

United States Senate

WASHINGTON, DC 20510

June 17, 2025

The Honorable Chris Wright
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Wright:

We write with deep concern regarding the U.S. Department of Energy's (DOE) terminations of energy projects in California that were supported by the Office of Clean Energy Demonstrations (OCED). These unlawful terminations represent a significant setback for American energy independence, and they undermine California and America's leadership in the globally competitive clean energy industry. We urge you to work with recipients to reinstate their grant awards.

On May 30, DOE canceled \$3.7 billion in funding for 24 clean energy projects around the country, including in Alabama, Arizona, California, Illinois, Kentucky, Louisiana, Massachusetts, Michigan, Nevada, New York, Ohio, Texas, Washington, and Wyoming. In California alone, DOE terminated \$845 million in project funding. These terminations are unnecessarily harmful to California's industries, who often push the cutting edge of innovation forward.

One of the largest cancellations targeted the National Cement Company of California Inc., which lost \$500 million for their Lebec Net-Zero Project to focus on carbon capture and the development of carbon-neutral cement, a manufacturing process that is notoriously emissions-intensive. Not only would this project have accelerated decarbonization efforts, but it would have also created hundreds of local jobs in construction and plant operations. Another canceled project in California was \$270 million for implementing carbon capture at a natural gas power plant in Yuba City. This project, which supported the same traditional sources of energy that the Trump DOE claims to support, would have helped reduce 95 percent of CO₂ emissions from the plant and provided Northern California with more low-carbon electricity. DOE canceled another \$75 million for a project focused on testing new technology at Gallo Glass Company furnaces in Modesto. This project would have reduced natural gas use by 70 percent and would have used union labor to produce glass for California's wine industry.

These grants were provided through legally binding contract agreements between recipients and the federal government and, therefore, cannot be canceled on a political whim. DOE claims that the agency evaluated the investments "on a case-by-case basis to identify waste of taxpayer dollars," and yet your agency has not provided any information to Congress detailing waste of any kind. These terminations follow your agency's May 15 announcement that DOE would

review 179 awards totaling over \$15 billion for projects dedicated to updating power grids and supporting the domestic manufacture of batteries, which has created significant chaos and uncertainty in America's energy and manufacturing sectors.

Additionally, it has been reported that DOE may be planning to close OCED, which has contributed to more than 70 percent of staff in that office departing the agency. In 2021, Congress directed the establishment of OCED in the bipartisan Infrastructure Investment and Jobs Act. OCED's mission is to advance large-scale demonstration projects to accelerate the deployment and market adoption of energy technologies like clean hydrogen, carbon management, advanced nuclear reactors, and long-duration energy storage. Until recently, these were bipartisan initiatives.

DOE's attacks on cutting-edge clean energy projects run counter to our shared interest in boosting energy production, innovation, and economic vitality. The United States cannot afford to halt our progress and hinder American companies' efforts to move beyond outdated technologies if we hope to remain competitive and truly energy dominant around the globe. These irrational cancellations will increase energy prices, hamper innovation, and set us backwards as we strive toward a clean energy future. We ask that you reinstate the \$3.7 billion in canceled OCED funding so that we may bolster American energy production and maintain our competitive edge.

Thank you and we look forward to your response.

Sincerely,



Adam B. Schiff
United States Senator



Alex Padilla
United States Senator