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**UNLEASHING INDIAN ENERGY—EXAMINING
FEDERAL PROGRAMS AT THE U.S.
DEPARTMENT OF ENERGY**

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS

UNITED STATES SENATE

ONE HUNDRED NINETEENTH CONGRESS

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**UNLEASHING INDIAN ENERGY—EXAMINING
FEDERAL PROGRAMS AT THE U.S.
DEPARTMENT OF ENERGY**

WEDNESDAY, SEPTEMBER 10, 2025

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 2:51 p.m. in room 628, Dirksen Senate Office Building, Hon. Lisa Murkowski, Chairman of the Committee, presiding.

**OPENING STATEMENT OF HON. LISA MURKOWSKI,
U.S. SENATOR FROM ALASKA**

The CHAIRMAN. Good afternoon, everyone. I will invite the witnesses to come forward.

I now call this oversight hearing to order. At today's hearing, we are going to learn more about the Department of Energy's tribal energy programs, both its Office of Indian Energy and the loan program office's Tribal Energy Financing Program, and how these programs are working and what can be improved upon to better serve tribes in their efforts to unleash their energy resources.

We will also be able to hear from the Denali Commission about its work and partnership with DOE and promoting energy infrastructure in rural Alaska Native communities.

Tribes were historically left out of national electrification efforts, and still today face lower rates of electricity access and higher energy cost burdens than other communities in America. The Office of Indian Energy Policy and Programs at the Department of Energy is helping fill these gaps by providing technical and financial assistance to tribes across the Country.

In Igiugig, Alaska, for example, the Office of Indian Energy helped fund the installation of two hydro-kinetic devices on the Kvichak River, and energy storage technology. The devices were designed specifically to not disturb the sockeye salmon that run in the Kvichak, which Igiugig residents rely upon for subsistence.

The devices augment the community's diesel fuel facility, saving the small community nearly \$170,000 a year, which is a lot of money for a small community.

And this is not a one-off example. There are tribally-led opportunities for development and community sustainability across Indian Country and Alaska. While tribal lands only account for 2 percent of all lands in the Country, they contain an estimated 50 percent

of potential uranium reserves, 30 percent of coal reserves west of the Mississippi, 20 percent of known oil and gas reserves, and 6.5 percent of all utility-scale potential renewable energy resources.

As more tribes jump into the energy development space and look to build resilience in their existing energy systems, lower costs, and generate revenue that can then be used to boost the tribal economy and social services, they often need greater amounts of capital. Unfortunately, we know that complexities due to permitting, land jurisdiction and ownership, and the unfamiliarity of banking with lending to tribes means that tribes are often at a disadvantage when developing their own resources and connecting their communities to the grid.

Eight-six percent of tribal lands with energy potential are undeveloped and this, I think, is unacceptable.

Here in Congress we have worked on a bipartisan basis to try and provide avenues for tribal capital access. Yet, as the GAO has found in their Tribal Energy Finance Report, one of those avenues, the Tribal Energy Financing Program at DOE, is not working. Meant to enable tribal access to loans and loan guarantees, DOE's loan program office has successfully closed only one loan guarantee since the solicitation was first issued in 2018. You will hear that repeated throughout today's oversight.

Since 2018, only one loan guarantee has been closed; no loans.

We talked about this before in the Committee, and both Congress and DOE have taken multiple steps to improve the program. But these haven't gone far enough. So I am going to look forward to hearing from GAO on their recommendations, particularly the potential for a public financing pathway.

Such a change could improve program implementation by allowing DOE to treat tribes as the governments they are, rather than as large-scale utilities or private equity groups that receive the other kinds of loans from LPO. Maybe then we would see the existing \$20 billion in loan authority that exists utilized to get the projects done.

The insights and feedback that we garner here today will help us as we work together to ensure that tribes are poised to take advantage of their resources, build more resilient, cost-effective energy systems, and benefit from and contribute to this administration's focus on unleashing American energy.

I also want to note that our hearing record is open for two weeks, and we will welcome feedback from tribes and Tribal Energy Development Organizations on these topics as well.

So I now turn to the Vice Chair for his opening statement.

**STATEMENT OF HON. BRIAN SCHATZ,
U.S. SENATOR FROM HAWAII**

Senator SCHATZ. Thank you, Chair Murkowski.

Last Congress, we made historic bipartisan investments in Indian Country's energy future and its ability to determine that future for itself, whether through non-renewable or renewable sources. We authorized nearly half a billion dollars directly to Native communities for their energy needs, and made them eligible for billions more.

Our goal was to help set up Native communities on a new path to energy security regardless of the type of energy. Until recently, we saw dividends on those investments. For example, the Tribal Energy Loan Guarantee Program issued its first successful loan after the IRA increased its loan guarantee amount from \$2 billion to \$20 billion, and authorized \$75 million for tribes to help stand up their energy projects.

We also acted so that tribes could receive DOE funds to address their energy needs in ways that work for them and empower their energy sovereignty. Congress listened to Native communities and invested in their energy development potential, putting them in the driver's seat. We made progress, but now there are real efforts to undo that progress.

The One Big Beautiful Bill Act is a case in point. More than 100 tribes wrote about the importance of the Tribal Energy Loan Guarantee Program and the IRA's tax credits, urging Congress not to reverse course. But over the objection of Native communities and their industry partners, the One Big Beautiful Bill rescinded millions in funding for the DOE's Tribal Energy Loan Guarantee Program and raised energy costs by terminating tax credits that could account for up to 70 percent of project costs for tribes and their energy partners.

On top of this, President Trump is directing agencies to cancel and delay renewable energy projects only. And his proposed cuts to DOE funding and staff will exacerbate the brain drain from thousands of employees who have already left to thousands more who may be subject to DOE's RIF plan.

This historic loss of staff and resources creates risks for tribes whose energy goals can't be met without Federal dollars, and the expertise of agency staff who make tribal energy projects a reality.

Last Congress, we started to move past the status quo. But now it feels like we are not even returning to that old mark, but going past it. So I want to better understand what is happening at DOE, so that we can continue working in a bipartisan way to hold the Federal Government accountable to Indian Country's energy needs.

I look forward to the testimony from today's panel, and I thank you for coming to testify.

The CHAIRMAN. Thank you, Vice Chair Schatz.

We will now turn to witnesses. We have today Mr. David Conrad. He is the Acting Director and Deputy Director at the U.S. Department of Energy Office of Indian Energy Policy and Programs. He will be followed by Dr. Anna Maria Ortiz, who is the Director at the Government Accountability Office, GAO, in the Natural Resources and Environment Division. And we have the opportunity today to have back before the Committee Ms. Jocelyn Fenton. Jocelyn is the Director of Programs at the Denali Commission.

Thank you for being here, all of you. Jocelyn, thank you for making the long trip from Alaska to be here today.

I want to remind the witnesses that we do have your full written testimony. It will be part of the official hearing record, so we would ask that you keep your oral comments to no more than five minutes, so we have plenty of time for members to ask questions.

Mr. Conrad, if you would please begin with your testimony.

STATEMENT OF DAVID CONRAD, ACTING DIRECTOR/DEPUTY DIRECTOR, OFFICE OF INDIAN ENERGY POLICY AND PROGRAMS, U.S. DEPARTMENT OF ENERGY

Mr. CONRAD. Good afternoon, Chair Murkowski and Vice Chair Schatz, and members of the Committee. Thank you for the invitation to speak about unleashing tribal energy.

My name is David Conrad, as you mentioned. I am a citizen of the Osage Nation. I am proud to serve as the Deputy Director and Acting Director of the Department of Energy's Office of Indian Energy.

My career began with the Council of Energy Resource Tribes in 1991 and has centered on tribal energy ever since. I have worked in intergovernmental relations and energy development, both within tribal government and the Federal Government.

These experiences have given me an understanding of the tribal energy sector's complexities and the transformative potential for tribal nations.

Twenty years ago, this Committee championed the Indian Tribal Energy Development and Self-Determination Act. It was a vital part of the Energy Policy Act of 2005, establishing the Office of Indian Energy within the Department of Energy. Title V of that Act charged our office with lowering energy costs for tribes, developing Indian energy, addressing gaps in electricity access in Indian Country.

This law also directed us to carry out our programs in accordance with the principles of self-determination. Simply put, Congress told us to trust tribes to know what is best for their citizens as they pursue energy projects.

Over the last 20 years, the Office of Indian Energy has fulfilled our Congressional mandate. We have supported over 240 tribal energy projects. We have delivered more affordable and reliable energy to over 11,000 homes and buildings across Indian Country. And we have fulfilled over 500 requests for technical assistance, giving tribes access to expertise at our national labs to carry out strategic energy planning, analyze the potential of their energy resource and chart a course to achieve their energy visions.

I am privileged to lead the Office of Indian Energy during another pivotal moment as we work to unleash tribal energy. Under the leadership of President Trump and Secretary Wright, our vital work continues with a key addition. We are strengthening our commitment to ensure tribes share in the prosperity of American energy dominance. Securing access to affordable, reliable energy also remains central to our mission and Congressional charge.

Tribes possess extensive energy resources. Our new additional focus will help ensure that they are poised to capture a greater share of the energy value chain. While resource ownership offers its own opportunities, tribes increasingly want to develop their own energy resources using their own expertise and workforces.

The Office of Indian Energy is working to support tribes to implement their vision. In March, we partnered with the Department of Commerce to extend the commercial law development program to support tribes in advancing high value energy projects, such as data centers, critical minerals development, and new generation and transmission infrastructure.

The program is already serving multiple tribal partners to enhance the legal environment for energy sector commerce to thrive in their communities. Additionally, in collaboration with the Department of Energy's Innovator Fellowship program, 11 new energy innovator fellows have been placed in tribal host institutions this year. This is the largest number of fellows a tribe will host of any cohort to date. These fellows work with tribes to modernize power systems, enhance energy infrastructure, and contribute to a more reliable, affordable and resilient U.S. power system.

Finally, we expanded our Tribal Energy Navigator Service with dedicated staff. This service responds to inquiries from tribes developing energy projects, and facilitates more efficient access to all of DOE's programs, as well as other Federal energy programs available to them.

Building on the foundation laid by this Committee 20 years ago, we continue to foster the trust and predictability essential for Indian Country to unleash their own energy resources. As the tribal energy sector gains momentum, tribes are proving that American Indian and Alaska Native livelihoods flourish most when tribes direct their own energy development.

The Office of Indian Energy, in partnership with tribal nations and other Federal agencies, remains committed to maximizing the impact of Federal investment in this sector. We look forward to continuing this essential work with this Committee.

I am happy to answer any questions.

[The prepared statement of Mr. Conrad follows:]

PREPARED STATEMENT OF DAVID CONRAD, ACTING DIRECTOR/DEPUTY DIRECTOR,
OFFICE OF INDIAN ENERGY POLICY AND PROGRAMS, U.S. DEPARTMENT OF ENERGY

Introduction

Good afternoon Chair Murkowski, Vice Chair Schatz, and members of the Committee. Thank you for the invitation to testify. My name is David Conrad. I am a citizen of the Osage Nation, and I am proud to serve as Deputy Director and Acting Director of the Office of Indian Energy. I believe I am the first Deputy Director to appear before this Committee. Since 2011, the leadership positions in the Office, including Deputy Director, were term-limited, forcing a reset with each new administration. I am excited that in 2023 the position of Deputy Director became a permanent excepted service position, strengthening the continuity we provide to Indian Country. Achieving this continuity has not been easy and is a testament to the sustained commitment and vision of Tribal leadership.

Twenty years ago, this Committee was instrumental in passing the Indian Tribal Energy Development and Self-Determination Act, a key component of the Energy Policy Act of 2005, establishing the Office of Indian Energy Policy and Programs within the Department of Energy (DOE).

As I believe all of you know, that achievement was the culmination of decades of work. From the first oil wells drilled on Indian land in Oklahoma during the early 1900's to the formation of the Council of Energy Resource Tribes in 1976, Tribal leadership has worked with government, industry, and others to create the partnerships necessary to bring us all here today.

The vision for our Office was established in law: it charges us to promote Tribal energy development, efficiency, and use; reduce and stabilize energy costs; enhance and strengthen Tribal energy and economic infrastructure; and bring electrical power and service to Indian lands and homes (42 U.S.C. § 7144e). I am happy to share that this vision continues to be carried out under President Trump's and Secretary Wright's leadership, with key initiatives to ensure that Tribes are poised to unleash their own energy resources, including identifying additional DOE resources for our partners in the Arctic Energy Office.

Congress also directed the Office to carry out its work in accordance with the long-standing principle of Tribal Self-Determination, first codified in the Indian Self-Determination and Education Assistance Act of 1975, during the Ford Administra-

tion. The Senate recently celebrated the 50th anniversary of that law. The principle, simply put, tells us that Tribes know best how to implement the programs and projects intended to benefit their citizens. We hold this principle in mind as we support an agenda of energy dominance.

To pursue Tribal energy priorities, Tribes have used multiple pathways to deploy energy solutions. These include creating Tribal Utility Authorities; incorporating energy deployment in government operations and in housing developments; and incorporating energy deployment in their economic enterprises from grocery stores to gaming operations. Tribes have also used multiple approaches to securing resources for energy projects—including federal and state grants, loans, Tribal assets, and commercial finance options. Through the Office of Indian Energy’s Navigator service, we help Tribes find the funding opportunities which best fit their needs.

The Impact of the Office of Indian Energy

The Department of Energy has been faithfully implementing our statute for the last 20 years by supporting Tribes to develop and pursue their energy visions. Since 2010, we have supported over 240 Tribal energy projects, encompassing energy planning and the deployment of microgrids, new power generation, and efficiency upgrades to buildings to reduce energy costs and improve reliability. For each of these 240+ projects, Tribes proposed the technologies they wanted to pursue, competed for the award, and contributed cost-share. Tribes continue to lead on the implementation, and they continue to maintain the projects ensuring they deliver for years to come. To date, the energy performance of 11,000 buildings has been improved—and these buildings are now lowering energy costs for Tribes every day. Across all Indian Energy deployment projects, Tribal governments and citizens are projected to save \$530 million. These projects have been predominantly in rural and remote areas, creating ripple effects which often benefit neighboring communities through reduced burden on their grids, delivery of essential services during emergencies, and cheaper power through energy addition.

These projects have increased Tribal capacity to operate in the energy sector, while injecting much needed innovation into rural and remote development and demonstrating the strong capabilities of Tribes in the energy sector. I’ll briefly touch on three examples: First, the Fond du Lac Band of Lake Superior Chippewa just completed a biomass heating system to heat their Brookston community center near Cloquet, Minnesota by using local wood waste products and leveraging their own technical expertise on the unique set of required feeders and boilers. The system is projected to save \$31,000 per year. Second, Kawerak Inc, an intertribal organization, is installing an organic rankine cycle turbine, a novel alternative to a steam turbine, to generate firm power from their geothermal resources in Pilgrim Hot Springs, Alaska. And finally, the Village of Igiugig, Alaska is installing a unique run-of-river hydropower system which is projected to add 35 kW of power generation for 33 homes and buildings. These projects were selected for support based on the Tribe’s resources, robust analysis, and Tribal self-determination. With this support, these small communities are charting new paths to ensure that reliable and affordable energy reaches every corner of America.

Additionally, the Office of Indian Energy has fulfilled well over 500 requests for technical assistance by giving Tribes access to our national labs and associated experts, facilitating the advancement of energy projects with strategic planning and resource analysis.

Recent Initiatives Under the Trump Administration

We continue to gain momentum under President Trump’s and Secretary Wright’s leadership. In the past, the Office of Indian Energy has focused heavily on community scale energy. This critical work continues as we support Tribes in developing any energy source which, through robust analysis, is shown to support reliable and affordable power. Today, we also look beyond community scale projects to ensure that Tribal Nations are poised to share in the prosperity of unleashing American energy (E.O. 14154) through their self-determined paths. We are doing this by leveraging strategic partnerships:

- In March 2025, the Office of Indian Energy partnered with the U.S. Department of Commerce to extend the Commercial Law Development Program (CLDP) to work with Tribal Nations on energy development. This additional technical assistance supports Tribes in advancing high-value energy projects, such as data centers, critical minerals development, and new generation and transmission infrastructure. The assistance is designed to help Tribes structure energy deals and establish legal frameworks to enhance energy sector commerce. The program is already serving multiple Tribal partners.

- Additionally, in collaboration with DOE offices, eleven new Energy Innovator Fellows have been placed in Tribal host institutions this year. This is the largest number of fellows at Tribal hosts of any cohort to date. These fellows will collaborate with Tribes to modernize power systems, enhance energy infrastructure for industry, and contribute to a more reliable, affordable, and resilient U.S. power system. These fellows are expanding the capacity of the Tribal energy ecosystem.
- Finally, the Office of Indian Energy has expanded our Tribal Energy Navigator Service. This service responds to inquiries from Tribes developing energy projects and facilitates more efficient access to DOE and the other federal energy programs available to them.

These recent initiatives elevate existing federal resources, while collectively building a foundation of trust and predictability for Indian Country to unleash their own vast energy resources to participate in the broader regional and national energy economy.

Achieving affordable, reliable, and secure energy is not without its challenges. Energy development can be demanding, especially for many Tribes with small staff, where each employee wears multiple hats. Tribes must create new regulations, run request for proposals, and negotiate interconnections, off-take agreements, and rights-of-way, all while constantly educating others about their sovereignty and history. It takes time to get projects right. But Tribes are up for this challenge, and the momentum for energy security has only continued to grow.

The Unique Circumstances of Alaska

I want to focus on Alaska for a moment as Alaska presents its own unique opportunities and challenges. Due to its harsh climate, remoteness, and historic laws like the Alaska Native Claims Settlement Act (ANCSA), Alaska stands distinct from the reservation system in the lower forty-eight. Secretary Wright acknowledged the long running history and sovereignty of Alaska Natives, and the rights of Native Alaskans to develop their own energy resources, when he visited the Village of Utqiagvik this past June. To account for the unique circumstances of Alaska, the Office of Indian Energy works closely with key partners in Alaska to ensure remote communities have fair access to the full suite of Tribal and programmatic resources of DOE. The Offices of Indian Energy and Arctic Energy have co-located their workspaces in Anchorage to facilitate interoffice cooperation and collaborative community engagement. The Arctic Energy Office continues to focus on engagement with Alaska Native regional and village corporations across the entire state, and these ANCSA corporations remain eligible for Office of Indian Energy assistance.

Evidence shows these efforts have been effective. Since 2010, approximately 28 percent of deployment funding and approximately 42 percent of all technical assistance from the Office of Indian Energy has gone to Alaska, where 40 percent of all Federally recognized Tribes in the United States reside. This technical assistance is delivered in collaboration with the Denali Commission and the Alaska Native Tribal Health Consortium to ensure the unique circumstances of Alaska are being considered.

The Work Ahead

For a generation, Congress has allowed the Office of Indian Energy to support Tribal Nations in a sustained effort to address high energy costs and bolster critical energy infrastructure in their communities. The achievements that Tribes have made along the way underscore this committee's foresight and the power of Tribal self-determination.

That said, we recognize there is still work to be done. Our work in support of 240 Tribal energy projects is modest in comparison to 574 federally recognized Tribes, many of which govern over multiple communities, and the issues of reliability and affordability that plague the Nation's grid are acutely felt in Indian Country. Tribal communities face electricity outages approximately six and a half times more frequently than the U.S. average.¹ It is well known that many Tribes are at the end of the distribution lines, on poor performing circuits, or lack grid access altogether. Compounding this challenge, Tribal households allocate a disproportionately high portion of their income to energy costs, an amount that is four times greater than

¹NREL LEAD Tool; *Tribal Energy Access and Reliability Report to Congress—2023*

the national average.² These critical findings were detailed in a 2023 Report on Tribal Energy Access and Reliability, submitted to Congress by the Office of Indian Energy, and these remain persistent challenges today.

The Office of Indian Energy, in partnership with Tribal Nations and other federal agencies, is committed to maximizing the impact of federal investments to address these challenges, and we look forward to continuing this essential work in collaboration with this committee.

The CHAIRMAN. Thank you, Mr. Conrad.
Next, we turn to Dr. Ortiz. Welcome.

STATEMENT OF DR. ANNA MARIA ORTIZ, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Dr. ORTIZ. Thank you.

Chair Murkowski, Vice Chair Schatz, members of the Committee, thank you for having me today. My name is Anna Maria Ortiz, and I have the honor of overseeing GAO's portfolio on tribal and Native American issues. I am happy to discuss our recent report on the Tribal and Energy Finance program.

Unleashing potential energy resources throughout Indian Country could greatly increase access to reliable and affordable electricity, contribute to tribal economic development and help address the Nation's energy production needs. The Department of Energy's Tribal Energy Financing program, run by its loan programs office, or LPO, exists to help tribes and tribal applicants with limited access to private capital to invest in their own lands and resources.

The program is technology neutral and has the authority to offer up to \$20 billion in direct loans and loan guarantees. Additionally, the program focuses on tribal ownership of projects, allowing even small tribes a chance to participate.

These features offer tribes with different lands and resources the flexibility to determine their own approaches to effective energy development, consistent with the principle of tribal sovereignty.

Despite these benefits, GAO found that LPO administered the Tribal Energy Financing program in ways that make it nearly impossible for applicants to successfully navigate the loan process. Program design features have deterred many potential applicants and have delayed and lengthened the process for others.

For example, LPO places the burden of due diligence, the underwriting process for the loan or the loan guarantee, on the backs of tribal applicants, obligating them to commit unknown amounts of money to pay for contracted legal and technical experts, some of whom lack sufficient expertise in tribal energy development. This puts the tribe on the hook for these consultants' learning curves and potentially millions of dollars overall.

If applicants are not deterred by the program's design features, they confront lengthy application review processes, inconsistent and conflicting program guidance, and limited and changing LPO staff, many of whom lack appropriate training and experience. For example, one applicant spent nearly two years in the review process responding to varied and redundant requests for information

²*Tribal Energy Access and Reliability Report to Congress—2023*; Self-reported Indian Energy grant applicant data; Indian Country Energy and Infrastructure Working Group. (2020, August 7). Tribal Energy COVID-19 Survey.

from different LPO staff before a key development partner pulled out, effectively jettisoning the project.

