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United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES

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June 5, 2023

The Honorable Jennifer Granholm
Secretary
Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Granholm,

I again write to you regarding the Department of Energy's (Department) selection of Microvast, Inc. to receive \$200 million in taxpayer dollars. Though the Department's award negotiations with Microvast have ended, the oversight duties of Congress as it relates to this matter are not yet complete.

You remain delinquent in providing answers to questions on this topic that I submitted to you in my attached May 1, 2023 letter. In addition to these questions, I am submitting new questions related to the Department's decision to cancel award negotiations with Microvast, as well as questions related to the Department's misleading of investors throughout the award process.

In the interest of transparency and accountability, it is imperative American taxpayers understand what criteria the Department uses both when announcing award negotiations and when canceling them. This lack of clarity surrounding the Department's award processes has led to great confusion and uncertainty for those investing in Department award selectees, as is the case for Microvast investors.

Following the Department's October 19, 2022 announcement that Microvast was one of the companies that "will receive (emphasis added) a combined \$2.8 billion,"¹ Microvast's stock price experienced a one-day surge of more than 40%. On the heels of the Department's official announcement, mainstream press outlets echoed the Department's erroneous claim, saying "Out of the 200 companies [applying] for \$2.8 billion in DOE grant funding, 20 companies were awarded grants."²

Additionally, the White House published an October 19, 2022 press release of its own. The release stated, "President Biden is announcing that the Department of Energy is awarding

¹ [Biden-Harris Administration Awards \\$2.8 Billion to Supercharge U.S. Manufacturing of Batteries for Electric Vehicles and Electric Grid | Department of Energy](#)

² [Microvast, GM Secure \\$200M Grant Funding From US Department Of Energy \(yahoo.com\)](#)

(emphasis added) \$2.8 billion in grants from the Bipartisan Infrastructure Law to 20 manufacturing and processing companies for projects across 12 states.”

On a Reddit webpage dedicated to Microvast, investors reacted to the White House press release with glee. One post stated, “I had to check how many shares I even own at this point bc I wrote this stock off as a total loss a long time ago. It’s good to see we are finally up!”³ Another stated, “Bought 300 more shares today!”⁴ Another post highlighted the flood of trading volume spurred by the erroneous White House announcement, stating, “17,000,000+ shares of volume in past 30 minutes. Mvst to the moon!”⁵ It is irrefutable the White House and Department of Energy’s deceptive press releases were a major catalyst in misleading investors.

After the May 23, 2023 news that the Department had terminated award negotiations with Microvast,⁶ Microvast’s share price plummeted more than 36% in a single day. It is clear that in the minds of investors the Department’s loan to Microvast had been perceived as a guarantee. Without the promise of \$200 million in taxpayer funding, investors fled.

It is inappropriate if not unethical that the federal government has played such an outsized role in a single company’s stock price. The case of Microvast exemplifies the fact that the Department, fueled by Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) funds, has created massive fluctuations in financial markets caused by government misinformation.

I expect the complete cooperation of the Department as Congress works to gather information related to the Department’s award negotiations with Microvast, as well as award processes for other Department selectees. If you require any assistance in responding to this letter or my May 1, 2023 letter, please contact the Senate Committee on Energy and Natural Resources at 202-224-4971. I ask that you provide a written response no later than June 23, 2023.

Sincerely,


John Barrasso, M.D.
Ranking Member

³ [Biden admin awarding 2.8 billion in grants to domestic EV battery manufacturing and processing companies, Microvast among those receiving grants : r/Microvast \(reddit.com\)](#)

⁴ Ibid.

⁵ Ibid.

⁶ [DOE won't award \\$200M to battery company criticized by GOP over China links - POLITICO](#)

Questions

1. Please describe in detail the Department of Energy's decision-making process that ultimately led to the cancellation of award negotiations with Microvast.
 - a. What specific factors led to the Department cancelling award negotiations with Microvast?
 - b. Please provide copies of all Department communication and documents related to the decision to cancel award negotiations with Microvast.
2. Do similar or exact reasons for the termination of negotiations with Microvast apply to any other award selectee(s) the Department is currently negotiating with, or plans to negotiate with in the future?
 - a. Please provide a list of such selectees and qualifying reasons.
3. Does the Department agree its October 19, 2022 press release cited above is factually incorrect?
 - a. If not, why not?
4. Does the Department agree it has misled investors, intentionally or otherwise, of companies named in its October 19, 2022 press release?
 - a. If not, why not?
5. What remedial actions does the Department plan to take as a result of the clear mishandling of the Microvast award process?
 - a. Please describe these actions in detail.