

# Congress of the United States

## House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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WASHINGTON, DC 20515-6301

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[www.science.house.gov](http://www.science.house.gov)

December 9, 2015

The Honorable Earnest Moniz  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington DC 20585  
United States

Dear Secretary Moniz:

The Committee on Science, Space, and Technology is conducting oversight of the Department of Energy's (DOE) Title XVII Section 1703 Loan Guarantee Program, particularly all loans made to subsidiaries of the Abengoa S.A. renewable energy company. To assist the Committee's oversight of these matters, I am writing to request related documents and information.

Abengoa S.A., a Spanish renewable energy company, continues to struggle financially, and filed for preliminary creditor protection on November 25, 2015.<sup>1</sup> According to Forbes, Abengoa "initiated insolvency proceedings in Spain last week after the renewable energy company failed to close a deal with a major new investor."<sup>2</sup> Abengoa's stock prices have dropped dramatically over the past year, falling from \$29.32 in September 2014 to \$1.90 this week.<sup>3</sup>

The company has received three loan guarantees from the Department. In December 2010, DOE issued a \$1.45 billion loan guarantee to the Solana concentrating solar power plant, owned by Abengoa S.A. and Abengoa Solar LLC.<sup>4</sup> The Department issued two loans to

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<sup>1</sup> Neumann, Jeanette and Roman, David, "Spain's Abengoa Files for Creditor Protection." November 25, 2015. Available at <http://www.wsj.com/articles/spains-abengoa-files-for-creditor-protection-1448457865?cb=logged0.6251959870569408>

<sup>2</sup> Pentland, William, "Spain's Renewable Energy Powerhouse Abengoa Teeters Toward Bankruptcy." Forbes, November 30, 2015, available at <http://www.forbes.com/sites/williampentland/2015/11/30/spains-renewable-energy-powerhouse-teeters-toward-bankruptcy/>

<sup>3</sup> Abengoa, S.A. Stock Quote & Summary Data. Updated December 9, 2015. Available at <http://www.nasdaq.com/symbol/abgb>

<sup>4</sup> U.S. Department of Energy, *Solana Project Summary*, updated March 2015, available at <http://www.energy.gov/lpo/solana>

Abengoa companies in September 2011. Abengoa Bioenergy Biomass of Kansas (ABBK) received a \$132.5 million loan guarantee for the construction of a commercial scale cellulosic biofuel plant, which remains under construction and has yet to sell a gallon of the biofuels promised with the facility.<sup>5</sup> The Mojave concentrating solar power project, owned by Abengoa S.A. and Abengoa Solar LLC, received a \$1.2 billion loan guarantee from DOE.<sup>6</sup>

Since the Department continues to expand the loan guarantee program, specifically with the recent announcement of an additional \$1 billion in loan guarantees available for commercial scale distributed energy projects, the bankruptcy of another significant loan guarantee recipient raises questions about the Loan Program Office (LPO) process for vetting loan guarantee recipients.<sup>7</sup> It is essential that DOE learns from its mistakes and exercises a robust due diligence process to ensure the validity of future loan programs. The DOE IG report on the Solyndra loan guarantee, released in August 2015, found that DOE officials repeatedly failed to verify claims made about performance and sales provided by the company, and relied on third party reviews of Solyndra's finances.<sup>8</sup>

Given the Committee's responsibility to ensure that limited federal resources for research, development, demonstration, and commercial application of energy technologies are spent wisely, greater detail regarding DOE management of the Abengoa S.A. loan portfolio is warranted. In order to assist the Committee with its oversight, please produce the following documents, in electronic format:

1. Information regarding the outstanding balance for any Abengoa S.A. loans covered under existing DOE loan guarantees, including documents outlining the structure and repayment of the loans.
2. All documents and communications referring or relating to the Abengoa S.A. or subsidiary companies loan portfolio, including but not limited to communications between or among DOE, the Executive Office of the President, and other outside organizations. Please include all e-mail, text messages, telephone records, meeting notes, memoranda, and other documents.
3. All documents and communications referring or relating to Abengoa S.A. and the Loan Program Office project risk list.

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<sup>5</sup> U.S. Department of Energy, *Abengoa Bioenergy*, updated March 2015, available at <http://energy.gov/lpo/abengoa-bioenergy>

<sup>6</sup> U.S. Department of Energy, *Mojave Project Summary*, updated March 2015, available at <http://energy.gov/lpo/mojave>

<sup>7</sup> U.S. Department of Energy, *President Obama Announces More Than a Billion Dollars in Energy Department Initiatives to Advance Innovative Clean Energy Technologies*. August 24, 2015, available at <http://www.energy.gov/articles/president-obama-announces-more-billion-dollars-energy-department-initiatives-advance>

<sup>8</sup> U.S. Department of Energy Office of the Inspector General, *Special Report: The Department of Energy's Loan Guarantee to Solyndra, Inc.* August 24, 2015, available at <http://energy.gov/sites/prod/files/2015/08/f26/11-0078-1.pdf>

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4. A complete documentation of the Loan Program Office risk list and the contents of the list since January 1, 2012, to present.

We request that you provide the requested documents and information as soon as possible, but no later than noon on Wednesday, December 23, 2015. When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2321 of the Rayburn House Office Building and the Minority Staff in Room 394 of the Ford House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

If you have any questions about this request, please contact Emily Domenech of the Committee Staff at 202-226-2179. Thank you for your attention to this matter.

Sincerely,



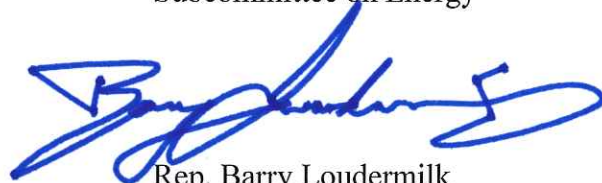
Rep. Lamar Smith  
Chairman



Rep. Randy Weber  
Chairman  
Subcommittee on Energy



Rep. Jim Bridenstine  
Chairman  
Subcommittee on Environment



Rep. Barry Loudermilk  
Chairman  
Subcommittee on Oversight

cc: The Honorable Eddie Bernice Johnson, Ranking Minority Member