Since the Tribal Energy Financing Program first solicited applications in 2018, LPO has only completed one partial loan guarantee. As of July 2025, 12 other applications have been rejected, withdrawn or paused. Of the seven remaining active applications, four have been under review for more than two years.

The Tribal Energy Financing Program is a poignant example of what happens when tribal programs are designed and administered without regard to tribal needs. By modeling its application review process on a different program designed primarily for large projects and untested technologies, the Department of Energy inadvertently curtailed its ability to effectively serve tribal applicants.

GAO recommended, and the Department of Energy agreed, that LPO review and revise program elements, develop and document consistent and coherent guidance for staff and applicants, and designate dedicated staff with tribal expertise to support the program. GAO's recommendations aim to remove unnecessarily complex and lengthy processes imposed by LPO to unleash the program to its full potential.

Thank you. This concludes my oral statement. I welcome any questions.

[The prepared statement of Ms. Ortiz follows:]

PREPARED STATEMENT OF DR. ANNA MARIA ORTIZ, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Chairman Murkowski, Vice Chairman Schatz, and Members of the Committee:

Thank you for the opportunity to discuss our recent work on the Department of Energy's (DOE) tribal energy programs. My testimony summarizes our August 2025 report, *Tribal Energy Finance: Changes to DOE Loan Program Would Reduce Barriers for Tribes*.¹ This statement discusses (1) the status of applications to DOE's Tribal Energy Financing Program (TEFP), (2) strengths and limitations of the program, and (3) ways to improve its design and implementation.

While considerable conventional and renewable energy resources exist throughout Indian country, tribal communities often face challenges to developing these resources.² These include a lack of access to capital and systemic barriers to accessing federal programs.³ According to DOE, 86 percent of tribal lands with energy potential are undeveloped. Developing these resources through tribal energy projects could help address the nation's energy needs and create economic development opportunities for some Tribes and their members.⁴ For example, such projects can

¹GAO, *Tribal Energy Finance: Changes to DOE Loan Program Would Reduce Barriers for Tribes*, GAO-25-107441 (Washington, D.C.: Aug. 11, 2025).

²As of August 2025, there were 574 federally recognized Tribes in the contiguous United States and Alaska. Federally recognized Tribes have a government-to-government relationship with the United States and are eligible to receive certain protections, services, and benefits by virtue of their status as Indian Tribes. For the purposes of this statement, we use the term "Tribes" to refer to any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

³See GAO, *Tribal Energy: Federal Assistance to Support Microgrid Development*, GAO-24-106278 (Washington, D.C.: July 22, 2024); and *Tribal Issues: Barriers to Access to Federal Assistance*, GAO-25-107674 (Washington, D.C.: Dec. 3, 2024).

⁴U.S. Department of Energy, National Renewable Energy Lab, *Techno-Economic Renewable Energy Potential on Tribal Lands*, NREL/TP-6A20-70807 (Golden, Colo.: 2018); "Department of Energy Makes Up to \$11.5 Million Available for Energy Infrastructure Deployment on Tribal Lands," news release, February 16, 2018, <https://www.energy.gov/articles/department-energy-makes-115-million-available-energy-infrastructure-deployment-tribal-lands>; and National Renewable Energy Laboratory, "NREL Supports Native American Tribes in Clean Energy Trans-

Continued

help Tribes lower their energy costs and create access to reliable energy, improve living conditions, fund government programs and services, increase employment, and reduce poverty within the Tribe and surrounding areas.

TEFP, administered by DOE's Loan Programs Office (LPO), provides loans and loan guarantees for tribal energy development.⁵ The program supports federally recognized Indian Tribes or tribal energy development organizations that develop energy resources, products, or services using commercial technology. TEFP is intended to support a broad range of energy development projects and activities. It is technology neutral, which means it offers financing for projects that use various types of energy technology such as electricity generation, transmission, or distribution facilities that use conventional or renewable energy sources; energy resource extraction, refining, or processing facilities; or energy storage facilities. These projects can be on or off tribal land, and applicants can include Tribes, tribal energy development organizations, and lenders that apply on behalf of Tribes.

To conduct this work, we reviewed relevant laws, regulations, agency policies, and guidance documents related to program applications, design, and implementation. We analyzed TEFP application documents and LPO data as of February 2025 to describe the status of applications since 2018.⁶ We interviewed DOE officials, 12 potential participants (e.g., Tribes and lenders) that applied or considered applying to the program, and five tribal energy stakeholders (e.g., lenders, consultants, and non-government organizations). Our work was performed in accordance with generally accepted government auditing standards. More detailed information on the scope and methodology of our work is provided in our August 2025 report.

DOE Has Closed One Loan Guarantee, and More than Half of Applications are Inactive

From its first program solicitation in 2018 through July 2025, DOE received 20 TEFP applications for approximately \$15 billion in loans and loan guarantees for various project types and amounts.⁷ Loan and loan guarantee requests ranged from \$23.7 million for a solar project to \$8.7 billion for an ammonia production facility for low-carbon fuel. Proposed projects were located throughout the contiguous United States and Alaska.⁸

Of these 20 applications, DOE closed a \$100 million loan guarantee in August 2024 for a solar and long-duration storage microgrid project on tribal lands of the Viejas Band of Kumeyaay Indians in California.⁹ As of February 2025, 12 applications were inactive (i.e., put on hold, withdrawn, or abandoned). Progress on the remaining seven active applications was limited by a pause that began in January 2025 as the current administration reviewed the program.¹⁰ In July 2025, Congress rescinded all unobligated program appropriations provided by the Inflation Reduction Act (IRA), reducing available funding.¹¹

formational Leadership,” news release, March 30, 2016, <https://www.nrel.gov/news/features/2016/24665.html>.

⁵The Energy Policy Act of 2005 created the Tribal Energy Loan Guarantee Program, which initially only provided loan guarantees. Pub. L. No. 109–58, tit. V, § 503(a), 119 Stat. 594, 764–78 (codified in relevant part as amended at 25 U.S.C. § 3501, 3502(c)). The program was first funded in 2017; see Consolidated Appropriations Act of 2017, Pub. L. No. 115–31, 131 Stat. 135, 313 (2017). In 2022, it was expanded to allow direct loans. DOE refers to the expanded program as the Tribal Energy Financing Program.

⁶In July 2025, DOE officials provided an update on the status of new applications to the program. We incorporated this information into the report where appropriate.

⁷In 2022, the Inflation Reduction Act (IRA) increased TEFP's loan authority from \$2 billion to \$20 billion. An Act to provide for reconciliation pursuant to Title II of S. Con. Res. 14, Pub. L. No. 117–169, § 50145(b)(2), 136 Stat. 1818, 2046 (2022) (amending 25 U.S.C. § 3502(c)(4)).

⁸Our report provides additional information on energy technology type, requested loan amount, application status, and time spent in each phase of the application process for each TEFP application LPO has received since 2018.

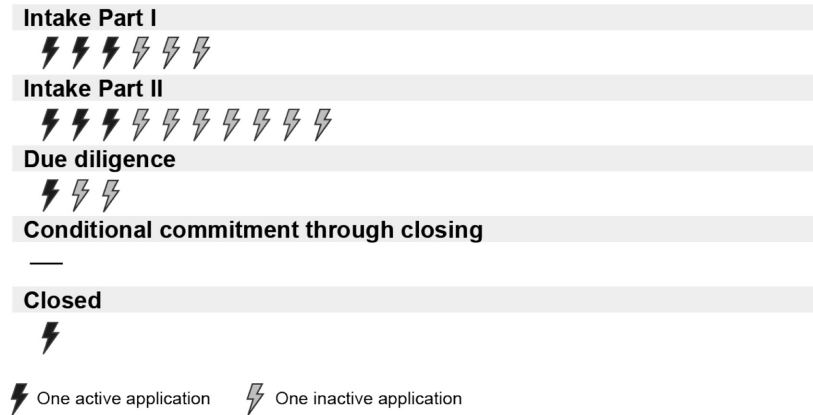
⁹A loan or guarantee is closed when LPO and the applicant sign an agreement that finalizes it, and LPO begins to disburse funds to the applicant for the project. LPO considers closed loans active because LPO plans to monitor the loan or loan guarantee over its lifetime. The loan guarantee amount for the Viejas project was the actual obligated amount, based on data we received from LPO as of February 2025.

¹⁰E.O. 14154 of January 20, 2025, *Unleashing American Energy*, directed agencies to immediately pause disbursement of funds appropriated under the IRA or the Infrastructure Investment and Jobs Act, pending a review of such disbursements. 90 Fed. Reg. 8353, 8357 (Jan. 29, 2025).

¹¹Congress in the IRA appropriated \$75 million for credit subsidy and to administer the program. Pub. L. No. 117–169, § 50145(a), 136 Stat. at 2045–46. In July 2025, Congress rescinded the unobligated balance of TEFP's IRA appropriations in Public Law 119–21—commonly known as the One Big Beautiful Bill Act. An Act To provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119–21, tit. V, subtit. D, § 50402(b), 139 Stat. 72, 152. As a result,

Many applications spent considerable time in the intake phases of the application process, and most active and inactive applications (16 of 20) remained in these phases as of February 2025 (see fig. 1). Time spent in intake ranged from 41 days to 821 days, as of February 2025. LPO officials told us that various factors, such as project readiness and the applicant’s familiarity with the application process, can influence how quickly an application progresses.

Figure 1: Status of Applications to the Department of Energy’s (DOE) Tribal Energy Financing Program, as of February 2025



Source: GAO icons and analysis of DOE Loan Programs Office data. | GAO-25-108720

Note: Active applications are project applications undergoing review by DOE and include closed loans that DOE continues to monitor through the end of the loan term. Inactive applications are those that were withdrawn, abandoned, or otherwise put on hold. According to DOE officials, as of July 18, 2025, DOE had not received any new applications for the program.

TEFP Has Restrictions That Can Discourage Tribal Participation

Several aspects of the program’s design create significant financial barriers for Tribes that can discourage them from participating in the program, including the following:

- **Limited project development assistance.** LPO expects applicants to its programs to have projects that are well defined and significantly beyond the concept stage, according to LPO documents and officials. However, many Tribes do not have the upfront cash resources for early project development activities, which can be expensive, especially for larger-scale projects. One applicant told us a Tribe could spend a total of \$10 million to \$30 million to make a project “shovel ready.”
- **Potentially high and unpredictable due diligence fees.** DOE requires tribal applicants to pay fees and expenses for external legal and expert services (e.g., technical, financial, and environmental), as needed, that help DOE evaluate projects and requested financing. However, the level and unpredictability of these due diligence costs discourages Tribes from applying to

TEFP, according to potential participants and stakeholders. For example, one Tribe that decided not to apply to the program said these costs could translate into millions of dollars. Another tribal applicant said the contractors DOE uses for TEF legal work did not know enough about tribal law and energy projects, resulting in more hours billed to the Tribe.

Our report provides more detail about these and other challenges.

While LPO has taken some steps to help Tribes with these costs, we recommended doing more to further reduce the challenges Tribes still face. Actions LPO has taken include, for example, increased outreach, allowing project development costs to be included in TEF loans on a project-by-project basis, and plans to

the program has only pre-IRA appropriations, if any remain unobligated, of \$8.5 million. Consolidated Appropriations Act, 2017, Pub. L. No. 115–31, 131 Stat. 135, 313 (2017).

develop a public finance “application pathway” that could reduce due diligence for lower-risk projects and shorten application timeframes. However, Tribes often need immediate assistance and funding for project development activities and help identifying and accessing them. LPO offers this help on a case-by-case basis and has compiled an internal list of development grants used to support larger-scale energy projects. But it is unclear how comprehensively these options will address Tribes’ needs. DOE also has not finalized steps it is taking to reduce due diligence costs, such as details and guidance for the application pathway.

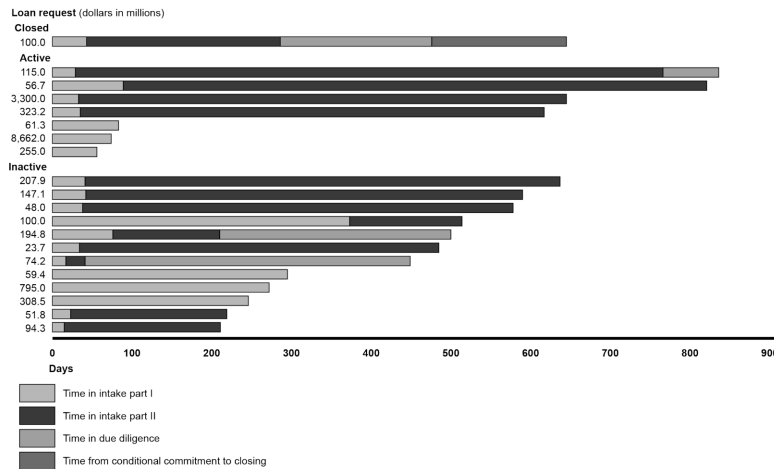
We recommended that DOE (1) identify and disseminate information on federal funding that could help Tribes develop large-scale energy projects ready for application and provide Congress information on gaps, and (2) further develop and implement options to revise the due diligence process to further reduce or eliminate fees on a project-by-project basis. In its comments on our report, DOE concurred with these two recommendations and described steps it plans to take to implement them.

Complex and Unclear Agency Processes Create Barriers That Can Derail Tribes’ Applications

DOE has taken steps to improve its outreach to Tribes about TEFP, but we identified barriers that can hinder Tribes’ ability to complete the application process and close on loan guarantees or direct loans. These barriers have created uncertainties for potential participants, lengthened application timeframes, and may have reduced interest in the program.

- **Long application timeframes.** Lengthy application timeframes have resulted in delayed project timelines, higher project costs, and loss of project partners, according to potential participants. For example, one tribal applicant said it lost its power purchaser and access to a multimillion-dollar bridge loan, making its project unviable. Our analysis of application data found that the median time in intake was 334 days (see fig. 2). The Viejas project, the only application to complete the full process, spent almost 2 years (645 days) from entering intake to closing. LPO officials noted that these timelines may include extended periods of guidance and preparation to assist applicants with their applications, as well as the applicant’s turnaround time to submit additional application support documents.

Figure 2: Loan Request Amount, Status, and Time Spent in the Application Process for Each Application to Department of Energy’s (DOE) Tribal Energy Financing Program, as of February 2025



Source: GAO analysis of Department of Energy Loan Programs Office data. | GAO-25-108720

Note: The Tribal Energy Financing Program had received 20 applications as of February 2025 and did not receive any new applications between then and July 18, 2025, according to DOE officials.

- **Complex application process.** The TEFP application process involves multiple stages of review and feedback, according to our review of program documents. LPO officials said they understood that tribal applicants might see the

program as complex, but that to be successful, applicants must complete significant work upfront with the aid of legal counsel, engineering firms, and consultants. However, one potential participant said that because of this complexity, many Tribes cannot move through the application process without costly third-party assistance.

- **Unclear program guidance.** Tribal applicants we interviewed said they received different information from different LPO officials about certain program rules, such as equity requirements or whether TEFP could cover development costs. For example, one tribal applicant said they were told the loan could be used for development costs, such as environmental reviews, site control leases, and legal costs. However, LPO later told the applicant that such costs were not covered. When the applicant said it could no longer move forward with the loan without help with development costs, LPO agreed to include the costs. We reviewed LPO's program documents and found that its guidance was not clear on some TEFP requirements. For example, requirements varied for loan sizes, equity, technology types, and outreach and intake.
- **Limited tribal experience at DOE.** Most LPO staff reviewing TEFP applications have limited experience in tribal energy finance, according to our analysis of LPO staffing practices. While LPO designated 12 of its 274 federal staff to focus primarily on TEFP or to work for the program on a recurring basis as of May 2025, most of these positions have not been filled consistently. Significant changes to LPO's overall staffing levels and an ongoing government-wide hiring freeze are also likely to affect the availability of dedicated staff with expertise to work on tribal applications.¹² As of July 18, 2025, 43 of LPO's 271 authorized positions were vacant, and 110 employees who had elected to resign on a deferred basis were on administrative leave until their resignation or retirement date, according to DOE officials. LPO officials and staff told us that without adequate experienced staff, LPO could continue to face challenges effectively processing Tribes' applications—increasing application review times and requiring greater use of outside consultants to fill knowledge gaps. One tribal applicant also told us LPO staff resources were taken away from its application because LPO said it had inadequate staff for tribal projects.

LPO has taken some actions to address these barriers, according to LPO officials, but Tribes continue to face challenges. For example, LPO is revising its application processes, such as adjusting the rigor of its review and testing a new public finance application pathway; has identified timeliness goals; is verbally clarifying misconceptions; and began providing some staff with specific training on working with Tribes that addresses topics such as awareness of tribal law and government procedures. However, LPO officials said they were not yet certain whether their effort to revise the application process would be effective, had not developed the necessary documents to guide the effort, and did not have the staff with the needed expertise in public finance. LPO also had not documented information to correct misconceptions or updated internal and external guidance on the application process.

The barriers that still exist have created uncertainties for potential participants and lengthened application timeframes, which may make it challenging for DOE to meet its timeliness goals and limit Tribes' ability use TEFP to develop their own energy resources. Given ongoing changes to the program, including the loss of staff and rescission of funding, streamlining program processes and ensuring there are designated program staff with appropriate knowledge of tribal energy finance to review applications is particularly important. We recommended that DOE take steps to (1) reduce the length and complexity of the application process, (2) clarify program guidance, and (3) maintain designated staff.

In its comments on our report, DOE also concurred with these three recommendations and described steps it plans to take to implement them.

In conclusion, fully implementing all of our recommendations would help DOE address the barriers we identified and ensure more Tribes can access and leverage TEFP to generate important economic and energy development opportunities for their communities, as well as nationwide energy benefits.

¹²For example, a February 2025 executive order directed agency heads to promptly undertake preparations to initiate large-scale reductions in force, among other steps. E.O. 14210 of February 11, 2025, *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative*, 90 Fed. Reg. 9669 (Feb. 14, 2025). In addition, a presidential memorandum extended a previously issued hiring freeze for executive branch agencies through October 15, 2025. Presidential Memorandum, *Ensuring Accountability and Prioritizing Public Safety in Federal Hiring* (July 7, 2025).

Chairman Murkowski, Vice Chairman Schatz, and Members of the Committee, this concludes my prepared statement. I would be pleased to answer any questions you have at this point.

The CHAIRMAN. Thank you, Dr. Ortiz.

Ms. Fenton, welcome back to the Committee.

**STATEMENT OF JOCELYN FENTON, DIRECTOR OF PROGRAMS,
DENALI COMMISSION**

Ms. FENTON. Hello, Madam Chair, Vice Chairman Schatz, and members of the Committee. Thank you for your leadership and dedication to advancing energy security for rural and tribal communities in Alaska and throughout Indian Country.

My name is Jocelyn Fenton, Director of Programs at the Denali Commission. I am privileged to present the insights and experiences of our agency, our partners, and the Alaskans we serve.

The Denali Commission was created by Congress in 1998 to address critical infrastructure and economic development needs in rural Alaska. For more than 25 years, the commission has served as a Federal partner for more than 200 isolated villages, each home to a federally recognized tribe. These villages average fewer than 500 residents, are accessible only by plane or boat and face some of the most extreme environmental conditions in the United States.

Life in these villages depends on a fragile but vital infrastructure system: small diesel powerhouses, bulk fuel tank farms and water treatment systems. These tank farms store the diesel and gasoline required not only for electric generation but also for heating homes, fueling boats and snow machines, and running schools, clinics and water plants. Without safe, reliable fuel storage, the entire community is at risk.

Unfortunately, most of this infrastructure is aging and deteriorating. The Alaska Energy Authority, the State's energy arm, estimates over a billion dollars is needed just to bring rural tank farms into safe, code compliant condition with another \$400 million needed for upgrading powerhouses.

Less than half have been upgraded, and even those are now aging out of their service life. Some communities still use tanks that are older than 70 years. The consequences of failure are severe. In rural Alaska, when the power goes out, it is not just the lights. Freezers holding food collected over the summer and fall thaw, water systems freeze and burst, and health emergencies follow. Energy security is community survival.

The costs are staggering, as well. Rural households spend about 27 percent of their income on energy, nearly four times what urban households spend. Electricity in some villages costs more than a dollar per kilowatt hour, compared to the national average of about 16 cents. Every other part of life, like groceries, transportation, housing, is more expensive as a result.

Investments in bulk fuel storage are among some of the most effective strategies to reduce these costs. A 2017 study found that upgrading tank farms saved communities more than \$2 per gallon in fuel costs. Yet despite these proven benefits, appropriations have not kept pace with the growing backlog of needs.

This is where partnerships, especially with the Department of Energy, make a real difference. DOE programs can provide both

technical expertise and financial assistance to help tribes design and implement solutions suited for their communities.

The DOE Office of Indian Energy plays a vital role in Alaska. Through technical assistance, financial planning and competitive grants, the office has supported dozens of Alaska tribes in developing diesel hybrid systems with the integration and investigation of additional resources, such as hydropower and geothermal. These projects are often small in scale, but for communities of a few hundred residents, they mean the difference between barely keeping the lights on and moving toward resilience.

The Arctic Energy Office provides another layer of support through the Arctic Energy Ambassadors program. These ambassadors are local practitioners who bring technical knowledge directly into villages and from villages, sharing lessons learned and best practices, while helping residents plan and implement energy projects. This model builds capacity on the ground and ensures projects are regionally appropriate, climate tested and durable for existing conditions.

The Denali Commission complements these DOE efforts by serving as the local convenor, by braiding funding streams. For example, we paired EPA resources and commission funds to deliver complete bulk fuel upgrades in high need villages. Recent interagency coordination enabled more than \$100 million in these resources to flow directly to at-risk tank farms, while DOE-supported planning ensured those projects were ready to move.

Importantly, Alaska's partnerships look beyond our borders. National and regional collaboration connects Alaska's tribes with tribal communities in Minnesota, North Dakota, Montana, Washington, continuing to provide opportunities for knowledge sharing on microgrids, distributed generation and cold climate technologies.

The challenges of small, isolated communities are not unique to Alaska. And any solution developed in our villages should be replicated across Indian Country.

Even with these strong partnerships, unmet needs are growing. Federal appropriations alone are not enough. Communities need financing tools that are designed for their scale and circumstances.

