

Congress of the United States

Washington, DC 20515

October 20, 2025

Ms. Sarah Nelson
Acting Inspector General
U.S. Department of Energy
1000 Independence Ave. S.W.
Washington, D.C. 20585

Dear Acting Inspector General Nelson:

We write to request that your office immediately launch a formal investigation of the U.S. Department of Energy's (DOE) recent termination of \$7.56 billion in grant awards in states that did not vote for the President. These unjustified terminations call into question whether DOE followed appropriations law and raise serious doubts about the Department's ability to meet its contractual and grant obligations. Terminating grants based on partisan criteria suggests significant unlawful bias at the highest levels of the Department. Therefore, a full investigation is warranted.

On October 1, 2025, Office of Management and Budget Director Russell Vought posted on X: "Nearly \$8 billion in Green New Scam funding to fuel the Left's climate agenda is being cancelled. More info to come from @ENERGY. The projects are in the following states: CA, CO, CT, DE, HI, IL, MD, MA, MN, NH, NJ, NM, NY, OR, VT, WA". Every one of these states gave their electoral votes to Kamala Harris in the 2024 presidential election. Out of the 321 awards deemed unworthy by DOE, it strains credulity to believe that all but seven of them happened to be in blue states.

No state was hit harder by these terminations than California. Out of the 321 terminated awards, DOE chose to cancel 79 awards in California, alone. In total, more than \$2 billion of federally funded projects for California were included in this barrage of terminations. The recipients included state government, local governments, electric utilities, and innovative American energy companies. One of the projects would have provided backup battery power for a children's hospital in Madera. One award for \$1.2 billion was for the ARCHES hydrogen hub, a significant project that garnered public support from both Democrats and Republicans.¹ Scores of projects were focused on boosting grid reliability and American domestic manufacturing. Overall, DOE's terminations threaten the existence of thousands of jobs in the energy, construction, and manufacturing sectors.

It is not clear to us how DOE could have considered these projects unworthy of continuance, save for the obvious partisan reasons outlined above. Secretary Wright even specifically called out our state during interviews on CNN and Fox News: "California can do what it wants, but the 49 other states' taxpayers shouldn't be subsidizing that."² In the past several years, California has annually contributed around \$600 billion in revenue to the federal government, making it a top donor state to the federal Treasury.³

The process by which these terminations were approved also warrants intense scrutiny. During his interview with CNN on October 2, 2025, Secretary Wright explained that these terminations were a result of a months-

¹ <https://www.padilla.senate.gov/newsroom/press-releases/padilla-schiff-whitesides-levin-lead-bipartisan-bicameral-ca-delegation-push-to-preserve-arches-hydrogen-hub-funding/>

² https://www.youtube.com/watch?v=qQl4jM_YkDo

³ <https://calbudgetcenter.org/resources/is-california-a-donor-state-heres-how-much-it-pays-to-the-feds-vs-what-it-gets-back/>

long review of more than 2,400 projects.⁴ It remains unclear why such a review was necessary, and the Department has failed to produce a shred of evidence purporting waste, fraud, or abuse in any of these thousands of projects approved under the last administration. Indeed, the only criteria that condemned these projects to termination seem to be: 1) they were approved under the Biden Administration and 2) they were awarded to recipients located in states that did not vote for the President. Secretary Wright also mentioned that this review was conducted by “a team of seven or eight people”.⁵ The positions and qualifications of these individuals deserve scrutiny; it is unknown, for instance, if this team of people was comprised of any career officials, agency lawyers, or technical experts, or whether the team was comprised of DOGE personnel.

The Department’s press release states: “Using this review process, DOE evaluated each of these awards and determined that they did not meet the economic, national security or energy security standards necessary to justify continued investment.”⁶ There are serious problems with this statement. First, DOE has provided no evidence or quantifiable data to Congress to justify any assertion that these projects did not meet economic, national security, or energy security standards. In fact, DOE has demonstrated a stunning lack of responsiveness to congressional correspondence on previous grant terminations.⁷

Second, no order, whether presidential or secretarial, can override a statute enacted by Congress. Much of the funding for these projects came from the Infrastructure Investment and Jobs Act, a law that Congress passed with the support of both Democrats and Republicans. Congress directed DOE to establish these programs and use this funding to provide grant awards to further the intent of the statute. DOE does not have the authority to ignore the law, and Congress did not provide DOE with the discretion to terminate awards based on nebulous new criteria created by the Secretary years after enactment of the statute that funded and provided direction for these projects.

It is also unclear whether the Department conducted the appropriate internal reviews and analyses prior to approving these terminations, which raises important legal questions. Additionally, grant recipients were largely excluded from these deliberations and kept in the dark. Days after DOE’s termination announcement, many recipients reported that they had not even received a termination notice from the Department. At the very least, recipients deserve communication from the agency and an opportunity to appeal in accordance with DOE grant regulations. DOE’s actions cast doubt on the Department’s ability to be a reliable and trustworthy partner for the private sector.

