



Department of Energy

Washington, DC 20585

September 23, 2011

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your September 20, 2011, letter regarding the Department of Energy's (DOE) Title XVII Loan Guarantee Program. The Secretary has asked me to reply on his behalf.

In your letter you raised three specific questions about the closing of loan guarantee transactions under Section 1705. The ten conditional commitments that you describe were issued after a rigorous due diligence process and extensive inter-agency consultation. The projects were selected for consideration of a conditional commitment based on their readiness to proceed and the judgment of professional staff that they could reasonably be expected to close by the September 30th deadline. DOE and the project sponsors have been working diligently to complete the work necessary to close the loan guarantees for those projects. While we expect many of them to achieve a closing prior to the sunset, it appears likely that at least two of them will not close by the sunset.

Section 1705(a) of Title XVII of the Energy Policy Act of 2005 (42 U.S.C. 16511 et seq.) authorizes the Secretary to issue loan guarantees for specified categories of projects that commence construction not later than September 30, 2011. Section 1705(e) provides that the "authority to enter into guarantees under this section [1705] shall expire on September 30, 2011." We are not aware of any authority that would provide for extensions of those deadlines.

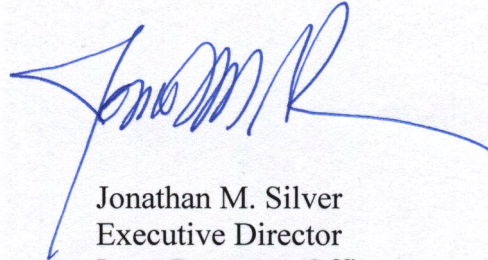
We are not in a position to predict the result for projects that do not close prior to the sunset, as that will depend on decisions by the project sponsors. All of the projects have expended considerable resources (financial and otherwise) in an effort to achieve closing by the deadline. That investment could potentially be lost.

In addition to responses to those questions, your letter requests a briefing for your staff and additional documents. As with previous requests, DOE is committed to providing the information that the Committee needs for its investigation, and we will continue to work with your staff to respond to those further requests. If we can be of other assistance, please do not



hesitate to contact me or Mr. Christopher Davis, Deputy Assistant Secretary for House Affairs, Office of Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jonathan M. Silver', is written over a light blue rectangular background.

Jonathan M. Silver
Executive Director
Loan Programs Office

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Cliff Stearns, Chairman,
Subcommittee on Oversight and Investigations

The Honorable Diana DeGette, Ranking Member,
Subcommittee on Oversight and Investigations

The Honorable Ed Whitfield, Chairman,
Subcommittee on Energy and Power

The Honorable Bobby Rush, Ranking Member,
Subcommittee on Oversight and Investigations