Most rural utilities and tribes in Alaska operate on razor-thin margins. They cannot meet credit or scale requirements of existing Federal loan programs, and as a result, many Federal financing tools remain out of reach. Without flexible, accessible loan options, communities are unable to leverage grants and pursue larger projects.

This is an area where Congress could make a tremendous impact, expanding and simplifying financing mechanisms, whether through revolving loan funds, loan guarantees or intermediators with local expertise could unlock projects across rural Alaska and throughout Indian Country.

Technical assistance is equally important. Planning, engineering, financial structuring can be as difficult as construction itself. DOE's Office of Indian Energy has proven how effective technical support can be in moving projects forward. But resources are limited. Expanding funding for circuit rider programs and regional energy planners would provide consistent, trusted assistance to more communities.

I also want to emphasize that this is not just an Alaskan issue. Energy security in Alaska's villages has direct implications for U.S. national security. The Arctic is a region of growing geopolitical importance, and resilient energy systems in Alaska support both civilian communities and national defense operations.

Alaska can also serve as a proving ground for advanced technologies. If hybrid microgrids, renewable integration, or small modular reactors can work in Alaska's extreme conditions, they can work anywhere. These innovations, supported by DOE partnerships, have the potential to benefit tribal and rural communities across the Country.

In closing, I would underscore these points. Bulk fuel tank farms and microgrids are lifeline infrastructure in rural Alaska. Their condition directly determines whether communities can thrive, not just survive. Partnerships with DOE through the Office of Indian Energy, Arctic Energy Office and other DOE groups with regional collaboration are critical for moving projects forward from concept to completion, and building tribal capacity.

And to meet the scale of need, we must expand beyond grants. Flexible financing and sustained technical assistance tailored to small tribal utilities are essential for long-term resilience.

Energy is the foundation for survival, but it is also the foundation for prosperity. For Alaska's villages and for the Nation, investing in these systems strengthens our communities, our economy and our presence in the Arctic.

Thank you for your leadership, and I look forward to your questions.

[The prepared statement of Ms. Fenton follows:]

PREPARED STATEMENT OF JOCELYN FENTON, DIRECTOR OF PROGRAMS, DENALI COMMISSION

Thank you for your leadership and dedication to advancing energy security for rural and Tribal communities in Alaska and throughout Indian Country. My name is Jocelyn Fenton, and as Director of Programs at the Denali Commission, I am privileged to present the insights and experiences of our agency, our partners, and the Alaskans we serve.

The Denali Commission was established by Congress in 1998 to address the infrastructure, energy, and economic development needs of rural Alaska—one of the most remote and logistically complex regions in the United States. With over 200 isolated communities not connected to a road system—many dependent on diesel microgrids and lacking access to basic water, sewer, or port infrastructure—the Commission has served as a federal partner for over 25 years.

Through flexible authorities, a collaborative governance structure co-chaired by the Governor of Alaska, partnerships with Alaska Native communities, local and municipal governments, tribal consortiums, and place-based approach, the Denali Commission has supported federal investments that impact rural American communities otherwise out of reach. Over the years, the Commission has provided more than \$2 billion to support core infrastructure such as clinics, energy systems, and waterfront facilities—while also evolving to address emerging challenges including protecting existing infrastructure from Alaska's extreme conditions to supporting sanitation backhaul, victim services, and broadband readiness by enabling local entities to pursue larger-scale investments.

In addition to Federal appropriations, the Denali Commission receives annual transfers from the Oil Spill Liability Trust Fund (OSLTF) on the interest from the investment of the Trans-Alaska Pipeline Liability Fund as well as transfers directly from other agencies and through congressionally directed spending.

In alignment with Presidential Executive Orders *Unleashing Alaska's Extraordinary Resource Potential*, *Unleashing American Energy*, *Declaring a National Energy Emergency*, and *Deploying Advanced Nuclear Reactor Technologies for National*

Security, our efforts are guided by national priorities and strengthened by the partnerships that make real change possible in Alaska's rural and Tribal communities.

The Urgency and Uniqueness of Rural Alaska

Rural Alaska is composed of approximately 200 small, isolated villages spread across 395,000 square miles of remote, rugged wilderness that includes wandering rivers and eroding coastlines. These communities, predominantly Alaska Native, are characterized by their traditional subsistence lifestyles, small size, economic hardship, and their reliance on a fragile, islanded infrastructure system. Most villages—the average size of which is less than 500 people—are not connected by road or electric transmission lines and are accessible only by air or water. Winter in these areas brings months of prolonged darkness and extreme cold, further intensifying the challenges of daily life. Population density in rural Alaska is just 0.2 people per square mile, compared to the national average of 98.

Each village depends on its own local infrastructure to generate electricity, store and distribute fuel, provide clean water, and manage waste. Central to this infrastructure are bulk fuel tank farms—storage facilities that hold the diesel and gasoline required for electricity generation, heating, and transportation. These tank farms are the linchpin of village survival, yet they are aging, vulnerable, and increasingly at risk.

There are few jobs in the villages, cash is chronically limited at both the household and institutional levels, and costs for all goods and services are significantly higher than the national average due to the combination of costly transportation logistics to these remote locations, small population sizes, and few opportunities for economies of scale. The limited cash flow of bulk fuel storage owning and operating entities within Alaska villages means there's very little local funding for tank farm projects. Most, if not all, of the funding needed to fortify facilities and protect communities is expected to be federal or state, and that funding has been decreasing. Meanwhile, the condition of existing facilities is deteriorating faster than the rate that others are repaired or rebuilt.

The village power system is generally made up of a diesel powerhouse, sometimes the integration of power from locally available renewable sources, above ground distribution lines, and a bulk fuel tank farm which stores seasonally delivered fuel not just for generating power but also for heating buildings and for transportation. It is imperative that federal agencies begin to consider tank farms a component of the community power system in rural Alaska. Electricity in rural Alaska is generated locally through isolated microgrids, usually powered by diesel generators. These same fuels heat homes and businesses and power the vehicles essential for subsistence activities, including boats, snowmachines, and all-terrain vehicles. Given the high transportation costs and limited delivery windows due to seasonal conditions, fuel must be delivered in bulk and stored safely onsite. Without secure and code-compliant fuel storage, communities face existential threats to health, safety, and economic viability.

A 2016 study by the Institute of Social and Economic Research found that public investments in tank farms saved more than \$2.00 per gallon on fuel in some communities. Despite these benefits, the cost burden remains staggering. According to the Alaska Village Electric Cooperative, rural households spend about 27 percent of their annual income on energy—nearly four times more than urban households.

There are roughly 400 bulk fuel tank farms across rural Alaska, operated by electric utilities, fuel distributors, and institutions like schools. The Alaska Energy Authority (AEA) estimates that more than \$1 billion is needed to address deficiencies across the system, ranging from minor maintenance and improvements (M&I) to full-scale rebuilds (Bulk Fuel Upgrades or BFUs). This growing backlog stems from aging infrastructure, insufficient operational and administrative practices, and environmental challenges like erosion, flooding, and permafrost degradation. Decades of limited public investment and chronically constrained cash flow among facility owners have compounded the problem—creating a snowball effect where the funding needed to build, repair, and maintain safe, code-compliant fuel storage far exceeds the funding available.

Compounding the issue, many tank farms were never built to modern standards. In the 1960s, tanks were delivered as part of Bureau of Indian Affairs school construction projects. In the 1990s, the U.S. Coast Guard and the Environmental Protection Agency identified widespread environmental and safety hazards due to aged, non-code-compliant infrastructure. The result was an urgent call for action, and for several years around 2000 there was a significant increase in federal funding for bulk fuel upgrade projects, managed primarily by Alaska Energy Authority and Alaska Village Electric Cooperative. The high levels of funding did not persist, however. Despite well over \$300 million invested by federal and state partners over the

last three decades, less than half of rural Alaska’s tank farms have been improved—and many of those are now aging out of their service life. The average age of a rural tank farm is 40 years, well beyond the expected 20–30-year lifespan. Some villages still use 75-year-old tanks. The growing discrepancy between rising project costs and available funding points to the need for new solutions, including more accessible financing tools that effectively meet the challenging circumstances of bulk fuel facility operations and management.

Similar to tank farm facilities, rural Alaska power systems are also facing a growing discrepancy between need and available funding. The Alaska Energy Authority estimates a statewide backlog of more than \$400M to improve the power systems keeping the lights on and water pumping in the state’s villages. When electricity goes out in a village, it doesn’t just turn off the lights—it causes freezers full of subsistence foods to thaw and it causes the above ground pipes pumping fresh water in and waste out of homes to freeze, creating a cascade of public health and food security threats on top of expensive and time-consuming infrastructure fixes the community cannot afford.

Diesel generation remains the backbone of energy reliability in rural Alaska, particularly during extreme conditions when other systems may be unavailable or unpredictable.

However, the region’s abundant land and significant water resources—including powerful river systems and geothermal sites—offer clear opportunities to evolve toward hybrid energy systems, such as pairing diesel with hydroelectric and geothermal generation. This multifaceted approach not only increases durability and efficiency but also opens new possibilities for economic development. For example, the innovative Greensparc data center in Cordova is powered by local hydro—high-lighting the potential to leverage local energy assets for high-value activities like digital infrastructure. Harnessing the intersection of Alaska’s natural resources and advanced energy technologies can position communities for greater resilience and create attractive conditions for investment in industries ranging from data services to food production—all while reducing long-term energy costs and fostering self-sufficiency.

The average cost of electricity across rural Alaska villages is 47 cents per kilowatt hour and encompasses a range of \$1.50 down to 37 cents. The average residential electricity cost in Alaska’s much more populous Railbelt corridor is nearly 18 cents, and the national average is 16.2.¹ As a result, rural households in Alaska spend roughly 27 percent of their annual income on energy for power and heat, almost four times the state’s urban average.

Upgrading and maintaining code-compliant, adequately sized bulk fuel tank farms is one of the most effective strategies to keep costs as low as possible and improve energy reliability. These facilities enable communities to purchase and store heating oil and diesel in bulk by barge during short seasonal windows, rather than relying on costly, year-round air shipments. Critically, bulk fuel storage remains the backbone of energy reliability—even for communities with renewable energy—ensuring backup and stability during harsh weather or supply interruptions. Innovative adaptations can make these systems more efficient, like modifying marine engines for local powerhouses because they produce both electricity and usable heat. That recovered “waste” heat warms schools, water treatment plants, and community washaterias.

Energy ties directly to all other aspects of village life: building heat, water and sewer (which can account for as much as 30–40 percent of community energy demand), transportation (including for subsistence hunting, fishing, and gathering activities), and communication. Without reliable power, none of these other systems can function. And without continued public investment in bulk fuel infrastructure, these costs would be even higher—a 2016 study found that such investments can save communities more than \$2.00 per gallon in fuel costs.²

Recent Executive Orders underscore the urgent need for robust investment in critical energy infrastructure, including highlighting the role of advanced reactors in meeting the country’s national, energy, and economic security. This has direct relevance for Department of Defense or Department of Energy application in Alaska, where the state is uniquely positioned as proving grounds for small modular and micro nuclear technologies given its many areas of energy isolation and extreme conditions.

Grant funding alone is not enough; improved public financing tools and flexible eligibility criteria are vital to meeting the unique economic and logistical challenges of rural Alaska. Recognizing bulk fuel tank farms and power generation facilities

¹ akenergyauthority.org/Portals/0/Power_Cost_Equalization/FY22_PCE_Community_Report.pdf
² 2016_10_26-TrueCostElectricityFuelRuralAK.pdf (iseralaska.org)

as core components of community energy systems across federal programs will help address deferred maintenance and support resilient growth.

Strategic energy infrastructure investment not only protects communities during emergencies but also enables further resource development, economic opportunity, and innovation. Alaska Native communities, long accustomed to remote conditions and scarce resources, have always embodied ingenuity and adaptability—often finding ways to “make it work” when faced with necessity. By modernizing and coordinating grant, loan, and technical assistance programs, Alaska’s remote communities can remain models of resilience and self-reliance, advancing both local and national energy security.

Innovation in Investments

Efforts to enhance power generation, fuel supply chain resilience, and infrastructure access are instrumental in improving energy security and reliability for Alaska’s communities. Numerous studies—including work by the U.S. Department of Energy Office of Indian Energy, the National Renewable Energy Laboratory, and independent assessments such as GAO–25–107441—demonstrate how targeted energy investments in remote and tribal regions can improve reliability, lower costs, and stimulate local economic development. Similarly, expanded environmental review, planning, and efforts to increase access in various regions in Alaska can open up tribal community’s subsistence and other natural resources while reducing transportation costs.

Over the past two decades, more than \$250 million has been invested in rural bulk fuel tank farm upgrades across Alaska. Despite this progress, aging infrastructure and deferred maintenance continue to pose significant challenges, with many villages facing persistent needs for repairs or full-scale rebuilds. Environmental factors—including erosion, flooding, and permafrost degradation—further increase the complexity and urgency of these upgrades.

Recently, a master contract approach was launched to address rural bulk fuel needs, enabling more efficient coordination of resources and project delivery. Integrating improvements across multiple sectors—such as transportation and energy—offers further efficiencies and helps address interconnected challenges like barge landing conditions and fill line reliability.

Current partnerships with government, industry, and local communities are facilitating advances in distributed energy resources and resilient infrastructure. Technology transfer initiatives, including public-private accelerators and deployment of battery storage and miniaturization innovations, are helping to bring solutions tailored for off-grid and cold climate environments. Regional collaboration—connecting Alaska tribes with other northern states (Montana, North Dakota, Minnesota, and Washington)—continues to provide opportunities for knowledge sharing and development of best practices in dual-use and expeditionary energy systems.

Learning from Partnerships

Recent progress in Alaska’s energy landscape demonstrates the value of robust federal partnerships, especially through Department of Energy (DOE) initiatives tailored to rural and remote communities. Locally based technical assistance funded by the DOE Office of Indian Energy ensures that solutions are designed to meet Alaska’s unique climate and logistical challenges. These efforts help projects move swiftly from concept to construction—supporting financial planning and unlocking additional streams of funding for energy infrastructure.

DOE’s Arctic Energy Office has expanded regional leadership in energy resilience by funding the Arctic Energy Ambassadors program. This initiative empowers experienced local practitioners to advance energy security and foster clean energy transitions, improving outcomes for communities statewide.

Complementing DOE programs, recent interagency coordination has allowed for the rapid deployment of \$100 million in EPA funds to Alaska’s highest-need rural bulk fuel facilities, paired with Trans Alaska Pipeline Liability (TAPL) interest revenue for critical upgrades. The highlight here was that diesel infrastructure was woefully omitted from most programs over the last five years but serves as a backbone to energy infrastructure in Alaska. Similarly, the Bureau of Indian Affairs (BIA) Division of Energy and Mineral Development has paved the way for facility improvements in highly vulnerable locations, such as the Scammon Bay tank farm, following major weather events like the Merbok storm.

Together, these coordinated federal investments and innovative technical support models offer scalable solutions for improving energy reliability, infrastructure resilience, and emergency preparedness in Alaska’s most challenging environments.

Gaps and Needs

Despite ongoing progress, several critical gaps remain in Alaska's energy and infrastructure landscape that warrant committee consideration. These include limited access to financing tools for small tribal utilities, insufficient technical assistance resources, and inadequate capital available for urgent infrastructure upgrades—including bulk fuel tank farms and diesel power systems. The absence of simple, flexible loan mechanisms, robust technical assistance, and integrated regional energy planning support—including new opportunities related to data centers and LNG—continues to impact project delivery and sustainability.

A key barrier is the inconsistent treatment of bulk fuel tank farm facilities in federal funding programs. For financing and eligibility purposes, bulk fuel tank farms should be recognized as a central component of rural Alaska community energy systems across all agencies—ensuring they are eligible for support alongside other critical energy infrastructure.

Other eligibility barriers persist, such as NEPA requirements for bulk fuel and power system upgrades and limited recognition of bulk fuel facilities as core rural energy infrastructure within federal funding programs. Additionally, current loan programs may not be structured or scaled for small, remote tribal and rural communities. Some federal loan programs remain underutilized despite potential opportunities for efficient deployment through entities with established local expertise and streamlined processes.

Technical assistance programs—including support for energy project development, circuit rider models, and regional ambassador programs—remain essential but often lack sufficient funding to support financial planning and governance. Long-term projects such as Alaska LNG have potential for affordable energy but face ongoing challenges in credit allocation and sustained support.

Closing

Energy security in rural Alaska is vital; it is a basic need for survival, but Alaska's villages need more than survival. Energy security is the foundation of economic prosperity, something critically lacking in most of these communities, and desperately in need of additional investments—both grants and loans—not just for the sake of these communities on the edge of America, but for the nation to ensure a strong Arctic presence. Thank you for your leadership and for recognizing the vital importance of meeting these needs now.

The CHAIRMAN. Thank you, Ms. Fenton.

Thank you all for your testimony. As I was listening to your remarks, Ms. Fenton, you are talking about bulk fuel, and it seems kind of like yesterday's solution, right, storing fuel in a tank, waiting for it to meet the need so that you can power your diesel generator for your community. That is old stuff. Our reality is that we still are relying on old stuff in many of our communities.

I mentioned all that Igiugig is doing in pioneering with the RivGen system, and that little hydropower is amazing, what Kawarak is looking to do with geothermal. So there is a great deal that goes on with innovation and pioneering. But for so many, it is still, the fuel that you consume is still your principal way to power your generator and to keep warm.

When I visited many of the coastal communities following Typhoon Merbok, it was really impactful to be with families when they were crying, not over the loss of their home, but over the loss of the contents of their freezers that they had spent all year fishing and harvesting, whether it was moose or whether it was caribou or it was the berries in the freezer. That was where the real tragedy was.

So when we think about the reliability and what it means, every little increment that you can reduce your costs, because you can purchase in greater bulk is appreciated. The value that you pointed out there to DOE with the technical and financial assistance that

has allowed for these levels of security to be built are important on so many different levels.

I want to ask hopefully a very quick question of you, Mr. Conrad, to start here. Dr. Ortiz has outlined the recommendations from the report that was just recently released. If this hearing was greater down the line, I might say what of these recommendations have you put in place, but I recognize that it is all relatively fresh.

But the statement was made that DOE agrees to the recommendations and I am assuming that that is a correct statement and that within the Department of Energy you are looking to implement those recommendations.

Mr. CONRAD. Yes, Chair Murkowski, that is correct. The Department and the Loan Program Office have said that they agree with all the recommendations and they are beginning implementation immediately.

The CHAIRMAN. Good. I want to ask you about the Indian Country Energy and Infrastructure Working Group, ICEIWG. This was previously facilitated by the National Conference of State Legislatures. We understand that contract was cancelled in March of this year.

Can you share specifically what DOE-IE is doing to keep ICEIWG operating? I am told that it has been of good benefit to tribal citizens. So I want to know kind of your commitment to keeping these lines of communication open, regarding ICEIWG, the annual grantee convenings, which again allow for a lot of sharing that goes on.

Mr. CONRAD. Thank you for the question, Senator. We do support Indian Country Energy Infrastructure Working Group, and we have taken on operations of it internally, with Federal staff for the moment.

The CHAIRMAN. Do you have the resources, the staff and the funding?

Mr. CONRAD. We currently do have the staff and the funding. We would like to return to more the contractor support, because of the logistics of handling the meetings when they are in person. It is quite burdensome, the scheduling and the travel logistics.

The CHAIRMAN. So you see that coming up as a—

Mr. CONRAD. A request for approval, yes.

The CHAIRMAN. All right.

Dr. Ortiz, I want to talk a little bit more about this public finance pathway. You mentioned LPO is working on it. It makes good sense; it allows tribes to utilize other revenues that they may have to repay their debts. It seems like a natural way to increase demand for the program without increasing risk to the Federal Government for default there.

Can you share more about what other Federal loan programs may already utilize this pathway, what benefits you see it can provide to prospective borrowers? And at the same time you are talking about that, highlight any increased risks for the Federal Government that you might see in utilizing this proposal.

Dr. ORTIZ. Yes. The public financing pathway that LPO has proposed definitely has a lot of potential. It is similar to some programs run by Rural Development and Rural Utility Service at

USDA. And it allows bringing part of the work of due diligence or the underwriting process in the house.

So it has the potential to reduce the review time for energy projects by kind of scaling the level of review to the risk and size of the project. And also to reduce cost by reducing reliance on costly consultants.

That said, in order to implement it, energy is going to have to invest in dedicated and trained staff who really know how to leverage public finance alternatives.

The CHAIRMAN. Are you saying they don't exist currently within the office?

Dr. ORTIZ. They do not currently exist.

In terms of the risk to the Federal Government, it is not something we looked at specifically in our report. But it is worth thinking a little bit about the risk potentially to some tribal governments in terms of the Department of Energy expects the public finance pathway to work by having projects be backed by tribal governments. This is essential; it recognizes tribal sovereignty; it is very important.

Though at the same time, many tribal governments do not have the kinds of revenue sources that allow them a lot of discretion in where to take funds from. So because they don't have the ability to levy municipal bonds or to increase tax revenue as easily as other States and localities might, it could pose some sort of potential risk to some tribes and their government operating revenue.

The CHAIRMAN. Thank you for that.

Senator Schatz?

Senator SCHATZ. Thank you, Chair. Thank you to all of you for testifying.

Mr. Conrad, the President's budget in 2026 recommends that the Office of Indian Energy not fund wind, solar, and battery projects. As we all know, that hasn't been enacted yet. So I guess my first question is, are you applying some sort of prohibition retroactively to the money that you still have in 2025 funds?

Mr. CONRAD. No, sir.

Senator SCHATZ. Okay. So have you approved any wind, solar, or battery projects?

Mr. CONRAD. With 2025 funds?

Senator SCHATZ. Yes. With any appropriated funds.

Mr. CONRAD. Yes, we have.

Senator SCHATZ. Could you tell me what they are?

Mr. CONRAD. This calendar year?

Senator SCHATZ. Sure.

Mr. CONRAD. We haven't had the selections and awards this year. They have been on pause. But in prior years, yes.

Senator SCHATZ. I know that.

Mr. CONRAD. So we have been under the continuing resolution and had our spend plan approved over the summer. So we have had increments of funds unable to offer a full notice of funding opportunity with the 2025 funds. So we are looking forward to using the 2025 funds in the future, once we have approval to develop that notice of funding opportunity.

Senator SCHATZ. Do you think the existing statute, which is to say the continuing resolution, gives you the authority to have a preference for projects—let me say it another way.

