives.doe.gov/delegations-documents/s3-del-lp1-2023/@@images/file>.

⁷ U.S. Department of Energy, Loan Programs Office, "Getting to Know LPO: Energy Act of 2020, BIL Implementation," (Nov. 10, 2022) available at <https://www.energy.gov/lpo/articles/getting-know-lpo-energy-act-2020-bil-implementation>.

enhanced its public reporting, including through the Monthly Application Activity Report,⁸ an updated active portfolio summary map,⁹ the continued publication of the Annual Portfolio Status Report,¹⁰ and reports to Congress as directed in the Energy Act of 2020 and IJJA.

I would be remiss if I did not remind the Committee that even with these mitigants, providing high-impact debt financing in line with the LPO mandate carries some risk. While we proactively manage risk when underwriting a loan and monitoring the performance of that loan across the life of a project, it is possible – and indeed, to be expected – that some projects with a reasonable prospect of repayment might not be repaid or recovered in full. Congress has also anticipated these potential losses and accordingly has provided considerable and ample credit subsidy appropriations, which allow the government to budget for expected losses.

I personally take very seriously my responsibility for following proper ethical guidelines to ensure public trust in LPO programs and to avoid any perception of impropriety. As you know, prior to taking my position at LPO, I was a donor and board member of CTRL, a nonprofit organization that is a convener of leaders in the cleantech and climate tech industries. Upon taking office, I consulted DOE ethics advisers and agreed to resign from the CTRL board position to avoid any perception of a potential conflict. I have been unaffiliated with CTRL since I took office, but attended a number of their events in my personal capacity. I consulted DOE ethics experts on any engagements where I was a featured speaker, as is our practice.

I have strived to be clear in my communications with CTRL whether I am participating in my official capacity or my personal capacity. For example, events alluded to in your October 18 letter clearly indicated I was attending in a personal capacity. My attendance in my personal capacity demonstrates my deep interest and engagement with the climate tech industry. Listening to private sector industry experiences enriches my personal understanding of these issues and makes me a better LPO Director. These engagements are *not* forums to discuss details about LPO's evaluation process, business confidential or proprietary applicant information, or other matters that are handled in LPO's official business as part of the evaluation and due diligence of applications.

For the Demonstrate Deploy Decarbonize 2023 (Deploy23) conference, which DOE co-hosted with Cleantech Leaders Climate Forum more than two years after I joined LPO,¹¹ LPO and DOE staff attended this event in their official capacity. When helping to organize Deploy23, LPO staff

⁸ U.S. Department of Energy, Loan Programs Office, "Monthly Application Report," available at <https://www.energy.gov/lpo/monthly-application-activity-report>.

⁹ U.S. Department of Energy, Loan Programs Office, "Portfolio Projects," available at <https://www.energy.gov/lpo/portfolio-projects>.

¹⁰ U.S. Department of Energy, Loan Programs Office, "Annual Portfolio Status Report," available at <https://www.energy.gov/lpo/annual-portfolio-status-report>.

¹¹ Cleantech Leaders Climate Forum is a sister 501(c)(3) organization to Cleantech Leaders Roundtable, a 501(c)(4) nonprofit.

conducted a review within DOE to ensure LPO adhered to the proper event and conference guidelines in the planning and execution of the event. As the inaugural Demonstrate Deploy Decarbonize event, LPO asked for input from across the Department and received feedback and lessons learned prior to and after Deploy23 that DOE will use to guide other events moving forward. In relation to Deploy23 or any other event, neither CTLR nor any of its members, nor any other attendee of these events, received preferential treatment on any LPO or DOE official business matter in general or based upon DOE staff's mere attendance at these events.

As I testified on October 19, 2023 before the Senate Committee on Energy and Natural Resources, I do not individually choose which entities are issued a loan or loan guarantee by the Department. One of my responsibilities as Director of the Loan Programs Office, however, is to get applicants to take the extraordinary step of investing significant effort in applying to LPO. LPO has a responsibility to continue to seek out and meet entrepreneurs, founders, and executives in as many other relevant and appropriate fora around the country as possible, consistent with our mission and mandate from Congress. The dedicated outreach from the entire LPO team has led to increased interest in the office from companies across the United States, with \$157 billion in financing requested across 177 active applications as of the end of September 2023 in areas ranging from advanced nuclear, to carbon management, to clean hydrogen and beyond—a testament to the trust LPO has fostered anew with the private sector. Since the start of the Biden-Harris Administration, LPO has issued or committed more than \$21 billion for projects supporting the deployment of clean hydrogen technology, virtual power plants, domestic critical materials production, and more. These loans, once finalized and once projects are fully operational, will together support up to 40,000 jobs in communities across the United States.

Thank you for the opportunity to discuss this matter. If you have any further questions, please contact Rebecca Ward, Deputy Assistant Secretary for Senate Affairs, at 202-586-5450.

Sincerely,

**Jigar H.
Shah**

Digitally signed by
Jigar H. Shah
Date: 2023.12.06
21:24:09 -05'00'

Jigar Shah

Director, Loan Programs Office

cc: The Honorable Joe Manchin III
Chair, Committee on Energy and Natural Resources