It is imperative that these terminations be thoroughly investigated and the results shared with the Congress, especially in light of Secretary Wright’s assertion that he does not intend to stop wantonly terminating grant awards: “We released some announcements a few months ago. We’ll have many more coming this fall.”⁸ These 321 grant project terminations will have real effects on affordability for our constituents and on the nation’s competitiveness. In the last year, electricity prices have increased twice as fast as the overall cost of living.⁹ Secretary Wright and the Trump administration’s decision to take \$7.56 billion in energy projects offline is going to further constrain supply and send Americans’ electric bills through the roof.

⁴ https://www.youtube.com/watch?v=qQl4jM_YkDo

⁵ Ibid.

⁶ <https://www.energy.gov/articles/energy-department-announces-termination-223-projects-saving-over-75-billion>

⁷ See June 17, 2025, letter from Sens. Schiff and Padilla and September 9, 2025, letter from Ranking Members Heinrich, Lofgren, and Pallone regarding OCED terminations

⁸ https://www.youtube.com/watch?v=qQl4jM_YkDo

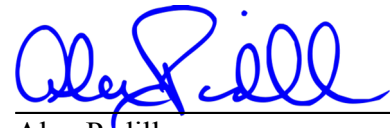
⁹ <https://www.bls.gov/news.release/cpi.nr0.htm>

Secretary Wright's termination decisions are both unlawful and will cause harm to Americans. We respectfully request that your office investigate these terminations thoroughly. Thank you for your consideration.

Sincerely,



Adam B. Schiff
United States Senator



Alex Padilla
United States Senator



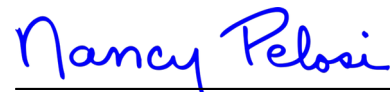
Zoe Lofgren
Member of Congress
Chair, California Democratic
Congressional Delegation



Sydney Kamlager-Dove
Member of Congress



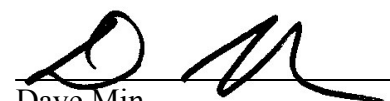
Ted W. Lieu
Member of Congress



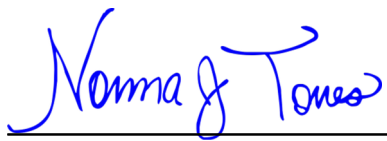
Nancy Pelosi
Member of Congress



Kevin Mullin
Member of Congress



Dave Min
Member of Congress



Norma J. Torres
Member of Congress



Robert Garcia
Member of Congress



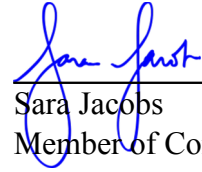
Derek T. Tran
Member of Congress



Raul Ruiz, M.D.
Member of Congress



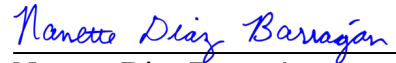
Judy Chu
Member of Congress



Sara Jacobs
Member of Congress



John Garamendi
Member of Congress



Nanette Diaz Barragán
Member of Congress



Julia Brownley
Member of Congress



Jared Huffman
Member of Congress



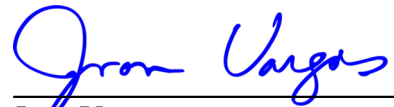
Ami Bera, M.D.
Member of Congress



Lateefah Simon
Member of Congress



Scott H. Peters
Member of Congress



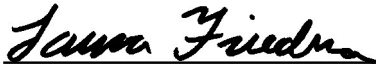
Juan Vargas
Member of Congress



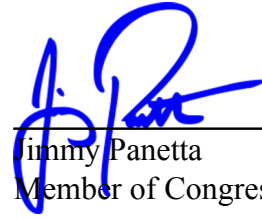
Doris Matsui
Member of Congress



Mike Levin
Member of Congress



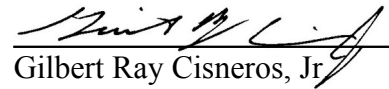
Laura Friedman
Member of Congress



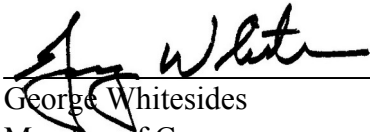
Jimmy Panetta
Member of Congress



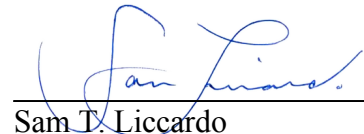
Luz M. Rivas
Member of Congress



Gilbert Ray Cisneros, Jr.
Member of Congress



George Whitesides
Member of Congress



Sam T. Liccardo
Member of Congress

cc: The Honorable Chris Wright
Secretary of Energy