Do you think the continuing resolution enables you to discriminate against wind, solar, or batteries?

Mr. CONRAD. It remains as it always has been. And we continue to work with tribes on any project that they propose or request technical assistance on.

Senator SCHATZ. How many grant applications to your office have been for wind, solar, and batteries in this calendar year or this fiscal year, however you want to answer that question?

Mr. CONRAD. I would have to get back to you with the exact number on that. But overall, historically it is a very high number.

Senator SCHATZ. Yes. So what I am hearing is, and I would like to confirm this, but what I am hearing is that DOE is holding up \$30 million of OIE's Fiscal Year 2025 funding, about half of its budget. And just for context here, I remember one of the first interactions I had with Senator Mullin, we had an energy roundtable, and he was a little surprised at the extent to which I was open-minded to energy sovereignty, even though I clearly have a preference for wind, solar, and battery. But I do believe in self-determination, and I don't think every fossil fuel project is inappropriate. And that was sort of the beginning of a beautiful if somewhat uneven friendship.

So I would like to be reassured that although the Trump administration and Republicans generally have a preference for non-renewable energy, that you are not excluding those. Because the truth is, right, the truth is coal doesn't pencil. Gas sometimes pencils, but oftentimes you are in a line to get a combined cycle turbine, right?

And so you are talking about a five, and geothermal is eight, ten, twelve years, nuclear even longer. So the cheapest and most immediate energy that you can generate, most of the time, not in Alaska, I understand, but most of the time in the continental United States is wind and solar. And I would just like to be reassured that if we are into energy abundance and energy dominance, what we mean by that is not just certain categories of energy.

Because I have stretched politically to say, there are instances in which, look, even on the island of Oahu, we are still lighting low-sulfur fuel oil on fire for electrons. I don't love that, but we don't have an alternative in the short run as we ramp up our clean energy.

So, could you please reassure me that you are going to look at this from the standpoint of what is going to get the maximum number of electrons on the grid, what is going to get the maximum dollar amount into tribal governments' hands as opposed to what is going to effectuate one political party or the other's preferences?

Mr. CONRAD. Absolutely. We are focused on using the taxpayer resources to promote reliable, affordable and secure energy resources. And we analyze projects based on a robust analysis. We are not approving projects that raise energy costs for tribes.

Senator SCHATZ. Final question, with your indulgence, Chair.

Ms. Ortiz, the One Big Beautiful Bill Act rescinded \$75 million in credit subsidy funds. Does LPO have any remaining credits?

Dr. ORTIZ. Yes. Our understanding is that LPO has \$10.5 million in credit subsidy funds, which is nowhere enough to cover the \$19.9 billion in estimated loan authority it has.

Senator SCHATZ. Okay. Mr. Conrad, can we follow up on, I know it is not a lot of money, but it is still money. Can we follow up on that \$10.5 million to make sure it gets put to good use pursuant to the statute?

Mr. CONRAD. Yes.

Senator SCHATZ. Thank you.

The CHAIRMAN. Thank you, Senator Schatz.

Just for the record here, when we have these energy loan programs, we all talk about technology-neutral, right, that it is going to be whatever your source is, whether it is wind or solar or fossil-based, whether it is coal, whether it is natural gas.

And so that is the expectation here. That is, from this Senator, is that it is technology-neutral. And in my State, yes, you are right, we do have a lot of the all-of-the-above. But the projects that we can get online quickest and quite honestly, cheapest right now, are wind and solar. And we do have several of these that are in that pause category, along with some battery storage.

So even those of us that come from fossil-rich places are waiting for some of these important technologies. Everything that we can do to reduce those costs that these communities are paying, and to offset then, bulk fuel. Because that is what we have right now.

I don't have a list on who is next. Senator Smith, thank you.

**STATEMENT OF HON. TINA SMITH,
U.S. SENATOR FROM MINNESOTA**

Senator SMITH. Thank you so much, Chair Murkowski and Vice Chair Schatz, and thanks to all of you for being here today.

Mr. Conrad, I would like to follow up I think a bit on what Senator Murkowski and Senator Schatz were just talking about. This question has to do with how the Trump administration is approaching its government-to-government relationships with tribal nations.

A few weeks ago my staff met with your team to understand the office's work with Minnesota tribes. During this meeting, we were probing into how the department has conducted any tribal consultation on the administration's decision not to provide any financial or technical assistance for work on solar or wind or battery projects. And what we heard then was that that tribal consultation hadn't occurred.

So I wanted to just follow up with you on this. Can you address this? Can you talk about what your plan is to hold tribal consultation on this policy to basically pause projects that are wind or solar and so forth?

Mr. CONRAD. Sure. Right now, that restriction is in the budget request. So it is a negotiation between the administration and Congress right now.

If that becomes law, we are obligated to implement the law and follow the direction of the administration, of course. And looking at what our strategic plan or how we are going to implement that, those options, what would be right for consultation, rather than consult on something that we don't have an ability or we are not making the decision on as our office.

Senator SMITH. So just to be clear, this pause is in effect, is that right? You are not making grants; you are not proceeding with projects based on the direction of the Trump administration?

Mr. CONRAD. But not based on the, I mean, for the Office of Indian Energy, we have base appropriations that are not subject to the larger reviews that are going on under the IHAA or OIRA programs. So our funds and our programs, we are paused under review, and as we move forward and bring things up for approval, we are getting things approved and getting things back to normal as best we can.

Senator SMITH. So, what my concern is is that projects are paused right now and that is having a big impact on Indian Country projects that were in process and are now paused. And what I would expect, based on what the law is, that if you are going to take a policy action like that that has direct impact on tribal nations, that the legal requirement to do consultation would click into place, that that legal requirement is sort of underlying to the work that IE does.

I mean, I think that there is, as I understand it, the statutory authorization for IE "requires" that it works in accordance with Federal policies promoting Indian self-determination, which we all understand means specifically tribal and formal consultation.

So I would just ask you to maybe give this additional thought and then let me know the kind of consultation that is required when decisions the Federal Government makes that have specific impacts on tribal nations, that that consultation is occurring.

Mr. CONRAD. Definitely, and thank you for the question. We also have the Office of Indian Energy continue to engage with tribes and we have held at least one of our tribal leader working group meetings. I know that the other two tribal leader working groups, one with fossil energy and one with nuclear energy, they have continued to have meetings as well.

So there is engagement that is going on, just not that formal national consultation.

Senator SMITH. I know that you and I both understand the difference between engagement and communication and collaboration and the formal consultation that is the understanding of what that direct government-to-government relationship means.

Mr. CONRAD. Yes. I hear you.

Senator SMITH. I am sure you do, and I appreciate that.

I have one more question, but what I am going to do is submit that question for the record in the interest of time. This question has to do with the excellent report that Ms. Ortiz and the GAO has produced at the request of Senator Murkowski and Senator Schatz, looking at the many, many barriers that are there for the Tribal Energy Financing Program. I specifically have some follow-up questions for you, Mr. Conrad, around the issues of capacity-building and what more needs to be done there.

Thank you very much, Madam Chair.

The CHAIRMAN. Senator Daines?

**STATEMENT OF HON. STEVE DAINES,
U.S. SENATOR FROM MONTANA**

Senator DAINES. Chair Murkowski, thank you.

To look at the purpose of today's hearing is to discuss unleashing Indian energy, it is a great topic. We have been talking about this for a lot of years in Montana. It is very much in line with President Trump's goal of securing American energy dominance.

We need more reliable, affordable energy. I remember the days kind of before AI when you would meet with the great tech leaders in this Country. The first thing they would talk about was that one of their constraints was not enough skilled software developers or programmers to meet the needs of these growing businesses.

Today, the number one issue they bring up is energy, and not enough energy. No matter whose numbers you look at, it is somewhere between 50 and 80 percent more power we are going to need in the next 20 years than we currently use today.

But reliable, affordable energy is critical, not only just to meet the needs of the economy going forward, but for economic development, particularly in some of the rural communities in Montana, on our seven Indian reservations. As we say in Montana, it is a beautiful State, grateful I got to grow up there and still call it home.

But oftentimes, you speak with Montanans who will say, we have poverty with a view. We have to do better here in economic development. And by enhancing an all-of-the-above energy portfolio, centered on baseload power sources, that can mean the difference between life and death during some of our bitter winter months.

Montana has seen a number of success stories coming from important collaborations between tribes and the Department of Energy. The Office of Indian Energy was helpful in providing the Confederated Salish and Kootenai Tribes with funding and technical assistance to acquire operatorship of the SKQ Dam. This helped the Tribe create a number of very good high-paying jobs, generating affordable hydroelectric renewable power to sell on the open market.

The Crow Tribe in southeastern Montana are also trying to expand their energy capacity. Montana sits on the largest recoverable coal reserves in the Nation. We are famous for a lot of things, great skiing, wonderful streams to fly fish on, but some folks don't recognize that Montana has more recoverable coal than any State in the United States.

There is also large tracts on the Crow Reservation. My good friend, Chairman Frank White Clay of the Crow Tribe, will tell you that coal mining is a crucial economic driver for his tribe. The Crow Revenue Act would authorize a land swap to allow the Tribe to control subsurface holdings within their reservation. This would put the Tribe in the driver's seat to make decisions about their own land, very important word called sovereignty, and provide a key revenue stream to promote economic development.

The Crow are also eager to develop hydropower capabilities on the Yellow Tail Afterbay Dam. The Crow Tribe Water Settlement Amendments Act extends the hydropower authorization with the Bureau of Reclamation to ensure the Tribe has enough time to complete the project. This is key, because time is running out.

First question is for Deputy Director Conrad. Would you agree that increasing energy revenues, no matter the source, is important for tribes to both bolster their economies and enhance tribal sovereignty?

Mr. CONRAD. Thank you, Senator, for the question, and yes, of course. We have always talked about energy resources as solely energy generation from tribal lands. But there is also revenue streams from participating in the broader energy economy as well.

So, technologies that can be proven on a reservation with technology that they can export and work and create a revenue stream is another great, viable option as well. So I am excited to work with them and find out more how we can help.

Senator DAINES. I will follow up on that. Thank you.

Would you agree and support our efforts that Congress should pass legislation that would allow tribes to develop their own resources, whether it is coal or hydropower?

Mr. CONRAD. Absolutely. That tenet of tribal sovereignty and energy development, tribal energy sovereignty, that they have the right to develop what they have for the benefit of their people, revenue that they need to provide support for those programs.

Senator DAINES. Thank you. Chair Murkowski, and Vice Chairman Schatz, it is time we moved forward on that Crow Revenue and Crow Water Act. Thank you.

The CHAIRMAN. Thank you, Senator Daines.

Senator Cortez Masto?

**STATEMENT OF HON. CATHERINE CORTEZ MASTO,
U.S. SENATOR FROM NEVADA**

Senator CORTEZ MASTO. Thank you, Chairwoman, and thank you all for being here.

You are going to find pretty much consistent agreement here, that for our tribal reservations and Indian Country, we need to do all we can. And the technology does need to be neutral, and it also is based on geography, what is available.

I will say this, the Department of Energy, and this has been my frustration since I have been on this Committee, and I have been on this Committee since I have been in the Senate in 2017. And we get these incredible, Dr. Ortiz, thank you for your report, facts about Indian Country. Indian Country is always left behind, under-resourced, understaffed, lack of tribal consultation.

And then we work together to do everything we can to change that. We introduce legislation, we appropriate, we want to make sure there is that consultation, there is the technical assistance. And then it seems like politics always gets in the way and there is somebody in a political, who makes a political decision to take it away. It is frustrating. I think it is frustrating to all of us, no matter who the administration is. I think that is why you see many of us fighting to right this ship and do right by Indian Country.

So this is my frustration. The Department of Energy, this is their Congressional report, has reported that vast majority of unelectrified homes in the United States are located on tribal land. That is true in my State. I invite you, Mr. Conrad, come to Nevada. I have been to Indian Country in my State. Some of them do not have water, let alone electricity.

I will say, many, because of our geography, and our opportunities that are provided now because of the work that we have done, have the opportunity to have electricity, a different source of electricity. Most of it is going to be renewable. We have geothermal, we have solar, we have batteries. And there has been a strong investment for so many tribal communities, so that they can have that opportunity.

And now here we are again, the politics getting in the way and taking away those opportunities for folks to have just simple electricity in their homes that we all take for granted, quite honestly in some of our areas.

So that is my frustration. I understand your challenges and your constraints. But I hope you are true to your word, and I look forward to working with you, that this technology should be neutral. That no matter where you live in Indian Country, your source of electricity should be available to you and the Federal support for it should be available to you to utilize, based on what we received from this report.

So, solar and wind, I don't like this idea of playing favorites. That is not what this is about. So I am looking forward to working with you and I have listened to you and I hope we have an opportunity to work together.

Dr. Ortiz, I don't have much time but I do want to ask you a question because there has been a number of programs that have been zeroed out after we have appropriated some of the funds for them. One of them was the Solar for All program, which was designed to help low-income and disadvantaged communities gain access to new and efficient energy technologies and lower electricity bills.

The program was set to distribute \$7 billion, \$500 million of which had been obligated for six different tribal applicants. And just a few weeks ago, the Trump administration's EPA announced that they would be terminating that program, leaving grant recipients without the assistance they were promised.

So as you have outlined in your report, how does this leave Indian Country? What is the ultimate impact here for Indian Country when these types of programs are taken away?

Dr. ORTIZ. Thank you for that question.

I think in addition to the failure to meet the Nation's trust and treaty obligations, and really follow through for the people of Indian Country, it perpetuates the myth that you can't get anything done in Indian Country. We have tribes and consortia and TEDOs, who are doing so much work to come together, really leverage the kinds of power sources they have on their lands, elsewhere, other resources, bring that together. They spend years planning the process.

They spend years investing in finance, responding to questions from agencies, and then when something like this happens, the deal falls apart, and it leaves people without power and it just perpetuates this myth. That should not be the case. There really is amazing potential for energy development in Indian Country.

And one of the greatest benefits of this Tribal Energy Financing Program in particular was this technology-neutral aspect of it. It

really allowed tribes to be in the driver's seat to determine what was best for their situation and their resources.

Senator CORTEZ MASTO. Thank you.

I know my time is up. I do have a question for Ms. Fenton, if it is all right. Because I do think it is important; I appreciate the work that you have done and the collaboration and thinking outside the box. I think many of our, I know in Nevada, many of our tribal communities are in really rural frontier areas, and it requires them to figure out how to address some of these challenges.

You talked about, in Alaska, being a model for some of these partnerships. Can you talk a little bit about some of those partnerships and what I can bring back to, at least Indian Country in Nevada, where they could look to see hey, this is a model, and it is something we should be looking at that we could possibly replicate or learn from?

Ms. FENTON. Yes, and specifically, we are looking into what can be replicated. But just hearing about some of the hydropower and coal resources they have in Montana, we have really found that the technical assistance, getting out into communities, seeing their needs, understanding their unique circumstances for developing a project and also taking a challenge or an issue and supporting them to get that to a project.

You can have an issue. It takes a lot of development to get into a fundable project, whether it is State, Federal funds, philanthropic funds, loan potential, adding to that capital stack. Having that hand-holding and technical assistance is crucial.

So that is something that can be replicated, copy-pasted, to other States and tribal communities.

Senator CORTEZ MASTO. Can I ask, is your commission, is it State? Is it State-funded?

Ms. FENTON. We are the regional commission for Alaska. We focus on just the State of Alaska.

Senator CORTEZ MASTO. Okay.

Ms. FENTON. But we are looking at technology transfers and seeing where we can partner with other communities and what-not. So I say that the technical assistance aspect, the partnering aspect, and there could be some potential on, Mr. Conrad and I discussed earlier today how the regionalization of this type of support can be very helpful. We have seen success in Alaska. Maybe we can have another coordinating body or some additional communication and coordination to focus on tribal infrastructure.

We have areas in Alaska that have had more success because someone dedicated, or a group dedicated to a particular facet of infrastructure. So water and sewer, for example, and we have partners that are going into more of the energy and power realm. And then we have transportation groups.

So coordinating, communicating some of the successes from that regional approach, giving that support to individual or smaller communities that need that backup. They may have staff turnover. They need subject matter expertise. When we have it in the regions or even in addition to having additional supplies or things, located in region, to take away, to add some slack in the line of the supply chain. Of course, especially in Alaska, whenever you are operating with short construction seasons and what-not.

I think those are some things that can be helpful in other areas. Senator CORTEZ MASTO. Thank you. Thank you, all three, for being here.

The CHAIRMAN. Thank you, Senator. I think that is a good question just in terms of what kind of sharing and partnering is going on. Because as different as the regions may be, there is a lot of commonality of the challenges. So how we can get smarter by sharing information, and we have technology transfer, knowing the technical assistance that you receive from DOE, you not only learn a lot, but they also learn from what you are able to do on the ground as well.

So instead of just keeping all that information, making sure that there is sharing of this in terms of what we can do more to enhance program deliverability, what you can be doing more. We all know that there is limited expertise out there. We hear that over and over and over again, that we don't have the sophisticated grant writers, we don't have those who are really well versed in permit applications.

So how we can be collaborating more there I think is important.

One of the questions that I wanted to direct to both Mr. Conrad and to Ms. Fenton is on the prospect for potential partnering in an area that doesn't necessarily relate to unleashing energy here. But when we are talking about housing, your house doesn't mean much other than just the roof over your head if we can't meet the energy needs, providing for water and sewer hookups, providing for power there.

And we have seen play out in Alaska a pretty great partnership between the Denali Commission and the Alaska Native Tribal Health Consortium, working with the IE, the Indian Energy Office in providing technical assistance. It has been great. We appreciate that.

There are a number of funding sources at the Department of Energy outside of the Office of Indian Energy that aim to address home electrification, the weatherization issues, some other housing-related needs. And again, you have technical and financial resources that we have heard great things about. The tribally designated housing authorities can't directly access them.

I am hoping that we can have a follow-on conversation working with our staffs, your department, to talk about how we may be able to improve the efficiency of the distribution of these types of funds for housing support in places like Alaska and really across Indian Country, where we know that need is.

So I am hopeful that you will have an open door on this aspect of what more can be done on the technical assistance side. And then, Ms. Fenton, if you can address possibly the role that Denali Commission could play in streamlining access to the funds to improve whether it is home electrification, energy efficiency within housing. Because it is kind of part and parcel to what we are talking about here today.

Mr. CONRAD. Absolutely. That is a very exciting opportunity, and we do have the technical assistance and an additional navigator service that can help guide people who are requesting the technical assistance to other DOE resources, as well as other Federal resources within the scope of what they are interested in.

So we have dedicated staff to do that. We are looking forward to how we can be more innovative in effective delivery.

The CHAIRMAN. Great. I like to hear that.

Ms. Fenton?

Ms. FENTON. You are absolutely right to connect energy systems with housing. We see the Denali Commission as being a tool to help bridge some of the Department of Energy's programs with Alaska's tribal housing authorities, with our broad authority that spans across siloed programs. We are not just energy, we are not just housing, we are not just water and sewer, we are not just transportation. We are all of the above when it comes to critical infrastructure in communities.

Paired with our Section 311 transfer authority, that allows us to braid funding streams and put together that capital stack from both Federal, State and even private organizations. We could assist coordinating across some of these fragmented funding through the various offices, which we understand, it makes it hard for small housing entities to access.

And I think if we were to serve as a coordinating partner similar to a HUD, Housing and Urban Development Office of Native American programs, we could potentially streamline some of that process, coordinate resources, and ensure that dollars are distributed strategically and effectively.

Then, we are even in the midst of standing up a quarterly housing working group. These types of things, this type of coordinating that we do in Alaska helps see what projects are in the pipeline, what funding is available, and we try to pair it with funding opportunities to try to build that capital stack and make projects move forward.

The CHAIRMAN. That is good.

Dr. Ortiz, you kind of outlined in your report some of the barriers that are out there in using the Tribal Energy Financing Program. You have high and unpredictable costs of due diligence. You have mentioned that in your testimony here today.

We have heard from some applicants, again, that DOE hires contractors without tribal expertise. So it just adds to the time that they have to spend on the due diligence and the cost for the applicant. This is all ahead of knowing whether or not they would be able to secure the loan or the loan guarantee.

So you can see a scenario where people are going to be like, no, I heard from so and so, it was a bad experience, they were two years into the process, it cost them a lot of money, and look where they are.

And then to the point that you made earlier in response to Senator Cortez Masto here is, you may be in a situation where you have done it all and now the administration has everything put on pause. All the money that you have spent, all the years.

So we are not doing a lot to kind of sell the benefits of the program, right? What do we do about that? Obviously, if we have these reforms that are made that the report suggests that is going to be important.

But there are some real deterrents that have been legitimate deterrents out there. And now you have stacked on top of that just

kind of the word on the street, if you will, that it is a tough process, it is expensive, and you don't get where we need to go.

Do you have any good ideas on what can be done to kind of rebuild the credibility here of the program, so that you are going to have additional entrants?

Dr. ORTIZ. I think there are definitely two major aspects. There is the thought of, if we are going to really revamp and revise the existing program, DOE needs to implement GAO's recommendations. They need to think about due diligence costs, consider how to implement a public finance pathway in a way that really doesn't place additional risk on applicants, but streamlines the process.

They need to rethink how they review applications to scale that review for the risk level and size of the loans. And then Congress would need to appropriate enough for the credit subsidy and the cost of administering the program. That is if the program stays as it is. That would promote its major benefits of having this technology-neutral tribally driven sense where tribes are really able to leverage what they have toward economic development through saved electricity costs, revenue generation and job creation.

There is another set of questions around whether or not this program needs to be in its current form. And really, a couple of questions that came out in our report are who is administering the program. By placing the program within the Loan Programs Office, it was put along with other programs that serve billions of dollars for their projects, that are addressing or using cutting edge technologies. And that is not what most of these Tribal Energy Financing Program applications are for.

There is also the question of what kind of need the program is trying to meet. One benefit of the program is that it is remarkably flexible. The applications that have been submitted have gone from \$23 million to over \$8 billion. That is wonderful. But does it make sense to have one program that is really including some of those really massive projects in with those smaller projects that might be clearly tested technology, easy to roll out, quick to implement?

So those philosophical question of like, where is it going to be? We really need tribal expertise. We really need people who understand tribal energy development, understand how tribal governments work, have cultural competence and really understand tribal revenue generation and how tribes use enterprises to support their operating costs.

