

green scissors

Cutting Wasteful and Environmentally Harmful Spending

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

May 12, 2016

Dear Secretary Moniz:

The Green Scissors coalition is deeply concerned by the U.S. Department of Energy's ongoing 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 urge you to withdraw funding from this facility permanently.

A recent special report from the DOE Inspector General's Office reveals a number of alarming actions taken by the department. The report indicates that, after making a \$450 million commitment to the project, the DOE prudently established caps for how much money could be disbursed during each of the project's four phases. However, the report states that, after hitting the \$15 million cap it had created for phase 1, the department "circumvented" its own controls and improperly shifted an additional \$100 million to the project ahead of schedule, even as the project's owners made no headway to secure private financial backing.

It now appears inevitable that the Texas Clean Energy Project is going to go the way of FutureGen2.0 and Hydrogen Energy California—projects that managed to secure millions in largesse from taxpayers before collapsing. While \$116 million already has been lost to the facility, it's not too late to protect taxpayers from further waste. Temporarily suspending additional funding in February was a step in the right direction, but the DOE must now permanently withdraw the remaining \$220 million earmarked for the project.

Subsidies for carbon capture and sequestration are neither a solution to climate change nor a wise use of tax dollars. The DOE now has the opportunity to pursue a course of action that is both fiscally and environmentally responsible—withdraw the funds for the Texas Clean Energy Project.

Respectfully,

The Green Scissors coalition

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