

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of**

**Subcommittee on Energy
Ranking Member Kathy Castor**

Hearing on “The Fiscal Year 2026 Department of Energy Budget”

June 10, 2025

In January 2025, the Trump Administration inherited a Department of Energy that was unleashing a clean energy manufacturing boom.

During the Biden-Harris administration, 1000 new or expanded factories were announced to build American clean energy along with 400,000 good-paying jobs. This American energy renaissance was being led by the Department of Energy, newly equipped with tools from Democratic Congress that ensure we don’t just invent the energy technologies of the future, but can build and scale them here in the United States.

Unfortunately, the Trump Administration has intentionally sabotaged this progress, which will lead to higher household energy bills for working families across the country already struggling with a high cost of living. It will undermine business certainty, harm national security, and cede the next generation of energy innovation and leadership to our competitors like China.

Since January 2025, reports suggest several hundred probationary employees at the Department have been let go, with more than 3,500 other staff accepting buyouts. This includes 77% of workers at the Office of Clean Energy Demonstrations and 50% of staff in the Loan Programs Office. These are just two offices meant to be leading energy manufacturing and security priorities, from grid resilience to critical minerals and next generation nuclear power, that my Republican colleagues claim to prioritize.

Two weeks ago, the Department of Energy cancelled \$3.7 billion in grants at OCED under the Industrial Demonstrations Program – a program funded by Congress to cut carbon emissions and toxic air pollution from power plants and industrial sites. DOE claimed the projects “failed to advance the energy needs of the American people, were not economically viable, and would not generate a positive return on investment of taxpayer dollars”.

This is simply not true. Mr. Chairman, I ask unanimous consent to enter into the record a report from the American Council for an Energy-Efficient Economy that finds the Industrial Demonstrations Program brought in \$14 billion in private investment and would keep domestic industrial facilities competitive with countries around the world.

The uncertainty at the Department of Energy right now is killing investment in America. Let’s look at DOE’s Loan Programs Office, which House Republicans tried to kill in their Big Ugly Bill, as an example.

The Loan Programs Office is exactly the kind of tool we need to provide low-cost financing to projects that traditional investors won’t fund because they are unique or first-of-a-kind investments. This

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is often next-generation technology that American companies have proprietary access to – because we invented it at the Department of Energy or our National Labs. Over its 20-year history, LPO has earned – not lost – money.

However, since President Trump took office, companies, many of whom spent years and millions of dollars to secure a conditional LPO loan commitment, are walking away because they can no longer trust the Department of Energy to be a reliable partner.

Kore Power, who received a conditional loan to build a new lithium battery manufacturing facility in Arizona, has cancelled the project – resulting in 3000 lost American jobs.

Aspen Aerogels received a conditional loan to build a plant in Georgia to make thermal barriers for EV batteries. They've cancelled the plant and will instead expand production in China and Mexico.

PG&E has a final commitment for a \$15 billion loan to build a portfolio of hydropower, batteries, virtual power plants, and transmission, including reconductoring and grid-enhancing technologies. But they haven't drawn down the loan because they don't trust the federal government to fulfill its contractual obligations. Instead, they're now seeking a higher rate of return for 2026 – meaning American consumers will pay higher bills to fund those investments.

The government is not a business – its job is not to be cost-effective or earn a return on investment. The job of government is to spend taxpayer dollars wisely, but also do things that the private sector won't.

When Congress designed and funded these programs, we wanted to help first-of-a-kind projects because they are doing something for the public good. They don't have to make money, though many are. They drive learning, innovation, capability, and make people's lives better.

The FY26 proposed budget fails to understand that vision. And when we lose that vision, we lose America's capacity to innovate and drive costs down – which ultimately hurts American businesses and the American people.

I yield back.