That office needs to be competent in those skills, wherever this program lays. And currently, as our report pointed out, that is not a strength of the Loan Programs Office. That is a strength of the Office of Indian Energy.

But again, thinking about the goals of the program, is it really about serving everyone, or is it better to focus the program on, for example, what we heard from one expert, is the missing middle of programs, those projects from around \$25 million to around \$100 million? That would meet a lot of need that is in Indian Country.

The CHAIRMAN. Well, I really appreciate what you have shared there toward the end. I think oftentimes what happens around here and Senator, you mentioned, you have been on the Committee now, your full tenure here in the Senate, and oftentimes it is like hit replay. We have different people in front of us giving the testi-

mony, but it is basically the same story. And it is because we just try to do a tweak here to the program, or maybe expand your authorization, so instead of \$20 million it is \$40 million.

But we really haven't addressed the real operational efficiencies within the programs themselves. We don't do that level of oversight. That is what this is, is an oversight hearing. So I really appreciate that you have ventured out and gone beyond just saying, this is what you might want to recommend for existing programs.

But maybe we need to revisit, to relook at this. In my head, I am thinking about what the Nuclear Regulatory Commission is dealing with on the nuclear side. And there is a big difference between permitting and siting Three Mile Island versus what we are talking about with small modular reactors. Yet it is kind of the same thing. We are going to put you in the same bucket and it is going to be just awful.

We are doing that with hydro relicensing, where it doesn't make any difference if you are the Hoover Dam or if you are a small dam in Southeast Alaska. So I think you are challenging us to look perhaps a little bit differently at how we might structure this, so that we really do get that value.

Let me ask you, Jocelyn, you mentioned a couple of times in your testimony that the funding that is available, the grant funding that we are providing, particularly when it comes to the bulk fuel needs, isn't enough to address the capital needs, much less the operation and the maintenance. So you have cited the need for improved public financing tools, greater flexibility.

What opportunities do you see within DOE's Tribal Energy Financing Program? What do you think it is going to take to make it work better in Alaska? And how can we kind of address the underutilization that we see of the Tribal Energy Financing Program?

Ms. FENTON. Right. To start with, we see that bundled projects and aggregating projects to get some of those efficiencies is key. So bundling a bulk fuel project, for example, instead of financing one \$8 million tank farm in a single village, we could have a —

The CHAIRMAN. Remind me; how many bulk fuel projects, how many communities are being looped into this one proposal that you are working right now? Phase one, yes.

Ms. FENTON. What we call phase one is \$100 million is going into 10 communities.

The CHAIRMAN. Okay.

Ms. FENTON. And each community doesn't break down to \$10 million each community, it depends. It is very site-specific, and we have to get out and make sure that we have our designs and what-not.

So aggregating, having more funding at one time. There are efficiencies to be gained having projects that have proximal geographic locations for field visits and logistics for the equipment and supplies to do the projects. Having mixed energy infrastructure packets together or packaged together like a tank farm, a powerhouse upgrade, and renewables and a battery system package all at one time. We recognize that diesel and other bulk fuels are unavoidable in rural Alaska. They serve as the backbone to these series of microgrids.

While integrating renewables, we need to upgrade those systems so often. So having a technology-neutral or energy-agnostic project in a community to really push forward into —

The CHAIRMAN. I am going to interrupt you there, because that is something that needs to be underscored. I think sometimes the thought is, well, if we put in that wind turbine or if we put in a few solar panels over here, then we don't need the bulk fuel storage, we don't need that. But you have to have the backup and you have intermittent sources that are not there. Solar is not good 365 days a year anywhere, much less in Alaska.

So I think that is important, that we underscore that these do, you have a coupling that goes on.

Ms. FENTON. Absolutely. The wind doesn't always blow, and the sun doesn't always shine. But the diesel generated power plant is that energy and power backbone of those communities.

And while integrating renewables helps with fuel shortages or price of fuel fluctuations, and rural and remote communities really find renewables to be a very beneficial aspect of the power supply, every gallon of diesel offset is helpful, lowering long-term costs and what-not. So that is definitely a piece of the puzzle.

So let's see, expanding your projects, aggregating projects, having mixed energy infrastructure projects, and then mitigating risk by either having technical oversight or derisking projects with grant funding, understanding the capital stack, lowering the risk to lenders and what-not, that can really help these projects moving forward and understanding, again, understanding that deferred energy and bulk fuel needs, grants are not, they are just not going to cut it moving forward.

We are doing a bulk fuel aggregation study that we are very excited about hearing the recommendations. But they are not ready yet for this hearing, unfortunately. But stay tuned.

The CHAIRMAN. Okay, yes. We will stay tuned on that.

Dr. ORTIZ. Chair Murkowski?

The CHAIRMAN. Yes, go ahead, Dr. Ortiz.

Dr. ORTIZ. If I might jump in just on integrating different energy sources, one of the villages we visited in Alaska a couple of years ago for our work on microgrids that we put out last year looked at a system that had wind as well as diesel.

When that village was able to add battery storage to its system, it was able to save over 60,000 gallons of diesel a year. That is \$250,000 or more to that one village. And that is an amazing cost, when you can really integrate, recognizing where tribes are and what different circumstances and different geographical factors play into their energy needs.

The CHAIRMAN. I appreciate your raising that. And I will ask you to just expand there, because you have given a specific example. But in terms of how the TEFP is structured, you have suggested before that there were reforms that the report addressed with regard to the office. Do you have any suggestions when it comes to the financing program, program specific, that we might want to look to either maintain or enhance or reform, add to other programs? What do you have to offer there?

Dr. ORTIZ. I think some of the main benefits are things we have already discussed. There is the flexibility to address any kind of energy technology, that is technology-neutral aspect.

One other benefit is that projects for the Tribal Energy Financing Program could be done on or off of tribal lands. So when you get those partnerships working together, they can really leverage different strengths from different partners.

The program also allows multiple applicant types. So a tribe could apply. But a TEDO could apply. And also a lender on behalf of the tribe, or a tribal consortium, which really allows smaller tribes the opportunity to have ownership of these projects.

I think a lot of tribes are used to having developers approach them and want to develop something and then kind of maybe give the tribe some benefit but keep the bulk of the benefits for themselves. One of the great benefits of the Tribal Energy Financing Program is that ownership aspect. That gives the prospect for the tribes of increasing the reliability of their electricity, decreasing their energy costs, and really having revenue generation and job creation along with those projects.

The CHAIRMAN. So, I am coming to the end of the series of questions that I wanted to raise. We haven't really talked that much; it has been mentioned that staffing in the report was a concern. Limited staffing to review applications, but also the expertise of the staffing and their understanding or lack thereof of tribes and just not dealing with tribes or Tribal Energy Development Organizations.

It makes sense, when you think it through, that, okay, if you are dealing with somebody that doesn't really understand tribal applications or the implications that they are going to be learning as they go, or they might give you bad information.

What other complications do you see when you are dealing with those who have, loan program offices that have the unfamiliarity with tribes, and the Tribal Energy Development Organizations?

And I don't know whether there are specific examples, whether it just adds to time and cost, or whether it is even worse than that, that you can actually get like just bad information here.

Dr. ORTIZ. There are several examples of what happens when you have that turnover in staff and the lack of training. It can cause confusion, increased administrative burden for the tribe and really lengthen that time of review and the cost.

We heard from one potential applicant that it took six months to get answers to questions. We heard from one applicant that months into the process, they were still getting questions about whether the project was even eligible for the programs. So they were feeling really strung along.

At one point, LPO asked one applicant to increase the scope of its project by adding a whole different element that the tribe had not planned on including. And it seemed to have no appreciation for the massive burden that was, both administratively and in terms of finances and working with its development partners.

When you have no in-house expertise or not enough in-house legal expertise, we heard from one tribe about how that lack of expertise led energy to really push every question out to consultants. But that was on the tribe's dime.

The CHAIRMAN. Then they had to pay for it, yes.

Dr. ORTIZ. Right.

The CHAIRMAN. So in terms of processing of loan applications or loan guarantee applications between a tribal program versus a non-tribal program, is it about the same length of time? Have you done an analysis on that?

Dr. ORTIZ. We did do a specific analysis for this report. But GAO has definitely reported on challenges with tribal energy development for many years, including delays in terms of what it takes to go through permitting when you are dealing with trust lands and resources or complicated ownership or access issues, in terms of understanding how revenue models work for tribal governments.

So we know that that misunderstanding or that lack of knowledge can really extend the time.

Tribes also, like other energy development projects, face lengthy environmental reviews at time. Sometimes that is a result of some of what might be going on on the lands in terms of cultural resources. That is not a problem necessarily. It is something that needs to be factored into the length of time it takes to review a project.

Also generally, many tribes don't have the kind of administrative capacity, and we have reported on systematic barriers to accessing Federal funds for tribes because of this lack of administrative capacity, a lack of an agency understanding of these tribal government structures or tribal revenue models.

And all of that gets wound into this. And when you place extra burdens like high equity costs, high development costs, and a really onerous due diligence process on top of all of this, our report showed how that really just puts a damper on the whole process.

The CHAIRMAN. So, Mr. Conrad, within the Office, I am assuming that you have seen the reductions in force that other departments and other agencies have. I don't know what your numbers are. I don't know if you can share them with me.

But within the loan office, the Tribal Energy Loan Program, have you lost that level of expertise? It is one thing to say, well, I have my numbers, I know how many people that I have in a given office. But there is a difference between the seat and the chair and the person that actually has this level of expertise that Dr. Ortiz is talking about.

Mr. CONRAD. Thank you for the question. Digging into this issue and the findings of the report, our office, while we offer technical assistance, capacity building and grants, we don't do the Loan Program Office. And I don't have specific, I mean, I know the people who are operating it. I don't know their specific, I haven't reviewed their resumes and that sort of thing.

I know our office has lost nine employees, which is a decent amount, because we are a small office. The other offices have lost more, significantly more.

But I can't address how the Loan Program Office is able to staff the program. I understand that they have a few leads on the outreach team, and then they use portions of people's time on more of the origination and back of the house expertise.

The CHAIRMAN. I am just thinking about the time that you conducted this report, the time that you did the research for the report

was before, was while the Biden administration was still in office. We have now seen change in administration, but we have also seen reductions in force across the Federal workforce. So I would be curious to kind of know where we are with those numbers. But again, I recognize that numbers are not just numbers when it comes to levels of expertise.

Dr. Ortiz?

Dr. ORTIZ. We have a recent update from the Department of Energy. And they have about 272 FTEs assigned to the Loan Program Office. Forty-three of those positions were vacant and 110 of those were on administrative leave in anticipation of retirement or resignation. So they are working with fewer than half of their regular staff.

On top of that, during the course of our review, we discussed with them dedicated staff for the project. They had dedicated at least 12 individual seats for people to have this expertise and really be interacting with tribes and doing that, bring their expertise into the origination process and the review process.

But they told us that they really struggled to fill those seats and that they couldn't keep people. So instead, they rotate folks in and that sometimes leads to a real disconnect in terms of what tribes hear from people.

So there is a very strong outreach team with a lot of experience working with tribal nations. But they don't always have the same understanding of the program that the people originating the loan did. And that creates a conflict and problems down the road, as these projects move further along.

The CHAIRMAN. It just causes you to recognize even more the inequities that we see throughout Indian Country, what we see in places like Alaska, when it comes to energy. We heard today communities that don't have running water, don't have electricity. We certainly have that in many of the villages.

It is always those that have the least capacity, that are in the most challenging of situations. And it is just kind of this deep hole that they are in, and they just can't get out. This is where we need that level of expertise. We need the technical assistance and we need these barriers of, okay, you are going to be able to get help with this, but you have to pay these outside contractors and basically they are getting paid by the hour. So you look at it and you don't even know how to start.

And then those who have greater capacity, greater capability, greater resources already are able to take the home that they already have that is already plumbed and already wired and make it more efficient. And that is great. But we still have so many that are just working to get the basic needs met.

So how we help facilitate this, and I am going back to the suggestion that you raised, Ms. Ortiz, that maybe we need to be separating out what is contained within this Indian Loan program, this Tribal Loan program, and have it be based on the size or the capacity or the capability, or I don't know. But not just basically any tribal entity, everybody is all in one bucket, regardless of where you sit with regard to your capacity or your resources.

So something for us to be thinking about. Because I hear too many who view this as, it is great that you have that back in

Washington, D.C., but it doesn't do me a darned bit of good in Kipnuk. And that has really bothered me, because the number of people from my State who have come to me seeking help and seeking resources, and I say, well, don't forget, we have the Office of Indian Energy, we have these tribal loans. And they come back and say, well, out of my reach.

And we have to do better by that. That is why I think utilizing the resources that we have like the Denali Commission, where we can take these funding streams, these resources, do the braiding that we talk about, really leveraging things within different programs, so that everybody can gain access to a level of support and resource.

But it sounds like we might need to look to some restructuring here.

With that, I really appreciate the testimony of all of you. As I mentioned, this hearing record will be left open so that others may submit comments. I know members will have additional questions for the record. But I really appreciate what you have done, and the opportunity for a good discussion about an important project.

So with that, the Committee stands adjourned.

[Whereupon, at 4:27 p.m., the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. DARRELL MIKE, CHAIRMAN, TWENTY-NINE PALMS
BAND OF MISSION INDIANS

Chairwoman and Vice Chairman,

The Twenty-Nine Palms Band of Mission Indians (the “Tribe”) submits this comment on the September 10, 2025 Oversight Hearing entitled “Unleashing Indian Energy—Examining Federal Programs at the U.S. Department of Energy.” We have first-hand experience with those programs, and our experience has not been a positive one. The Tribe has suffered from the bureaucratic red tape of the Department of Energy (DOE) Loan Program Office (LPO) and is still waiting on approval for a loan for our shovel-ready gas-fired generating station. The Tribe has pursued this loan since 2022, and our proposed project is well-aligned with the Federal government’s energy policy priorities. We submit this comment to explain the problems the Tribe has faced with the Tribal Energy Finance Program (TEFP) with the hope of helping the Senate Committee on Indian Affairs (“the Committee”) understand how bureaucratic hurdles have stymied the progress of tribal energy sovereignty and reliable energy generation projects.

Process Length

The Tribe agrees with the U.S. Government Accountability Office’s (GAO) recommendation that “[t]he director of the LPO should direct staff to implement proposed program changes to reduce the length and complexity of the application process for Tribes.” The Tribe’s plans to build our natural gas power plant have suffered from the length and complexity that the GAO highlights. We are in our third year of the loan process and have spent over \$30 million towards our grid-enhancing generation project and yet we still cannot break ground because our loan has not been approved. Meanwhile, power needs have drastically changed since we began this process in 2022. As the United States, and California in particular, grapples with increasing electricity demands to power American leadership in Artificial Intelligence (AI), the Tribe’s project is more needed than ever. There is no good reason why approval for a loan on a shovel-ready project that meets the needs of the time should take three years or more to progress to the due diligence stage.

Loan Application Review

One of the reasons for the long delay is the overly-bureaucratic, unduly protracted and expensive initial review process that occurs before the due diligence review process begins. In order to accommodate the LPO’s review and the consultant contracts required, the Tribe spent money well beyond what we had budgeted for loan approval. Meanwhile, the LPO employees assigned to the Tribe’s loan application refused to make decisions and contradicted each other. By way of example, the Tribe was asked to amend our initial application to include renewable and green energy components. This caused the Tribe to spend additional millions on the project developing a solar and battery storage component only for the LPO to then do an about-face and take the position that renewable components were not required for approval. Yet, even after all the Tribe’s attempts at cooperation during the review process, it took almost three years to be granted entry into the due diligence process—which has since been rescinded—and approval still eludes us. Our experience is emblematic of the need for revisions to the due diligence process as the GAO recommends.

Lack of Knowledge and Understanding of Native American Tribes, Tribal Governance, Tribal Enterprises and Tribal Finance

The Tribe has also suffered from a lack of competence among the staff of the LPO regarding Native American tribes. For example, about a year into the process, we were dumbfounded to learn that some of the staff responsible for processing our loan did not understand that the Tribe is a sovereign government and that tribal enterprises are organized and financed significantly differently from private busi-

nesses. This led to continuous delay and misunderstanding about how LPO's loan approval and due diligence criteria should be applied to tribal enterprises. In order for the DOE and LPO to advance tribal leadership in energy development, they must understand Native American tribal government. For those reasons, we support the GAO recommendations that the LPO maintain consistent staff with knowledge of tribal energy finance. Approving our project will also help build that competence as future staff can look to our project as a successful model.

Communication

As alluded to above, the Tribe encountered, and continues to encounter, many failures in communication during the TEFP loan approval process. For instance, the LPO has not been transparent about the accessibility of federal funding. Frequently, we receive external guidance that seems to be at odds with the internal procedures of the loan approval process. The Tribe is very committed to building our generating station and associated delivery infrastructure and has worked diligently to give the LPO everything it asked for and needed to approve our loan. Unfortunately, those efforts have been met with opaque requirements and contradictory guidance.

Twenty-Nine Palms is a proud member of the Coachella Valley community, a region that suffers from blackouts, brownouts and moratoria on consumption of additional electricity needed to meet expanding business demands. We want to help solve the problem in our region of inadequate and unreliable electricity by building a natural gas generating station and affiliated infrastructure that can provide affordable power to our businesses and our neighbors and support grid resiliency. If the LPO approves our loan, we can finally break ground and help advance the Federal government's goals of combatting a national energy emergency, unleashing American energy, and promoting energy security. We hope our story has informed the Committee about the struggles tribes face in securing TEFP loans. We are happy to meet with any member of the Committee who would like to learn more about our experience on our path toward tribal energy sovereignty.

OCETI SAKOWIN POWER AUTHORITY POSITION PAPER: RECOMMENDATIONS FOR RESTRUCTURING THE TRIBAL ENERGY FINANCING PROGRAM

The Oceti Sakowin (pr. O–CHET-ee Sha-KO-wee) Power Authority (OSPA) submits its Position Paper on Restructuring the Tribal Energy Financing Program (TEFP). OSPA is a Tribal energy development organization, 100 percent owned and managed by seven Sioux Tribes that share territory with the State of South Dakota.

This submission follows the Senate Committee on Indian Affairs September 10, 2025 hearing on the Government Accountability Office's (GAO) Report on TEFP.¹ OSPA thanks the Committee for directing GAO to study this matter, and for this opportunity for interested parties to submit comments. The GAO Report is excellent—which is typical for that Office's efforts—and OSPA supports the analysis and conclusions of the GAO Report. In this paper, OSPA discusses the issues of most importance to the OSPA member Tribes, and offers its recommendations for restructuring TEFP that would most benefit the OSPA Tribes' energy policies and goals.

I. TEFP Must Be Restructured to Support a Wide Variety of Tribal Energy Projects—Most Importantly, Large-Scale Energy Transmission and Distribution

The GAO Report states the Congressionally-mandated goals of the Tribal Energy Financing Program: “TEFP supports large-scale tribal energy projects that can advance economic development opportunities for Tribes and that use various types of conventional and renewable technology.”² GAO's witness at hearing, Dr. Anna Maria Ortiz, notes that “TEFP is intended to support a broad range of energy development projects and activities. . . . such as electricity generation, transmission, or distribution facilities . . . or energy storage facilities.”³ The GAO Report and Dr. Ortiz illustrate the breath of Tribal demand for support of energy projects by identifying unsuccessful applicants for TEFP loans/guarantees: generation projects rang-

¹Government Accountability Office, Report to the Committee on Indian Affairs, U.S. Senate, *TRIBAL ENERGY FINANCE: Changes to DOE Loan Program Would Reduce Barriers for Tribes*, August 2025 (GAO Report).

²GAO Report at 20.

³Dr. Anna Maria Ortiz, GAO Director, Natural Resources and Environment, *Tribal Energy Finance: DOE Actions Needed to Reduce Barriers for Tribes*, written testimony to Senate Committee on Indian Affairs, September 10, 2025 (Dr. Ortiz Written Testimony), at 2.

ing from 15 MW to 500 MW,⁴ and financing requests ranging from \$23.8 million to \$8.7 billion.⁵ The GAO Report concludes that “[t]he ability to use TEFP to finance a range of energy projects gives Tribes more flexibility to pursue projects that leverage these Tribes’ interests and resources, according to a potential participant.”⁶

OSPA fully endorses GAO’s analyses and conclusions—the number and variety of applications for TEFP support, including OSPA’s own unsuccessful application, demonstrate the longstanding desire of Tribes across the country to develop large-scale energy projects, the vast unmet Tribal need for such support, and the variety of energy projects that can bring transformative economic development to some of the most remote and poorest Tribes in the country. OSPA must, however, emphasize that the need for transmission upgrades to Tribal lands is the most compelling need and difficult challenge for Tribes, and any restructuring of TEFP must prioritize support for transmission on and adjacent to Tribal lands. OSPA discusses the critical need for transmission support below.

II. TEFP Must Support Multi-Tribal and Regional Projects that Bring Extra High Voltage Transmission to Tribal Lands

A. EHV Transmission Deserts Are an Absolute Barrier to Tribal Energy and Economic Development

The OSPA member Tribes with the largest reservations are located in the area called “West River South Dakota,” west of the Missouri River. The entire area—the whole western half of South Dakota—is an extra high voltage (EHV) transmission desert. EHV is defined as 345 kV and above, and is the scale of transmission capacity that is required for the energy-intensive industries that will define the future of this country: AI, data centers, and advanced manufacturing. There is no EHV transmission in West River.⁷

The OSPA member Tribes with the largest reservations are all located within the EHV transmission desert. Most of what is used as “transmission backbone” across the area—and all the transmission across the reservations of the Cheyenne River, Oglala, and Rosebud Sioux Tribes—is 115 kV, which is barely sufficient to meet the existing residential and limited commercial power demand, much less support energy-intensive industries or utility-scale power generation. All the 345 kV transmission in South Dakota is east of the Missouri River—on the other side of the state from the largest of the OSPA Tribes’ reservations. The impact of this lack of transmission capacity on Tribal economic development is obvious—the map below shows the sites of data centers and wind farms currently in service or under construction in and around South Dakota. These projects generally follow the existing 345 kV transmission lines—east, north and south of the Tribes. The absence of EHV transmission has proven to be an absolute barrier to energy and economic development on Tribal lands.

