Energy Sec Canceling Billions of Dollars of Biden’s Green Energy Crony Payola Loans

The Biden admin issued $88B in green energy loans after Trump was elected in November

Thomas Catenacci

Energy Secretary Chris Wright hinted that he would soon take action canceling billions of dollars' worth of Biden-era green energy loans that he said do not promote American energy security and are too risky for taxpayers.

In an exclusive interview with the *Washington Free Beacon*, Wright took aim at how the Department of Energy's Loan Programs Office dished out billions of dollars in loans during the final months of the Biden administration. While Wright stopped short of naming particular projects he may cancel loans for, he said the Trump administration would only look to support projects that directly benefit Americans and are not entirely dependent on taxpayer money.

When asked how he will approach pending loans, Wright emphasized that the Department of Energy's core mission is "affordable, reliable, secure energy."

"So, if you've got a project that relates to those things, if you've got equity capital and math that shows your project is going to work, and you're putting your own money in front of it, we can come behind you and provide a little debt capital that can make that happen faster," Wright said. "Those are the kind of deals we'll do."

"We're not going to lend billions of dollars to companies with no money in the technology—who knows if it's gonna work? And even if it did work, it wouldn't add a lot of energy to the United States," he told the *Free Beacon*. "When we lend, our focus is the American people. If this loan is going to make life for the American people better, then we're in favor of it. If this loan is going give some businessman a chance at a holy grail, we're not going to lend in that case."

Wright's comments—which come as his agency continues a broad review of the Loan Programs Office's activities—reflect many of the same concerns expressed by critics who say the Biden administration weaponized its lending authority to fund risky green energy projects like solar panel assembly plants, electric vehicle battery manufacturing, and hydrogen power facilities.

Overall, the Biden Department of Energy closed on 25 loans worth $60.6 billion and issued conditional commitments on loans for 27 projects worth $46.9 billion, according to a *Free Beacon* analysis of federal filings. More than 80 percent of those loan closures and loan commitments came after President Donald Trump defeated former vice president Kamala Harris in November.

The largest loan the Biden administration closed came on Jan. 17, 2025, and was a $15 billion loan supporting California-based utility company Pacific Gas & Electric Company's development of solar and wind power. The largest Biden-era conditional commitment was a loan announced on Jan. 16, 2025, for long-duration battery storage projects the Michigan-based DTE Electric Company is developing.

Other loans issued in the final weeks of the previous administration include: a $9.6 billion loan to support Ford's electric vehicle battery manufacturing, $7.5 billion for Stellantis's electric vehicle battery projects, $6.6 billion for electric vehicle maker Rivian's manufacturing plant, $1.7 billion for a sustainable aviation fuel plant, and $1.5 billion for South Korean solar panel maker QCells's assembly plant.

"The Biden administration's approach to the loan program was to give away as much money as possible and ask questions later," Tom Pyle, the president of the Institute for Energy Research and member of the 2016 Trump transition team, told the *Free Beacon*. "It was an irresponsible stewardship of taxpayer dollars. Secretary Wright should cancel as many of these loans as possible, especially the ones issued during the transition."

"The $6 billion loan to Rivian is a perfect example," Pyle said. "This company is burning through cash and has never made a net profit. Why should we be propping them up with taxpayer dollars?"

Critics also sounded the alarm on how certain projects that won Department of Energy loans under the Biden administration appeared to present conflicts of interest or threats to national security.

In one of its final loan announcements, for example, the agency awarded loans worth $14 billion to DTE Energy and Consumers Energy, two Michigan-based companies that donated tens of thousands of dollars to Biden energy secretary Jennifer Granholm's campaign when she was the state's governor years earlier. And former Loan Programs Office director Jigar Shah held a financial stake in Plug Power—which received a $1.7 billion loan on Jan. 16, 2025—through his green investment firm before joining the office in 2022.

In addition, the *Free Beacon* reported in Feb. 2024 that KORE Power—which the Loan Programs Office promised an $850 million loan to—is co-owned by Chinese battery maker DFD New Materials, a company run by a Chinese Communist Party official. In response, KORE Power said "reducing the equity stake of Chinese shareholders has been a priority of KORE."

Energy Secretary Wright, though, has ruled out closing the office altogether—as some Republican lawmakers have called for. Instead, he suggested the Trump administration may use it to further fund nuclear projects and clean coal power projects.

One such coal-related project may be a fertilizer plant the company Wabash Valley Resources is developing on the site of a shuttered coal plant in Indiana. The Biden administration issued a conditional commitment for a $1.6 billion loan in September 2024, but failed to close on it before leaving office.

In March, though, the Trump administration highlighted the project as a success story, "transforming a coal gasification site into a world-class, low carbon hydrogen and ammonia facility."

"I cannot describe the anxiousness and frustration we, as a fossil energy project, experienced in the last few months of the previous administration," Wabash Valley Resources CEO Nalin Gupta told the *Free Beacon* in an interview. "They redirected all of the limited resources of the Loan Programs Office to come up with an internal color-coded list that focused just on the administration's priorities."

