

green scissors

Cutting Wasteful and Environmentally Harmful Spending

Secretary Ernest Moniz
Department of Energy
1000 Independence Avenue Southwest
Washington, DC 20585

May 25, 2016

RE: Texas Clean Energy Project extension

Dear Secretary Moniz:

The Green Scissors coalition is deeply concerned by the U.S. Department of Energy's (DOE) recent decision to continue support for the Texas Clean Energy Project. As a coalition of free-market, taxpayer and environmental groups dedicated to eliminating wasteful and environmentally harmful government spending, we believe the Office of Fossil Energy should end the cooperative agreement with Summit Power and permanently withdraw funding from the project. Instead, the Office of Fossil Energy has reportedly extended the agreement—again—to July 1 after Summit Power missed the May 13 deadline to reach financial close. This is a worrying development for both taxpayers and the environment.

The DOE Office of the Inspector General's recent report made it abundantly clear the DOE has already made a number of irresponsible decisions in support of the Texas project. These include the decision to circumvent the department's own spending controls by laying out \$100 million more than they allowed while the project unsuccessfully sought to secure financing during Phase 1.

In light of the project's persistent failure to meet necessary milestones, the DOE's decision in February to deny Summit Power's request and suspend its funding was prudent, if overdue. However, extending the project's cooperative agreement and leaving open the possibility to provide further support only increases the department's financial exposure. The \$116 million already lost cannot be recovered, but it is not too late to protect taxpayers from further waste by withdrawing the remaining \$220 million earmarked for the facility.

As the new deadline approaches, we once again ask the DOE to take the only fiscally and environmentally responsible course by withdrawing all funds for the Texas Clean Energy Project and permanently ending the cooperative agreement.

Respectfully,

The Green Scissors coalition

Friends of the Earth
Taxpayers for Common Sense
The R Street Institute

CC Christopher A. Smith, Assistant Secretary for Fossil Energy