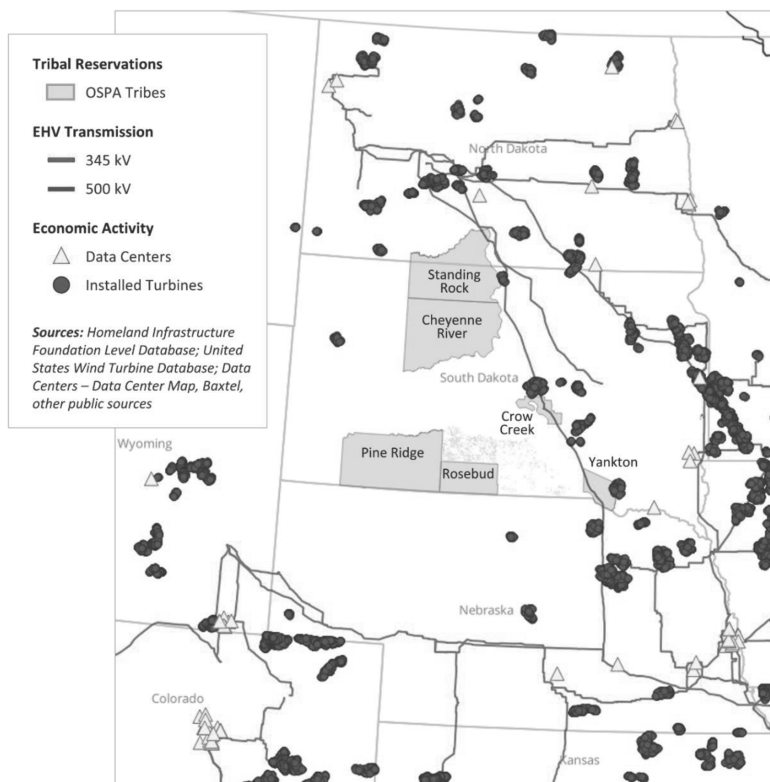
⁴GAO Report at 17.

⁵Dr. Ortiz Written Testimony at 3.

⁶GAO Report at 21.

⁷In late 2024, the Southwest Power Pool added the first 345 kV line in western South Dakota to its portfolio of approved transmission projects. That line remains in the planning stages, but one aspect of the project is clear—it bypasses all the Tribes in South Dakota, and so will perpetuate the EHV transmission desert across the Tribal lands in West River.

The West River EHV Transmission Desert and Its Impact on Economic Development



As OSPA has detailed in comments filed with the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC), four utility-scale renewable energy generation projects, totaling 915 MW in nameplate capacity, all privately funded, and being developed by OSPA and other Indian-owned and Tribally owned developers, have been put on hold because of the enormous cost of building the new transmission capacity needed to put those projects on line. Moreover, three different OSPA member Tribes want to develop their utility-scale energy resources but cannot obtain an interconnection queue position because no transmission capacity is available. The lack of EHV capacity is an absolute barrier to Tribal economic and energy development in South Dakota, and deploying EHV is the necessary precondition to Tribal economic development. From OSPA's discussions with other Tribes, OSPA understands that lack of EHV transmission capacity is a major impediment to economic and energy development for Tribes across the country.

B. There Are Multiple Federal Grant, Loan and Loan Guarantee Programs, Administered by Multiple Federal Agencies, Specifically Designed to Support Tribal Community-Scale and Microgrid Projects, but None Dedicated to Supporting EHV Grid Upgrades on Tribal Lands

The DOE Office of Indian Energy Policy and Programs administers several programs that are dedicated to supporting Indian energy projects. Acting Director and DOE IE witness at hearing David Conrad described the Office's support of over 240 Indian energy projects since 2010, which among other things, improved over 11,000 buildings.⁸ As Acting Director Conrad explained, these are extremely valuable pro-

⁸ *Testimony of David Conrad, Acting Director and Deputy Director, Office of Indian Energy Policy and Programs, U.S. Department of Energy, Before the Committee on Indian Affairs,*

grams that significantly reduce the cost of retail energy for Tribal communities, improve service resilience, and expand Tribal capacity to act in the energy sector. These are community-scale projects. Additional support for Tribal community-scale and microgrid projects is supplied by programs administered by the Departments of the Interior, Agriculture, and Commerce.

There are no federal programs dedicated to upgrading the national power grid on and around Tribal lands.

The GAO Report notes that: “In August 2023, DOE generally reported that few federal funding sources were available to Tribes for developing energy infrastructure, potentially limiting the development of large-scale tribal energy projects.”⁹ In OSPA’s experience, the GAO concern over lack of resources is understated.

The GAO report identifies several federal resources that “may be available, depending on whether a Tribes’ project matches the program’s criteria and timing.”¹⁰ The Report goes on to cite several programs within DOE that “may be able to support Tribes with project development for large-scale energy projects. These include an IE Tribal Energy Planning and Development grant program; the Grid Deployment Office’s Grid Resilience State and Tribal Formula Grant Program and the Grid Resilience and Innovation Partnerships; and DOE’s Communities Local Energy Action Program and Energy Transitions Initiative Partnership Project.”¹¹

At the hearing, DOE IE witness David Conrad noted that his Office sustained significant budget and personnel cuts, and that a number of programs are currently under review. He was not able to confirm whether or not specific programs were suspended. OSPA agrees that the Grid Resilience and Innovation Partnerships (GRIP) Grant program could provide significant funding for the grid upgrades required by the OSPA member Tribes. In 2024, OSPA, Basin Electric Power Cooperative, and several Tribes, supported by the Western Area Power Administration (WAPA), submitted an application. That application was rejected, but the same parties are prepared to re-apply when the third and final tranche is announced. DOE had stated that the last tranche was expected to be announced in spring 2025, but to date, a Funding Opportunity Announcement has not been issued.

Other potentially useful programs appear to be no longer available. The Transmission Acceleration Grant (TAG) program, administered by the DOE Grid Deployment Office, funds states and Tribes planning for transmission projects. OSPA applied for this year’s award, but just received word it was rejected. We have been unable to find any announcements of any TAG grant awards made under the program this year. Unobligated funds for the Transmission Facility Financing (TFF) program were rescinded by the One Big Beautiful Bill Act. OSPA is unable to determine if the Transmission Facilitation Program (TFP) is still available.

C. The \$20B Size of the TFFP Makes It Uniquely Able to Support Big Transmission Projects on Tribal Lands

The size of the TFFP, at \$20 billion, and its exclusive focus on Tribal energy, makes it the one indisputably remaining federal program that can meaningfully address the transmission shortage that has become a crisis for Tribal energy and economic development.

The EHV transmission upgrade that has been designed by WAPA, Basin Electric, and OSPA would bring 345 kV across four of the largest reservations in the country. It’s a big project—the cost is expected to approach \$2 billion. The Grid Deployment Office (GDO) reviewed the planned transmission project in the 2024 GRIP application submitted by OSPA, Basin Electric, and three Tribes, and supported by WAPA. GDO found that the project was an “[i]nnovative and novel collaboration” that “would improve the regional resilience of the grid in a monumental way. The transmission line technology is cutting edge . . . [t]he grid extension would open up a large amount of previously untapped wind energy spurring downstream investment”¹²

A transmission project this big and expensive will be complex—it likely will combine financing/funding from private investors and Transmission Owners (TOs), cost recovery through the Integrated Transmission Planning process conducted by the Southwest Power Pool (SPP), and federal funding/financing. TFFP is a large enough

United States Senate, Regarding Tribal Energy Dominance Hearing, September 10, 2025, at 2–3.

⁹GAO Report at 27, footnote 59, citing Department of Energy, *Tribal Electricity Access and Reliability: Report to Congress* (Washington, D.C.: August 2023).

¹⁰GAO Report at 26.

¹¹GAO Report at 26–27.

¹²GDO, “Strengths and Weaknesses Report,” DE-FOA-0003195, Application Control Number 3195–1540.

fund to make a meaningful contribution to this capital stack, and will make it easier for the Tribes and the TOs to attract the necessary private capital.

III. TEFP Financing of Big Transmission Projects Will Ensure Tribes Play a Major Role in Transmission Planning Conducted by RTOs, PMAs and Utilities, and Secure Significant Ownership in the Completed Projects

Large transmission projects are like any other expensive project; they operate according to the Golden Rule: “He/she who brings the gold makes the rules.” The OSPA member Tribes rank among the poorest in the country—while we have been able to leverage regulatory interest, the federal trust responsibility and good will to achieve the active engagement of WAPA, Basin Electric, and SPP in designing and promoting our Tribal grid upgrade, our Tribes don’t have any significant amounts of money to bring to the table.

This is where TEFP financing can have an impact much greater than the actual investment. Because TEFP financing is only available for Tribal energy projects, the OSPA Tribes can be as large an investor in the project as the Power Marketing Administrations (PMAs) and other TOs, utilities and other investors. This will ensure that OSPA is centrally involved in engaging with the Regional Transmission Organization (RTO) and TOs in planning, permitting, and constructing the project. Equally important, partial financing by Tribes through TEFP will ensure a significant Tribal ownership interest in the completed transmission project.

GAO recognized the unique role TEFP can play in promoting Tribal ownership of big infrastructure projects:

- **Focus on tribal ownership.** Tribal applicants cited the importance of tribal ownership for economic development prospects. One applicant estimated that owning a large-scale energy project would significantly increase the Tribe’s annual revenue, which it plans to reinvest into the community. A potential program participant said the program can accept applications from a consortium of Tribes, which enables small Tribes with limited resources to own a large-scale energy project.¹³

IV. Designating a Portion of TEFP Loans to Support Early-Stage Development and Making Them “Forgivable” or Structured as a Program-Related Investment Fund Will Enable Tribes to Initiate Large Projects and Reduce Risk for the Tribes and the Government

GAO speaks at length about the need for TEFP to finance early-stage development work. OSPA agrees that this is one of the most important functions TEFP can serve. Early development work for a big transmission project includes identifying routes on Tribal lands that meet the approval of Tribal Historic Preservation Offices (THPOs) and the Tribal communities. This means early and consistent engagement with the THPO, Tribal Councils and affected communities, and hiring an engineering design firm and Tribal Cultural Specialists for studies related to siting. It also requires engaging wildlife and environmental contractors to begin the work that will be required in the NEPA permitting process, and regular coordination with the relevant PMA, TOs, and RTO.

GAO recognizes that lack of funding/financing for this work can be a barrier to Tribal energy projects: “However, many Tribes do not have the upfront cash resources for early project development activities which can be expensive, especially for larger-scale projects.”¹⁴

OSPA has a recommendation for supporting early-stage development work within the structure of TEFP: Establish a “forgivable” or Program-Related Investment (PRI)¹⁵ development fund within the larger TEFP. This would allow the Tribes to obtain relatively modest funding/financing for early-stage development work (for the OSPA EHV project, less than \$10 million over two-to-three years will complete the early development work for a estimated \$2 billion project). If the early project design and engagement work supports the continued development of the project, the loan would be rolled into the larger project financing. If the project cannot proceed, the loan would be forgiven or treated as a grant. This enables Tribes or Tribal developers to undertake critical early development work without incurring substantial debt. Risk to the TEFP can be minimized by the relatively modest size of the loan,

¹³ GAO Report at 21.

¹⁴ Dr. Ortiz Written Testimony at 4.

¹⁵ The IRS defines PRIs as investments designed to achieve a purpose beyond making a return. These can be high-risk investments to groups that otherwise lack access to capital. The investment is expected to be repaid, with at least a modest return, which allows the institution to recycle the investment into other projects. <https://www.irs.gov/charities-non-profits/private-foundations/program-related-investments>

and by the quality of the PMA, TOs, and/or RTO involved and their initial evaluation of the project, and by the use of other expert contractors.

V. Miscellaneous Issues Raised in the GAO Report and Senate Hearing

A. What Agency/Office Should Administer the Restructured TEFP?

OSPA does not have a strong opinion on the agency or office that administers the restructured TEFP, provided that the agency/office has experience in administering financing for large infrastructure projects. OSPA also believes that the TEFP administrator should have regular access to the national laboratories. The National Renewable Energy Laboratory, Lawrence Berkely, the Pacific Northwest National Laboratory and the National Energy Technology Laboratory routinely advise DOE and other agencies, and are sources of considerable expertise on technology and finance relating to infrastructure projects.

B. How to Provide for Tribal Sovereignty and Ownership While Limiting the Financial Risk to Which Tribes May Be Exposed? Allow TOs to Participate in the TEFP Application Process

Dr. Ortiz provided an excellent discussion of this issue at hearing. She correctly noted that Tribal sovereignty in decisionmaking and ownership is required by Treaties and the federal trust responsibility, but the way control and ownership are typically exercised is through investing. The restructured TEFP should provide ways to promote sovereignty and Tribal ownership without putting the Tribes into debt.

OSPA believes that, with TEFP financing, the co-development arrangement that OSPA has established with WAPA, Basin Electric, and SPP accomplishes these goals. As discussed in § IV above, if early-stage development funding/financing is made available through a forgivable or PRI TEFP loan, OSPA and its member Tribes would be able to conduct the pre-permitting siting work and engage consultants familiar with Tribal cultural issues and priorities. As discussed in § III above, bringing TEFP financing to the OSPA transmission project will make OSPA a co-investor, and this will empower OSPA to exercise significant control over the planning and permitting processes.

The government's risk in making these loans can be minimized by allowing the direct involvement of PMAs and other TOs in the application process. In the case of OSPA's transmission project, OSPA engaged with WAPA and Baskin Electric early in the planning process. WAPA and Basin developed the original project design with OSPA's input. In doing so, WAPA and Basin identified the general routes that would result in the maximum resilience gains and congestion relief. They also factored in the generation projects that the Tribes could pursue once adequate transmission capacity becomes available. This level of analysis, conducted with the expertise of WAPA and Basin Electric, substantially derisked the project.

The restructured TEFP should expressly allow PMAs and TOs to join in the Tribe's application. This would encourage other Tribes, PMAs, and TOs to work together cooperatively to pursue TEFP financing, and would substantially reduce the risk for the TEFP administrator. As OSPA discusses in § VI below, WAPA's attorneys need assurances that WAPA has the authority to participate fully in the TEFP application process, and these assurances should be provided in the TEFP restructuring.

C. How to Limit Program Expenditures on Outside Engineering, Financial, and Legal Consultants? Allow TOs to Participate in the TEFP Application Process

GAO has concluded that "potentially high and unpredictable due diligence costs can pose a barrier for Tribes,"¹⁶ and proposes ways to limit the use of outside engineering, law, and finance firms in evaluating proposed TEFP projects.

As discussed above, for big transmission projects, RTOs, PMAs, utilities and/or private transmission developers will be involved with the Tribes in designing, permitting, constructing, and operating the project. The involvement of these expert entities will substantially derisk the project. TEFP administrators, to the extent necessary, can hire outside experts to check the work of the project designers, but this will involve much less work than de novo review of a proposed project.

D. The Restructured TEFP Must Be Mandated to Be Technology Neutral

At the September 10 hearing, every Senator who addressed the issue—regardless of party affiliation—stated emphatically that TEFP loans/guarantees may not be limited to any particular type of energy resource, but must support an "all of the above" approach to Tribal energy projects. As Chairman Murkowski explained at hearing, the energy resources available to Tribes—whether coal, oil, gas, wind,

¹⁶GAO Report at 28–29.

solar, geothermal or hydro—are determined by geography, and Tribes are restricted to developing what resources they have within their reservations and native areas. And as OSPA has demonstrated in this paper, in order to make these generation projects possible, EHV transmission and local distribution must also expressly be supported by the program.

VI. Congress Must Clarify that PMAs Are Fully Empowered to Consult with Tribes in Transmission Planning, and to Partner with Tribes in TEPF Loan/Loan Guarantee Applications

In July of this year, the National Renewable Energy Laboratory (NREL) circulated a draft paper entitled “Tribal Engagement in Transmission Planning,” and sought comment from Tribes and Tribal organizations. The NREL paper conducted an excellent survey of transmission needs on Tribal lands and made specific recommendations on how the energy transmission planning process conducted by Regional Transmission Organizations could more effectively solicit input from Tribes and reflect Tribal goals and priorities in the planning process. One recommendation was for Tribes to partner with Power Marketing Administrations, who could represent Tribal interests in the RTO planning process:

Partnerships with existing SPP members. Transmission owners such as WAPA. . . . have a strong standing in transmission planning because an RTO is fundamentally an agreement among transmission owners to operate their common grid according to common rules.¹⁷

A year prior, the “i2X” program, sponsored by DOE, made a similar recommendation.¹⁸

OSPA strongly supports these NREL and i2X recommendations, and in OSPA’s experience, WAPA is the best positioned transmission owner to take input on Tribal transmission needs, advise Tribes on how best to meet them, and to promote Tribal positions within the RTO planning process. WAPA currently serves about 700 wholesale, or “preference,” customers—10 percent of which are Indian Tribes.¹⁹ Moreover, as a federal agency, WAPA shares the federal obligation to engage in meaningful consultation with Tribes. WAPA’s Tribal customers include the OSPA member Tribes, and OSPA has been working with WAPA since 2023 in designing EHV upgrades to the national power grid across four of the largest reservations in the country, and promoting the project’s inclusion in the Southwest Power Pool Integrated Transmission Planning (ITP) portfolio.

However, OSPA has experienced a significant challenge regarding WAPA’s full participation in supporting Tribes in the planning and portfolio selection process: WAPA’s attorneys are concerned that WAPA lacks authority to engage fully with Tribes. OSPA strongly disagrees—WAPA’s statutory authority to design, build and operate one of the largest electric transmission systems in the country, to manage the Transmission Infrastructure Program, and to serve the needs of its Tribal preference customers clearly is broad enough to encompass a transmission planning and advocacy role for Tribes. However, in OSPA’s experience, WAPA’s attorneys have been overly cautious in exercising it. Specifically, in 2024 OSPA formed a coalition including WAPA, Basin Electric, three OSPA member Tribes, and others to draft and submit an application for a Grid Resilience Innovation Partnerships grant to provide partial funding for EHV grid upgrades across multiple OSPA Tribes’ reservations. Just prior to the filing deadline, WAPA’s attorneys advised WAPA that it could not identify itself as a “partner” or a sub-recipient in the application. DOE later cited this lack of specificity about the uses of the grant funds as a primary reason the application was denied. OSPA is concerned that this overabundance of caution may prevent WAPA from serving as an effective advocate for Tribal energy transmission needs and priorities.

In her testimony, Dr. Ortiz discussed at length that TEPF administration has been plagued by inconsistent and rapidly changing standards for evaluating loan applications, and states the need for the Secretary of Energy and the Loan Programs Office to issue a thorough clarification of program guidance.²⁰ This analysis com-

¹⁷ National Renewable Energy Laboratory, *Tribal Engagement in Transmission Planning*, review draft for comment by Tribes, July 2025, at 22–23.

¹⁸ Interconnection Innovation e-Xchange (i2X), *Transmission Interconnection Roadmap, Transforming Bulk Transmission by 2035*, at 37–38, Solution 2.10 (April 2024). https://www.energy.gov/sites/default/files/2024-04/i2X%20Transmission%20Interconnection%20Roadmap_1.pdf

¹⁹ Western Area Power Administration, *Native American Tribal Informational Outreach* (July 12, 2022). <https://www.wapa.gov/wp-content/uploads/2023/04/WAPA-Native-American-Tribe-Informational-Outreach-6-6-22.pdf>

²⁰ Dr. Ortiz Written Testimony at 4–8.

ports with OSPA's experience, and the need for such a comprehensive clarification of lending rules and standards is evident. As part of this clarification, OSPA requests that the Senate Indian Affairs Committee and TEFP administrator clarify that WAPA and other PMAs are fully authorized to participate actively in Tribes' applications for TEFP loans/guarantees and other federal funding/financing programs, and to be identified in the applications as a sub-recipient of the loan/guarantee proceeds.

VII. Conclusion

OSPA thanks the Senate Committee on Indian Affairs for this opportunity to submit our position on this matter of critical importance to our member Tribes. We are at your disposal if we can provide additional materials or information.

Respectfully submitted,

LYLE JACK, CHAIRMAN OF THE OSPA BOARD OF DIRECTORS
JON CANIS, OSPA GENERAL COUNSEL

PORT GAMBLE S'KLALLAM TRIBE
September 16, 2025

Dear Hon. Lisa Murkowski and Hon. Brian Schatz:

As the Senate evaluates the implementation of Executive Order 14154, "Unleashing American Energy," the Port Gamble S'Klallam Tribe (PGST) urges the Committee to continue support for tribal energy sovereignty both through existing Department of Energy programs and through the creation of new programs that promote energy independence.

We are aligned with the Executive Order's goals for affordable and reliable energy. However, we are concerned that energy exploitation and production on Federal lands and waters will come at the expense of ecosystem integrity, tribal sovereignty, and future generations. Tribes, including PGST, have stewarded the lands of the United States since time immemorial. We encourage the Senate to consider the non-use value that these lands provide, including ecosystem services for clean water, carbon sequestration, recreations—and of particular importance to tribes, cultural and provisioning services. The simplified and expedited permitting processes dictated by Section 5 must still necessitate tribal consultation and provide sufficient time for tribal staff to evaluate permitting documentation.

PGST is grateful for the Department of Energy's Energy Technology Innovation and Partnership Project for technical assistance in the creation of a Strategic Energy Plan. However, the DOE's review process has recently been modified to require an Executive Secretary Review. This additional step has lengthened the timeline substantially—we have been waiting since late May and our expected turnaround time of one month has turned into nearly four months. Delaying adopting the Strategic Energy Plan has prevented our Energy Sovereignty Program from sharing our plans with external partners, hindering collaboration: draft documents provided by the DOE and Pacific Northwest National Labs are "for internal review only—not to cite, quote, copy or distribute." We would like to receive a final version of our plan and the Executive Secretary Review has been an unanticipated barrier to our progress.

PGST has been frustrated with the lack of responsiveness from DOE regarding funding programs. We attempted to apply for the \$10,480 allocated to us by the Energy Efficiency Conservation Block Grant. First, we reached out on April 4 to eeecbg@hq.doe.gov. We received an unhelpful response on April 8: "Thank you for reaching out. We appreciate your inquiry and will respond to you as soon as possible." This message was the only one we received, despite following up on May 8. On May 21, we registered for the EECBG voucher portal and received an automated confirmation from eeecbgvouchers@emailicf.com. We followed up on May 27 after receiving no further communication, asking when we might gain access to the application given the May 31 deadline, but never received any further response.

