

## Congress Puts DOE & EPA Grants/Loans Under the Microscope

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Changes in Washington mean changing priorities in federal expenditures.

Such is the case with Congress's approach to energy and environmental spending under the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) passed during the Biden Administration. IIJA and the IRA allocated an additional \$200 billion combined to the Department of Energy (DOE) and the Environmental Protection Agency (EPA). This influx of appropriations allowed these agencies to greatly expand their loan and grant programs in recent years, targeting renewable energy technologies and environmental justice programs.

As extensively discussed in prior [client alerts](#), these programs have been targeted by the Executive Branch for special scrutiny and in some cases, the Federal government has simply stopped paying awardees funds due.

With Republicans now controlling Congress, they are taking a closer look at the loans and grants awarded by DOE and EPA under those two landmark laws, especially those that were issued in the final days of the Biden Administration.

The House Energy and Commerce Committee's [Oversight Plan](#) for the 119th Congress announced, that the Committee "will continue to review management and implementation of clean energy and advanced technology grant and loan programs authorized under the Energy Policy Act of 2005, the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA)," and "[t]he Committee will also conduct general oversight of the EPA, including review of the agency's funding decisions, resource allocation, grants, research activities, compliance and enforcement actions, public transparency, implementation of new statutory authorities, such as the IIJA and IRA, and respect for economic, procedural, public health, and environmental standards in regulatory actions." Further, "[t]he Committee will also conduct oversight over the DOE's grant and loan programs that fund production in foreign jurisdictions, particularly in facilities controlled by China and the CCP."

Following through on this declared intention, on February 26, the Energy and Commerce House Subcommittee on Oversight and Investigations [held a Congressional hearing](#) titled “*Examining The Biden Administration’s Energy And Environment Spending Push.*” Subcommittee Chair Gary Palmer (R-AL) said in his opening remarks, “As this Subcommittee examined last Congress, spending large amounts of funding, particularly in short timeframes carries tremendous risk.”

Rep. Palmer also [questioned](#) the DOE and EPA’s abilities to ferret out waste, fraud, and abuse, and said the Congressional hearing is designed “to evaluate whether the appropriate due diligence was done to ensure taxpayer dollars went to eligible parties and the funds are being used appropriately.”

In addition, the Committee received testimony from the [EPA Office of Inspector General](#) (OIG), the [DOE OIG](#) and from the [Government Accountability Office](#) (GAO), which have reported on ..risk factors for waste, fraud, and abuse. According to the Chairman, “These risks increased under past infusions of funding as agencies rushed to move large amounts of funding in a short amount of time.”

## Concurrent Actions from the Administration

On Monday, March 3, 2025, EPA [announced](#) that the new Administrator Lee Zeldin requested an IG probe of the management of the Greenhouse Gas Reduction Fund, a \$20 billion climate fund. In a statement, the EPA said that the Justice Department and FBI are conducting “concurrent investigations” of the fund. Should the IG identify [clear examples](#) of fraud, waste, and abuse, that could become the basis to cancel prior obligations.

## What’s Next to Consider

Companies that have received DOE and EPA loans or grants in recent years, especially at the conclusion of the Biden Administration, should anticipate increased risk of Congressional or OIG inquiry. It will be imperative to accurately answer the question, “how did you spend taxpayer dollars.” These inquiries can be especially difficult to navigate and will benefit from the advice of experienced counsel who can help navigate the company through difficult terrain. Congressional inquiries, in particular, can be both factual and political in nature.

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