"The loans finalized in the last eight weeks should be carefully reviewed to ensure that they were all subject to the same rigorous process that the LPO applies to other applicants," Gupta continued.

Republican leaders on the House Energy and Commerce Committee are expected to address the future of the Loan Programs Office and its funding in their portion of the budget reconciliation bill being negotiated. The panel could provide clarity on the issue as soon as Monday.

Prior to the Biden administration, meanwhile, the Loan Programs Office was relatively dormant—between 2016-2020, it approved a single loan, an up to $3.7 billion loan guarantee for a Georgia nuclear power plant project in 2019. And during the Obama administration, it lent $535 million to solar panel maker Solyndra, which filed for bankruptcy just two years later and quickly became synonymous with wasteful federal green energy spending.

But Democrats' Inflation Reduction Act of 2022 reactivated the office, giving it hundreds of billions of dollars in additional lending power—a massive increase that quickly made it a centerpiece of the Biden administration's broader climate agenda.

Inside The Dysfunctional Process Driving Biden's 'Clean Energy' Frenzy

By: Michael Chamberlain

We are now uncovering how Biden's mad dash for 'net-zero' emissions meant cutting corners and ignoring norms.

On Jan. 20, President Trump ordered a pause in federal leasing and permitting of offshore wind plants. In mid-April, he halted construction of the Empire Wind installation off the coast of

Long Island, a relief to many in the local fishing and hospitality industries. He also ordered a leasing and permitting review of all 11 offshore wind projects approved during the Biden years.

Interior Secretary Doug Burgum said that Empire Wind's approval "was rushed through by the prior administration without sufficient analysis or consultation among the relevant agencies as relates to the potential effects from the project."

There was a lot of that going around. Offshore wind was a centerpiece of the Biden administration's mad dash for "clean energy" and "net-zero" emissions. The administration acted as though it had this one shot — a limited window in which to throw up as many wind installations as it could. As it turns out, that was true enough. But in the meantime, there were toes to step on and corners to cut.

Just up the coast from Empire Wind is the South Fork Wind installation off Rhode Island. The Biden Bureau of Ocean Energy Management (BOEM) folks didn't exactly endear themselves to the locals. Protect the Public's Trust obtained a letter sent to BOEM in November 2022 by a coalition of local townships, Indian tribes, historic preservation groups and others. "We have NEVER seen a more dysfunctional process," it said.

As part of the permitting process, the Interior Department is required to comply with the National Historic Preservation Act, to assess the effects of federal projects on historic properties, including those of cultural significance to Native Americans. Ocean Energy Management officials told attorneys for the locals they "don't have time to comply with National Historic Preservation Act." An appeal to the federal advisory council tasked with oversight of compliance with that act got them nowhere. As the letter to BOEM said, the "permitting review has become a theater of the absurd."

Biden's Ocean Energy Management team even managed to anger the National Marine Fisheries Service (NMFS), a sister federal agency charged with assessing the significant impacts of offshore construction on sea life and habitat. The Fisheries Service complained that it had been given a construction and operation plan for a major wind project just four days before construction was scheduled to begin, calling it "an unreasonable timeline for review and comment." But the Ocean Energy Management team was in a hurry and wasn't about to let such niceties as allowing its federal colleagues time to do their jobs stand in the way.

A little further north, a few miles off Nantucket, the Vineyard Wind installation was getting an assist from Ocean Energy Management. Like other energy producers granted a lease by the federal government, Vineyard was required to "provide financial assurance for decommissioning costs before the installation of facilities on their lease" — a safeguard against taxpayers being left with the liability of closing down or remediating a lease site.

Vineyard Wind "requested to defer providing the full amount of its decommissioning financial assurance until year 15 of actual operations under its 20-year Power Purchase Agreements," according to documents Protect the Public's Trust obtained through FOIA. Ocean Energy Management obliged.

The Biden Bureau of Ocean Energy Management's reasoning for granting the deferral was that financial assurance was "unnecessarily burdensome for lessees because, at that point, they have not begun receiving project income," that the project used "proven wind turbine technology," and because of "guaranteed electricity sales prices that, coupled with the consistent supply of wind energy, ensure a predictable income over the life of the Project."

Nantucket residents must have found those reasons a comfort when they learned of development companies backing out of wind leases elsewhere because the economic benefits weren't there. And when dangerous debris from a defective Vineyard turbine forced them to close beaches and the entire installation sat dormant for six months of 2024.

Ironically, at the same time the Bureau of Ocean Energy Management was granting wind projects exemptions from financial assurance requirements, it was also changing these rules for oil drilling in the Gulf of Mexico in ways destined to drive small, independent producers from the market. They were picking winners and losers in the energy industry.

Now we learn that it wasn't just Vineyard Wind that was winning. In late spring 2024, the administration finalized rules to expand the project's sweetheart deal to all offshore wind installations. It was just a few weeks later that one of Vineyard Wind's turbine blades failed.

The Biden administration let little – certainly not rules, traditions, or norms – stand in the way of its climate frenzy. After only a few months on the job, Secretary Burgum is learning just how far his predecessors were willing to push to get what they wanted.