Therefore, PGST was unable to access this funding source. PGST had a similar experience with the Grid Deployment Office (GDO) when inquiring about the Grid Resilience State And Tribal Formula Grant—we were advised that our question about the availability of funding could not be answered while the GDO conducts a department-wide review of programming in accordance with Executive Order 14210.

PGST was disappointed to hear Environmental Protection Agency to terminate the \$7 billion Solar for All. This program would have enabled low-income and disadvantaged communities including PGST to benefit from distributed solar energy. We hope that the DOE can provide a similar program that will enable our tribal member to access low-cost, renewable energy.

Thank you for your consideration.

Sincerely,

HON. AMBER CALDERA, CHAIRWOMAN

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LISA MURKOWSKI TO
JOCELYN FENTON

Executive Summary

Rural Alaska's energy systems are at a breaking point of scale, cost, and risk. Nearly 200 remote, fly-in or boat-access communities rely on aging microgrids and bulk fuel facilities that are costly to maintain yet essential for survival in extreme conditions. Many now operate beyond their design life, leaving communities—and the nation—vulnerable to cascading failures during supply disruptions or emergencies.

Without renewed federal investment, failures in community infrastructure will continue to divert military and emergency resources, undermining national preparedness and driving up government costs. Recent Executive Orders—such as Unleashing Alaska's Resources and Unleashing American Energy—authorize the rollback of restrictions, the promotion of fossil fuel and mineral extraction, and revision of permitting to fast-track traditional energy projects. Alaska's tribes are positioned to utilize these provisions in their energy planning and portfolios, though realizing those benefits hinges on strong local governance and technical capacity.

Across Alaska, the Department of Defense is prioritizing energy resilience through redundant generation, microgrids, and fuel system upgrades to ensure mission continuity under extreme conditions. Rural communities require similar reliability. Modernizing bulk fuel systems is essential to sustain local operations, reduce costly emergency responses, and maintain the logistical resilience that supports defense readiness, Arctic security, and supply chain security.

Infrastructure longevity rests on three pillars: capital improvements, operational support, and capacity building. In addition to the \$100 million still needed for Phase II of the Bulk Fuel Deployment Plan, ongoing investment in operations, maintenance, and technical collaboration is critical to ensure long-term reliability.

Well-maintained community infrastructure underpins both economic and national security. Stable energy systems attract private investment in critical minerals, strengthen supply chains, and reduce reliance on military assets for disaster response. Investing now in Alaska's rural energy backbone will secure America's northern frontier, bolster national readiness, and sustain the infrastructure vital to U.S. strategic interests in the Arctic.

Question 1. How could DOE and DOE programs support bulk fuel systems?

Answer:

- **Consider Bulk fuel facilities an essential part of a community energy system**, opening up eligibility for financial and technical support.
- DOE could open up a specific technical assistance or funding opportunity, beyond E-TIPP or C-MAP, to **facilitate rural Alaska regional energy planning** that includes bulk fuel facilities and economic assessments to help tribal, municipal, and regional entities determine a path toward improved operational sustainability of all energy systems.
- DOE could partner with the Denali Commission to fund **Phase II—the Implementation Plan—of the Bulk Fuel Aggregation Study**.
- DOE could **allow O&M set-asides in capital improvement funding**.

Robust and well-maintained bulk fuel systems are not only vital for sustaining rural communities, but also increasingly recognized as critical infrastructure for national security and economic development, as underscored by recent federal Executive Orders. DOE could strengthen support for rural Alaska's bulk fuel infrastructure by formally recognizing bulk fuel systems as an essential component of rural community energy systems. This aligns with recent Executive Orders, which encourage the removal of regulatory barriers and prioritize domestic energy production, giving DOE a clear mandate to act on behalf of rural Alaska's energy security and national resilience. This recognition could extend across DOE programs, including the Office of Indian Energy, so that all aspects of bulk fuel management, from operator training and technical assistance to condition assessments and capital projects, are eligible for funding.

DOE could also consider providing targeted assistance for regional planning efforts that evaluate the comprehensive needs of bulk fuel facilities and the financial

structures necessary for long-term sustainability beyond reliance on grant funding. Through this planning and technical support, tribal and local entities would be enabled to explore alternative energy resources and develop diversification strategies tailored to their communities—leveraging DOE and partner expertise to advance new energy solutions alongside bulk fuel system upgrades. Prioritizing direct investment in local governments, tribes, and consortiums strengthens community capacity, utilizes local expertise, and delivers resilient solutions tailored to Alaska’s unique challenges. These collaborative planning efforts would identify scalable, region-based strategies that improve efficiency, reduce costs, and support sustainable local capacity.

In addition, DOE could consider partnering with the Denali Commission to fund Phase 2 of the Alaska Bulk Fuel Aggregation Study (the Implementation Plan), which will define specific policy, regulatory, and capital improvement pathways to strengthen both the financial and physical sustainability of rural tank farms. The Implementation Plan, when completed, is anticipated to be a roadmap for guiding decisions at the local, regional, and state level to improve long-term facility operations and financial sustainability. (Please see the answer to question 2 for more information about the Study.) DOE could further enhance impact by creating or adapting funding programs to support bulk fuel system operations and maintenance (O&M), including dedicated set-asides for O&M costs within construction awards, and by investing in monitoring and preventative maintenance technologies designed for remote, harsh environments.

Finally, DOE programs could address whole-system lifecycle planning at the point of capital investment, ensuring that construction or replacement projects are paired with long-term strategies for maintenance, modernization, and eventual replacement. This systems-based approach would improve reliability, extend facility life cycles, and safeguard public investment in critical rural energy infrastructure.

Question 2. What federal funding streams are available to support utilities’ O&M costs presently?

Answer:

- Few, if any, federal funding streams are available to support utilities’ O&M costs.
- DOE and partner agencies, including the Denali Commission, could explore a **performance-based O&M pilot** for rural Alaska systems.
- Federal funding is needed for a **pilot project to implement the Bulk Fuel Aggregation Study Phase II** recommendations.
- **Raise TAPL Funding** (one-time or ongoing): Could provide a substantial, dedicated funding stream through congressional appropriations. Offers high-impact infusion for infrastructure, but may require political negotiation and could be subject to annual appropriations cycles.

Federal funding to support operations and maintenance (O&M) for rural utilities in Alaska is very limited and generally indirect. Most federal programs administered by the Department of Energy (DOE), Environmental Protection Agency (EPA), and U.S. Department of Agriculture (USDA) focus on capital investment (i.e., constructing or upgrading infrastructure) rather than the ongoing costs of operating and maintaining those systems once built.

A few programs offer partial or related support:

- Denali Commission’s portfolio includes funding for operator training, technical assistance, and targeted facility repairs or efficiency upgrades that extend the useful life of existing systems. With limited exceptions, the Commission does not generally extend funding opportunities for routine O&M expenses.
- USDA Rural Utilities Service (RUS) programs may incorporate some operational support or technical assistance within loan or grant mechanisms, though these opportunities are narrow and competitive.
- DOE’s Office of Indian Energy, along with programs such as E-TIPP (Energy Transitions Initiative Partnership Project) and C-MAP (Community Managed Microgrid Assistance Program), provide critical technical assistance to help local operators build management capacity, yet they do not directly fund O&M.

Across rural Alaska, where more than 180 remote communities operate isolated microgrids and bulk fuel facilities to meet essential needs in harsh and expensive operating environments, the absence of dedicated, sustained O&M funding mechanisms represents a major vulnerability. These systems are typically operated by small villages or local utilities with very limited cash flow and user bases too small to spread high fixed costs, leaving little margin for preventive maintenance or emer-

gency repairs. This structural gap contributes to deferred maintenance, shortened infrastructure lifespans, and recurring reliability and safety challenges.

To begin addressing this gap, DOE and partner agencies could explore a performance-based O&M pilot for rural Alaska energy systems (including bulk fuel), implemented through a collaborative federal-state-tribal-nonprofit partnership drawing on existing expertise in technical assistance, safety, regulatory compliance, and community capacity-building. Modeled on performance-driven infrastructure initiatives such as the Department of Defense’s Energy Resilience and Conservation Investment Program (ERCIP) and Energy Savings Performance Contracts (ESPCs), the pilot could tie funding or technical assistance to measurable outcomes—such as implementation of preventative maintenance programs, fewer preventable leaks and spills, fewer unplanned outages, improved operator training, and compliance with safety and environmental standards.

Importantly, a performance-based model would need to operate at regional scale or across a portfolio of facilities, where aggregated participation provides stronger financial footing, allows standardized benchmarks, and generates data sufficient to evaluate effectiveness. While there are no existing regional utilities, the benefit of working together and creating utility collaborations is clear, such as TCC, ANTHC, and those emerging in the YK Delta and Bristol Bay regions. This is a known need and wouldn’t be starting from scratch. The Bulk Fuel Aggregation Study now underway is expected to identify the structural, financial, and regulatory pathways that could inform such a model. Phase 2 of that work (the Implementation Plan) will provide the data-driven basis for designing and scoping any performance-based O&M initiative. Early estimates suggest that a modest, multi-community pilot, potentially on the order of several million dollars, could meaningfully test these concepts once guided by the Study’s findings.

Adapting performance-based approaches to rural Alaska’s energy systems at scale could help extend facility life, reduce emergency repair costs, and promote more consistent system stewardship, even without establishing a permanent O&M subsidy.

Question 3. How does a lack of O&M support impact communities reliant on bulk fuel? Please provide real-world examples.

Answer:

- The lack of dedicated O&M support directly increases the likelihood of environmental contamination, fuel supply disruption, threats to life, health, and safety, economic hardship, and deteriorating energy and national security.

The absence of consistent operations and maintenance (O&M) support for bulk fuel systems in rural Alaska has serious consequences for community safety, environmental protection, and energy reliability. Bulk fuel facilities are critical infrastructure in these communities; they store and distribute the diesel and heating fuel that power local microgrids, heat homes, and support water, sewer, and transportation systems. When preventive maintenance and operator support are underfunded, systems become increasingly fragile and communities are forced into a reactive posture, responding to crises instead of managing assets strategically.

Without adequate O&M resources, communities face:

- **Greater risk of spills and leaks.** In February 2024, roughly 6,400 gallons of diesel spilled in Kwigillingok when a transfer pump overfilled a bulk tank and fuel breached secondary containment, threatening nearby waterways. ADEC and the U.S. Coast Guard coordinated an extensive cleanup (Anchorage Daily News, Feb 21 2024). Similarly, an 18,000-gallon diesel spill in Point Lay in 2022 was traced to a failed valve seal at the community’s tank farm (Reuters, Aug 12 2022). Both incidents underscore how aging equipment and limited maintenance capacity heighten spill risks and cleanup costs.
- **Service interruptions and loss of power or heat.** The City of Akiak has endured repeated power outages due to generator failures and lack of spare parts or trained staff. In 2024, residents went weeks with inconsistent electricity, losing frozen food stores and relying on personal generators to keep freezers running (Alaska Public Media, July 1 2024). Because the community has only a few hundred residents, there is no financial cushion to absorb major repairs.
- **Vulnerability to extreme weather and erosion.** During Typhoon Merbok (2022) and again with ex-Typhoon Halong (2025), storm surge and flooding damaged fuel storage facilities in multiple western Alaska villages, dislodging tanks, floating drums, and spreading sheens of fuel across inundated areas (AP News, Oct 2025). Facilities lacking adequate foundation maintenance, erosion protection, or anchoring are likely to have suffered the greatest losses.

- **Escalating and unpredictable costs.** Emergency repairs, spill responses, and replacement parts are several times more expensive than scheduled maintenance, particularly in fly-in communities where every repair requires specialized personnel and chartered transport. Small utilities with minimal cash reserves must often defer maintenance or seek emergency aid, perpetuating a costly cycle of crisis response.

These examples demonstrate how the lack of dedicated O&M support directly increases the likelihood of environmental contamination, fuel supply disruption, and economic hardship. Moreover, strategic investment in rural fuel systems is essential—not only for local safety and stability, but also to ensure military and federal emergency assets remain available for their designated missions, rather than repeated disaster response, as the Typhoon Halong situation illustrates. For communities already facing high energy costs and limited local capacity, even a single spill or extended outage can have cascading impacts on public health, subsistence resources, and community stability.

Sustained O&M investment, whether through dedicated funding mechanisms, regional aggregation strategies, or future performance-based pilot programs, is essential to shift rural Alaska’s bulk fuel infrastructure from reactive repairs to proactive, long-term stewardship.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LISA MURKOWSKI TO
DR. ANNA MARIA ORTIZ

Question 1. In GAO’s report from May 8, 2025, titled, DOE Loan Programs: Actions Needed to Address Authority and Improve Application Reviews, GAO found that LPO internal application review guidance is “at times contradictory or unclear.” In one instance, GAO found that “TEFP guidance calls for the drafting of a technical viability memo by the evaluating engineer to document the results of LPO’s technical viability evaluation.” However, LPO staff interviewed by GAO revealed they did not create those memos. In other cases, GAO found that when asking LPO officials to clarify their application review procedures, “their statements contradicted written procedure, practice, or other statements from LPO officials.” Can you share how contradictory and unclear internal program guidance may contribute to potential applicants’ disinterest in applying for a loan or loan guarantee from LPO?

Answer. As we have previously reported, Tribes can have limited staffing and administrative capacity, which makes it challenging for them to identify and apply for federal funding. Administrative burdens, such as application requirements, can strain Tribes’ staffing capacity.¹ Unclear guidance can contribute to these burdens.

We have found that unclear guidance about the Department of Energy’s (DOE) Tribal Energy Financing Program (TEFP) can cause confusion for Tribes, creating barriers for Tribes and limiting their ability to access federal funding for energy projects.² For example, one tribal applicant reported being told by DOE Loan Programs Office (LPO) officials that the TEFP would cover 100 percent of its project’s costs.³ Later, the applicant was told the loan would only cover 80 percent, and it had to quickly get another loan to cover the equity difference. The applicant said the lack of clear requirements made applying to the program challenging. Another applicant reported that each time it met with LPO, the office introduced additional financing conditions—sometimes as many as 50 conditions simultaneously—requiring the applicant to spend additional time and money on its application. A third applicant reported that conflicting guidance about its project’s eligibility caused delays that derailed its application before it entered the program.

Question 2. In your testimony, you noted that many of the challenges LPO faces with lack of Tribal expertise are strong points at the Office of Indian Energy Policy and Programs. If the TEFP were to be housed at DOE–IE, what new challenges do you anticipate and what recommendations would you make to address capacity?

Answer. We have not analyzed the capacity of DOE’s Office of Indian Energy Policy and Programs (IE) to house TEFP, or the potential benefits or challenges of such

¹GAO, *Tribal Issues: Barriers to Access to Federal Assistance*, GAO–25–107674 (Washington, D.C.: Dec. 3, 2024).

²GAO, *Tribal Energy Finance: Changes to DOE Loan Program Would Reduce Barriers for Tribes*, GAO–25–107441 (Washington, D.C.: Aug. 11, 2025.) Related testimony: GAO, *Tribal Energy Finance: DOE Actions Needed to Reduce Barriers for Tribes*. GAO–25–108720 (Sept. 10, 2025).

³As part of a November 2025 reorganization, DOE renamed LPO to the Office of Energy Dominance Financing. For consistency with our hearing statement, we use LPO to refer to the office.

a change. However, we offer the following insights beyond the scope of our review of the TEFP:

IE and TEFP have similar goals of supporting development of tribal energy projects:

- IE is charged with promoting Indian energy development, reducing energy costs and improving electrification on tribal lands. It administers grant funding and provides technical assistance to federally recognized Tribes, including Alaska Native villages, and other eligible tribal entities to support tribal energy development needs.
- TEFP supports federally recognized Indian Tribes or tribal energy development organizations that develop energy resources, products, or services using commercial technology.

However, IE and LPO generally provide different types of funding for projects of different sizes with little overlap in project needs, according to IE officials. IE provides grant funding for smaller-scale projects that address Tribes' electrical needs, and awards range from \$100,000 to \$5 million, according to DOE documents. In contrast, LPO finances larger utility scale projects that provide Tribes with economic development opportunities, and the median loan request for the program is \$108 million, according to our TEFP review. Therefore, while IE has significant experience working with Tribes on their energy projects, it has no experience with loans or loan guarantees and has limited expertise to provide technical assistance on the larger projects that TEFP currently targets, according to IE officials.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BRIAN SCHATZ TO
DR. ANNA MARIA ORTIZ

Question 1. GAO reported that the Department of Energy's Loan Program Office (LPO) allocates time from shared staff from other DOE offices to administer the Tribal Energy Loan Guarantee Program (TELGP), and that these staff often do not have experience or expertise in Tribal energy finance. Please describe how this is increasing LPO's challenge of timely processing applications and any impact on the Program's effectiveness, particularly for Tribal applicants who seek to finance commercial-scale projects.

Answer. Without adequate experienced staff, LPO could continue to face challenges effectively processing Tribes' applications, according to LPO officials and staff. This can increase application review times and require greater use of outside consultants to fill knowledge gaps, which can increase costs for Tribal applicants.

For example, LPO staff who review Tribal Energy Financing Program (TEFP) applications are shared with other LPO loan programs and may prioritize review of these programs' applications, which can prolong TEFP review times.¹ One tribal applicant reported that it experienced LPO resources being taken away from its application and that LPO officials told it that they were unlikely to prioritize the project for staffing because the project was small and LPO staff resources were limited. Tribal projects submitted for TEFP can be smaller than those submitted to other LPO programs. Specifically, we reported that the average loan requested for projects that completed financial close for LPO's Title XVII Clean Energy Financing Program (Section 1703) was \$1.9 billion.² In contrast, the average loan request for TEFP was \$820 million, according to our TEFP review.³

LPO staff's lack of experience with tribal applications can also slow application review and require greater use of outside consultants to fill knowledge gaps, which can increase costs for Tribes. For example, LPO staff reported that the legal nuances of developing projects on tribal lands and interconnection can take significant time for LPO to evaluate. Without adequate legal support for the program, LPO staff said it can take weeks or months to answer Tribes' legal questions. They said that having staff with experience with Tribes and tribal energy finance—particularly

¹ The Energy Policy Act of 2005 created the Tribal Energy Loan Guarantee Program (TELGP), which initially only provided loan guarantees. Pub. L. No. 109–58, tit. V, § 503(a), 119 Stat. 594, 764–78 (codified in relevant part as amended at 25 U.S.C. §§ 3501, 3502(c)). The program was first funded in 2017, and in 2022 it was expanded to allow direct loans. DOE refers to the expanded program as the Tribal Energy Financing Program (TEFP).

² GAO, *DOE Loan Programs: Actions Needed to Address Authority and Improve Application Reviews*, GAO–25–106631 (Washington, D.C.: May 8, 2025).

³ As we reported in our TEFP review, the median loan request for TEFP was \$108 million. Loan and loan guarantee requests ranged from \$23.7 million for a solar project to \$8.7 billion for an ammonia production facility. For more information on TEFP project sizes, see GAO–25–107441.

staff with experience in key tribal issues such as tribal project funding approaches and tribal land ownership types—can help with underwriting tribal energy projects. Program leadership said such expertise is best gained by having dedicated TEFP staff who develop knowledge and skills by routinely focusing on tribal applications. According to LPO officials and staff, without adequate experienced staff, LPO could continue to face challenges effectively processing Tribes’ applications.

Question 1a. Could the Office of Indian Energy enter into an MOU (or other official arrangement) with LPO to dedicate shared staff for the Tribal Energy Finance Program to address the lack of Tribal expertise, as mentioned in your report and testimony?

Answer. We have not analyzed IE’s capacity to enter into a Memorandum of Understanding or other official arrangement with LPO to dedicate shared staff to TEFP, nor have we analyzed the potential benefits or challenges of such a change. However, we offer the following insights beyond the scope of our review of TEFP:

As noted above, IE has similar goals to LPO; however, IE and LPO provide different types of funding to different types of projects with little overlap in project needs, according to IE officials. IE provides grant funding for smaller-scale projects that address Tribes’ electrical needs, with awards ranging from \$100,000 to \$5 million, according to DOE documents. In contrast, LPO finances larger utility-scale projects that provide Tribes with economic development opportunities, and the median loan request for the program is \$108 million, according our TEFP review. IE has no experience with loans or loan guarantees and has limited expertise to provide technical assistance on projects of the scale that TEFP targets, according to IE officials.

Question 2. GAO reported that recent presidential actions have impacted LPO’s overall staffing levels, which are “likely to affect the availability of dedicated staff with expertise to work on Tribal applications.” Will the LPO be able to effectively provide technical assistance and process applications with reduced staff, even from those without cultural competence or experience in Tribal energy finance?

Answer. Because the staffing reductions at LPO came after we completed the audit work for our review of TEFP, we did not analyze the effect of staff reductions on the program. However, before these reductions, we found that LPO had few designated staff with tribal experience to review TEFP applications. We recommended that LPO consistently maintain designated staff in each division reviewing TEFP applications and provide additional training to build tribal competence and knowledge of tribal energy finance.

Until LPO implements our recommendation, it cannot ensure TEFP applications are processed by staff with the needed cultural competence and expertise in tribal energy finance. Without such staff to work with them, Tribes may continue to have limited trust in LPO and experience increased challenges navigating the program. This can jeopardize Tribes’ ability to secure funding for energy projects that could provide them important economic development opportunities.

Question 2a. Will the reduced number of staff result in delays or fewer applications being processed?

Answer. Because the staffing reductions at LPO came after we completed the audit work for our review of TEFP, we did not analyze the effects of reduced staff on the program. However, before the staff reductions, we found that the long application review timeline was a pain point for applicants. We also reported that cultural competence and expertise in tribal energy finance is critical for timely review of applications. Unless LPO consistently maintains designated staff with the appropriate knowledge and training to review TEFP applications, it cannot ensure TEFP applications are processed by staff with the needed expertise.

Question 2b. How many FTEs does the LPO need to support origination and monitoring of new loans without the availability of the \$75 million credit subsidy that was rescinded in the One Big Beautiful Bill Act?

Answer. Because Public Law 119–21—commonly known as the One Big Beautiful Bill Act—was enacted after we completed the audit work for our review of TEFP, we did not analyze the act’s effect on the program or its staffing needs.⁴

In our August 2025 review of TEFP, we reported that, as of May 2025, LPO had designated 12 of its 274 federal staff positions to focus primarily on TEFP or to work for the program on a recurring basis but had not consistently filled those positions. We also reported that as a result of recent presidential actions, LPO was undergoing significant changes to its overall staffing levels, which likely would affect the availability of dedicated staff with expertise to work on tribal applications. Spe-

⁴ An Act To provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119–21, 139 Stat. 72 (2025).

cifically, as of July 18, 2025, 110 LPO employees had elected to resign on a deferred basis and were on administrative leave until their resignation or retirement date, and 43 additional positions were vacant, according to DOE officials. We followed up with DOE officials in September 2025, and they confirmed these numbers remained the same.

Changes to program design (e.g., conducting due diligence in-house or streamlining the application process) and in the number and complexity of TEFP applications can affect the number of staff LPO needs to originate and monitor new loans.

Question 3. GAO reported that the Department of Energy received 20 total Tribal Energy Finance Program applications for direct loans and loan guarantees. How many applications were in each category?

Answer. Of the 20 applications DOE received, 16 were for direct loans and four were for loan guarantees.

Question 3a. What was the range and average of the direct loans requested?

Answer. The 16 direct loan requests ranged from \$24 million to \$8.7 billion. The average request was for about \$914 million.

Question 3b. What was the range and average of the loan guarantees requested?

Answer. The four loan guarantee requests ranged from \$61 million to \$115 million. The average request was for about \$88 million.

Question 4. You testified that due diligence costs are a “significant” financial barrier that keeps Tribes from participating in the TELGP/Tribal Energy Finance Program. How can the Department of Energy help reduce due diligence costs?

Answer. In our review of TEFP, we found that DOE was taking some steps that could reduce due diligence costs. However, these actions were still under development at the time of our review and their current status is uncertain:

- DOE planned to apply \$5 million in technical assistance funding to help tribal applicants develop their application materials before the due diligence phase. DOE officials told us this could help reduce overall application preparation costs for tribal applicants, which would help offset the amount of due diligence work needed and associated costs charged to tribal applicants.
- LPO was developing a public finance application pathway for evaluating lower-risk projects, which it hoped would reduce the length of LPO’s review process and due diligence fees charged to the applicant. LPO’s typical application review pathway assumes a riskier corporate finance project structure, which requires more due diligence. In contrast, the public finance pathway would support lower-risk projects—such as those that are smaller scale or use established technologies—that are backed by a Tribe’s government. Implementing a second application review pathway for Tribes could require less overall due diligence (thus lowering fees and expenses) and reduce application timeframes, according to LPO officials.

Question 4a. Could the Department of Energy complete due diligence “in-house” for program applicants? Does Congress need to act or can the Department of Energy act administratively? Is there an approximate cost for doing so?

Answer. We have not analyzed the capacity and cost for DOE to complete due diligence in-house for TEFP. In our review of TEFP, we recommended that LPO continue to develop and implement options to revise its TEFP due diligence review process to reduce or eliminate related fees. These options could include providing in-house underwriting.

At the time of our audit, LPO was exploring options to reduce or eliminate due diligence fees, but these actions were still being developed. Such an effort is expected to include determining LPO’s capacity in terms of expertise and legal authority.

Question 5. Did the One Big Beautiful Bill Act impact the Department of Energy’s \$20 billion TELGP/Tribal Energy Finance Program loan authority or its ability to guarantee up to 100 percent of those loans?

Answer. In the One Big Beautiful Bill Act, Congress rescinded the unobligated balance of TEFP’s Inflation Reduction Act (IRA) appropriations.⁵ As a result, the program has appropriations for credit subsidy costs, if any remain unobligated, of

⁵ An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119–21, tit. V, subtit. D, § 50402(b), 139 Stat. 72, 152 (2025). Congress in the IRA had appropriated \$75 million for credit subsidy and to administer TEFP. An Act To provide for reconciliation pursuant to Title II of S. Con. Res. 14, Pub. L. No. 117–169, § 50145(a), 136 Stat. 1818, 2045–46 (2022). In GAO–25–107441, we did not assess the effects on the program of this rescission of unobligated funds.

\$10.5 million—\$8.5 million in pre-IRA appropriations and \$2 million in post-IRA appropriations.⁶

The One Big Beautiful Bill Act did not amend DOE’s \$20 billion in loan authority. DOE had \$19.9 billion in remaining loan authority as of September 2025, according to DOE officials.⁷ According to LPO officials, information submitted in support of the President’s fiscal year 2025 budget request estimated that from fiscal year 2029 through 2030, \$10.5 million of appropriated credit subsidy funding would support the use of loan authority totaling \$4.4 billion. However, the specific amount of loan authority DOE uses will vary based on factors such as the total dollar amount and risk of loans DOE makes.

The One Big Beautiful Bill Act did not change DOE’s authority to guarantee up to 100 percent of loans.⁸

Question 6. What is the status of the 20 applications after the TELGP’s \$75 million in unobligated credit subsidies was rescinded by the One Big Beautiful Bill Act? Are they active? Inactive? Withdrawn? Paused? Some other status?

Answer. We previously reported that as of February 2025, DOE had closed one loan guarantee, seven applications were active, and 12 were inactive.⁹ Five of the 12 inactive projects were withdrawn, according to DOE’s February 2025 data. We followed up with DOE in September 2025 and officials confirmed that the status of the existing applications remained the same and that they had not received any new applications.

Question 7. What are the immediate and potential long-term impacts of the One Big Beautiful Bill Act to the TELGP or the Tribal Energy Finance Program?

Answer. Because we completed the audit work for our review of TEFPP before the One Big Beautiful Bill Act was enacted, we have not fully analyzed the effects of the legislation on the program. As discussed above, the One Big Beautiful Bill Act did not change the program’s loan authority of \$20 billion.

However, as stated above, the act rescinded the unobligated balance of IRA appropriations. As a result, the program has only the remaining balances from the \$10.5 million in appropriations for subsidy costs from other acts. The act also changes the availability of tax credits—including by restricting a credit for investment into certain renewable projects to those placed in service by December 31, 2027—which could affect Tribes’ ability to develop renewable projects.¹⁰ However, we did not analyze the impacts of these provisions in our review of TEFPP.

Question 8. Does the TELGP need new statutory authorizations, additional continuing appropriations, or other authorities to issue new loan guarantees following enactment of the One Big Beautiful Bill Act?

Answer. We have not analyzed the need for additional statutory authorizations and appropriations for TEFPP. However, DOE is still authorized to issue loan guarantees and direct loans, consistent with applicable law and available appropriations.

As stated above, the act reduced the appropriations available for loan subsidies, leaving the remaining balances from \$10.5 million in non-IRA cost subsidy appropriations, but did not change the program’s loan authority of \$20 billion. According to LPO, information submitted in support of the President’s fiscal year 2025 budget request estimated that in fiscal years 2029 and 2030, \$10.5 million of appropriated credit subsidy funding would support the use of loan authority totaling \$4.4 billion. However, the specific amount of loan authority DOE can use will vary based on factors such as the total dollar amount and risk associated with the loans it makes.

Question 9. What are some best practices that the U.S. Department of Agriculture implements in vetting its public financing loans and loan guarantees that are not currently used by the LPO, and how could adopting these practices improve access to financing for Tribal energy projects?

Answer. According to officials from the U.S. Department of Agriculture (USDA), USDA federal loan and loan guarantee programs that issue loans to tribal appli-

⁶ Consolidated Appropriations Act, 2017, Pub. L. No. 115–31, 131 Stat. 135, 313; Consolidated Appropriations Act, 2023, Pub. L. No. 117–328, 136 Stat. 4459, 4637 (2022). This total excludes appropriations for administrative expenses.

⁷ Loan authority is the statutory limit to the total outstanding amount of loans and loan guarantees LPO may issue for a program for a given period.

⁸ Prior to the IRA’s enactment, DOE was authorized to guarantee no more than 90 percent of the unpaid principal and interest due on any loan under TEFPP. *See* 25 U.S.C. § 3502(c)(1) (2021). This restriction was eliminated by the IRA. Pub. L. No. 117–169, § 50145(b)(1), 136 Stat. at 2045–46. The One Big Beautiful Bill Act did not amend this provision or reinstate the restriction. *See generally*, Pub. L. No. 119–21, 139 Stat. 72.

⁹ GAO–25–107441.

¹⁰ *See, e.g.*, Pub. L. No. 119–21, tit. VII, subtit. A, § 70513(a), (g)(3), 139 Stat. at 270–73 (codified in relevant part at 26 U.S.C. § 48E(e)(4), 48 note).

cants complete underwriting in-house and have limited or no additional due diligence fees.

In contrast, as we discuss in our report on TEFP, DOE requires TEFP applicants to pay for external consultants whom DOE may engage for its due diligence. The resulting level and unpredictability of due diligence costs discourages Tribes from applying to TEFP, according to potential participants and stakeholders we interviewed for our August 2025 review of the program. One Tribe that decided not to apply to the program noted that the costs could translate into millions of dollars, making it difficult for Tribes to plan. Another tribal applicant with previous experience seeking energy financing noted that the expected due diligence costs under TEFP were double what it would expect from other financing sources for its proposed energy project. This Tribe told us it likely would withdraw its TEFP application in part because of the high application costs.

Another important practice USDA officials identified is to have trained staff in the field who have experience working with Tribes and understand how to conduct underwriting that is appropriate for tribal finances. During our review of TEFP, LPO officials told us that having staff with experience with Tribes and tribal energy finance—particularly staff with experience in key tribal issues such as tribal funding approaches and types of tribal land—is beneficial for underwriting tribal energy projects. Program leadership said such expertise is best gained by having dedicated TEFP staff who develop knowledge and skills by routinely focusing on tribal applications.

Question 10. To the extent possible, please provide answers to the following questions related to GAO–25–107441. How many DOE employees are designated to support the review and processing of Tribal Energy Finance Program applications?

Answer. We reported that as of May 2025, LPO had designated 12 of its 274 federal staff positions to focus primarily on TEFP or to work for the program on a recurring basis but had not consistently filled those positions. We also reported that as of July 18, 2025, 110 employees had elected to resign on a deferred basis and were on administrative leave until their resignation or retirement date, while 43 additional positions were vacant. When we followed up with DOE officials in September 2025, they confirmed LPO’s unfilled positions remained the same. However, it is unclear how many of TEFP’s designated staff remain at the agency.

Question 10a. How many of these employees are FTEs?

Answer. Because a significant portion of the staff designated for TEFP are shared with other programs and LPO’s practice is to assign staff to projects based on availability, GAO did not analyze the number of FTEs assigned to TEFP.

Question 10b. How many of these positions are vacant?

Answer. As of May 2025, seven of LPO’s 12 designated TEFP staff positions were vacant. As noted above, LPO is undergoing significant changes to its overall staffing levels, and it is unclear how many of TEFP’s designated staff remain at the agency.

Question 10c. How many of these positions are solely dedicated to the Tribal Energy Finance Program?

Answer. As of May 2025, LPO’s two outreach positions were staffed to work solely with TEFP. As noted above, LPO is undergoing significant changes to its overall staffing levels, and it is unclear how many of TEFP’s designated staff remain at the agency.

Question 10d. How many are dedicating part of their time to other LPO matters?

Answer. As of May 2025, LPO had 10 staff positions that dedicated part of their time to TEFP in addition to other programs. As noted above, LPO is undergoing significant changes to its overall staffing levels, and it is unclear how many of TEFP’s designated staff remain at the agency.

Question 10e. How many of these employees have expertise working in public finance and with Tribal governments?

Answer. We reported that LPO’s outreach staff for TEFP are hired for their tribal cultural competency and receive in-house training on energy projects and finance. LPO has provided its staff with general training about working with Tribes and recently began providing some staff with more specific training that addresses topics such as awareness of tribal law and government procedures. However, we did not gather data on how many of LPO’s employees have expertise working in public finance and with tribal governments.

Question 11. GAO reported that LPO has difficulty administering the TELGP/Tribal Energy Finance Program effectively, citing several factors including lack of culturally competent staff and expertise in Tribal energy finance. Would the Program be more effective if housed under OIEPP?

Answer. We have not analyzed the capacity of DOE's Office of Indian Energy Policy and Programs (IE) to house TEFPP, or the potential benefits or challenges of such a change. However, we offer the following insights beyond the scope of our review of TEFPP:

IE and LPO's TEFPP have similar goals of supporting development of tribal energy projects:

- IE is charged with promoting Indian energy development, reducing energy costs and improving electrification on tribal lands. It administers grant funding and provides technical assistance to federally recognized Tribes, including Alaska Native villages, and other eligible tribal entities to support tribal energy development needs.
- TEFPP supports federally recognized Indian Tribes or tribal energy development organizations that develop energy resources, products, or services using commercial technology.

However, IE and LPO generally provide different types of funding for projects of different sizes with little overlap in project needs, according to IE officials. IE provides grant funding for smaller scale projects that address Tribes' electrical needs, and awards range from \$100,000 to \$5 million, according to DOE documents. In contrast, LPO finances larger utility-scale projects that provide Tribes with economic development opportunities, and the median loan request for the program is \$108 million, according to our TEFPP review. Therefore, while IE has significant experience working with Tribes on their energy projects, it has no experience with loans or loan guarantees and has limited expertise to provide technical assistance on the larger projects that TEFPP currently targets, according to IE officials.

Question 12. What are the statutory maximums or minimums, if any, on Tribal Energy Finance Program application loan amount? Are there other statutory requirements that would limit the size or type of loan under the Program?

Answer. In our report on TEFPP, we did not identify any statutory maximums or minimums on individual TEFPP loan amounts. However, by statute, Tribes are required to pay at least 20 percent of total project costs as equity for loan guarantees, and this requirement extends to direct loans.¹¹ The equity requirement means that for a \$100 million energy project, a tribal applicant would need to cover at least \$20 million of total project costs.

Question 13. Does LPO have statutory or regulatory authority to establish investment caps or limits on TELGP/Tribal Energy Finance Program applications?

Answer. Our report on TEFPP did not include a detailed analysis of whether LPO has statutory or regulatory authorities to establish investment caps or limits on applications to the program. However, as stated above, by statute, the program has a loan authority of \$20 billion and Tribes are required to pay at least 20 percent of total project costs as equity for loan guarantees, and this requirement extends to direct loans.

Our analysis of applications to TEFPP showed that tribal applicants submitted applications for a broad range of amounts and corresponding total project costs (i.e., the loan request plus equity paid by Tribes). Loan and loan guarantee requests ranged from \$23.7 million for a solar project, with a total project cost of \$29.6 million, to \$8.7 billion for an ammonia production facility, with a total project cost of \$12.1 billion.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LISA MURKOWSKI TO
DAVID CONRAD

Question 1. You stated to the Committee that DOE-IE continues to manage and support the Indian Country Energy and Infrastructure Working Group (ICEIWG) with internal DOE-IE resources. When is the next scheduled ICEIWG meeting? Please provide DOE-IE's plan for the ICEIWG platform in this administration.

Answer. DOE recognizes ICEIWG as a trusted forum that provides invaluable on-the-ground perspectives from Tribes regarding their priorities, identification of challenges, and collaboration with DOE on advancing energy development and infrastructure. DOE-IE is currently planning the second ICEIWG meeting of 2025. We anticipate holding the second meeting in the coming months. IE will continue to

¹¹ By statute, DOE must make all loan guarantees in accordance with section 1702 of the Energy Policy Act of 2005, as amended, including that, unless otherwise provided by law, no loan guarantee shall exceed 80 percent of the project costs of the facility that is subject to the guarantee, as estimated at the time the guarantee is issued. 42 U.S.C. § 16512(a), (c).

host ICEIWG meetings and work with members and DOE leadership to collaborate to advance reliable, affordable, and secure American energy.

Question 2. Does DOE–IE plan to hold an in-person grantee convening next year?

Answer. IE’s program review is an important event for sharing knowledge and successes between IE’s grantees, IE staff, as well as the broader Tribal energy community. IE has not begun planning the 2026 program review but will work to ensure it is both impactful and cost-effective.

Question 3. Are Tribally Designated Housing Entities (TDHEs) eligible for technical assistance from the DOE–IE Office? If not, is this something that can be addressed administratively at DOE or is legislation necessary?

Answer. Many, but not all TDHEs are eligible for IE technical assistance (TA). TDHEs, as defined in 25 U.S.C. § 4103, include nonprofit entities authorized to receive federal funds for the development or improvement of low-income housing, and can be authorized or established by both federally recognized Tribes and State recognized Tribes. As provided under 25 U.S.C. § 3502(b) (and the controlling definition of “Indian tribe” at § 3501(4)), the Office of Indian Energy is only able to serve TDHEs authorized by federally recognized Tribes. Furthermore, the TDHE would need to be seeking to carry out energy-related activities within the TA services offered to take advantage of IE’s TA.

Question 4. GAO testified that Tribal expertise is not a strength of the Loan Programs Office (LPO), but it is a strength of the DOE–IE. GAO also described what it characterized as “the mismatch between Tribal Energy Financing Program (TEFP) and the other financing programs housed at LPO. What resources, expertise, staff capacity and authorities would be needed for DOE–IE to take over the TEFP from LPO?”

Answer. DOE understands the importance of the TEFP to Tribal economies and to SCIA. DOE would like to develop a well-researched proposal on how best to structure joint efforts between LPO and IE in partnership toward the common goal to maximize the accessibility and impact of the TEFP, drawing upon the core capabilities and unique strengths of each office. The proposal will include respective roles for IE and LPO in program design, implementation, and evaluation.

Question 5. In DOE’s response to the GAO Report, Tribal Energy Finance: Changes to DOE Loan Program Would Reduce Barriers for Tribes, the agency stated that LPO would continue developing and testing the public finance application pathway for lower-risk Tribal energy projects. What steps does LPO plan to take to develop and test this pathway in this administration? Please provide a timeline for implementation of this pathway.

Answer. The Department is continuing to conduct a department-wide review to ensure all activities follow the law, comply with applicable court orders and align with the Trump administration’s priorities and ensure the responsible stewardship of American taxpayer dollars. The Department of Energy is hard at work to deliver on President Trump’s promise to restore affordable, reliable, and secure energy for the entire Nation.

Question 6. GAO testified that DOE has \$10.5 million available to support credit subsidy costs for the Tribal Energy Financing Program. Can you confirm that this is accurate, and that project applications continue to be reviewed under TEFP?

Answer. LPO confirms that \$10.5 million is available to support credit subsidy costs.

Project applications continue to be reviewed under TEFP.

Question 7. How many outreach employees at LPO are solely dedicated to TEFP? How many underwriting employees are solely dedicated to TEFP? How many full time FTE positions dedicated to TEFP are filled, and how many are vacant? Are there any active plans to fill the vacant positions? In the meantime, how is LPO filling the gaps?

Answer. LPO is not structured around individual loan programs. Instead, LPO is structured around technologies with vertically integrated teams focused on the Administration’s priorities. These technology-based teams work with applicants to determine which loan program is the best fit for the proposed project (e.g., Title 17, Advanced Technology Vehicles Manufacturing, Tribal Energy Financing Program). Each integrated team includes staff with expertise in outreach and business development, underwriting and structuring, technical and environmental, and Portfolio Management. Team members are assigned to applications and loans as they move through the application process.

In addition to the technology-based teams, LPO recognizes the specific nature of tribal projects and outreach. Therefore, LPO has a dedicated tribal outreach team. The tribal outreach team currently includes one Federal staff and four contractors.

The tribal outreach team works closely with the appropriate technology-based teams on individual tribal financing applications.

LPO continuously evaluates its staffing needs across its divisions and technology teams. LPO will ensure designated staff for TEFP applications, within the current resources available to LPO under current Executive Orders, budget authority, and OPM and DOE guidance on staffing.

LPO includes additional training to build Tribal competence and knowledge of Tribal energy finance as part of the annual assessment of its staff training needs.

Question 8. How is the DOE's Navigator Service similar to or different from the technical assistance staff IE maintains?

Answer. Many Tribes are capacity-constrained and have multiple priority issues competing for their attention including but not limited to energy issues. The Office of Indian Energy Tribal Energy Navigator service responds to inquiries from Tribes and Tribal entities to reduce administrative burden and facilitate more efficient access to DOE and other federal energy programs available to them. The Tribal Energy Navigator, an IE staff service, provides human interaction which is often a preferred method of communication with Tribes especially within a large bureaucracy. Relative to IE's Navigation service, IE's TA program is technical in nature. IE's TA program helps advance energy projects and energy commerce with expert support, through IE staff, national labs and partners at the Department of Commerce, the Denali Commission, and the Alaska Native Tribal Health Consortium. Each TA project is no-cost to the Tribe and culminates in a specific deliverable to inform the next steps in energy development. Common types of TA include:

- **Community-wide strategic energy planning:** Inform vision and goals. The process uses facilitators, who are experienced in Indian Country, to help Tribal communities clarify their energy vision. This is a recommended starting point for many Tribes before they pursue analysis and funding of energy projects.
- **Energy audits of buildings and facilities:** Assess performance, quantify usage and identify cost savings opportunities.
- **Resource assessments:** Quantify energy resources in line with Tribal priorities.
- **Energy project planning:** Modeling, economic analysis, third party independent reviews of energy project documents.
- **Energy governance development:** Energy code development, utility formation pre-feasibility assessments.
- **Enabling a competitive business environment:** Legal frameworks to enhance energy sector commerce.

Question 8. Are there any limitations to the resources the Navigator Service connects Tribes and Tribal Energy Development Organizations (TEDOs) to? For example, would the Navigator Service be able to connect an interested Tribe with staff at LPO?

Answer. IE's Navigator identifies potential matches between a Tribe's energy objectives and federal resources and provides referrals to technical and financial assistance (TA and FA respectively) programs across DOE, including IE and LPO. Yes—they have been connecting Tribes to LPO. TEFP is a resource on BIA's Access to Capital Clearinghouse

Question 9. In your written testimony you mention the growing relationship between the Office of Indian Energy and the Arctic Energy Office (AEO), noting the engagement role the AEO is playing in connecting Alaska Native Corporations with the resources available at the Department. Please share examples of the type of collaboration IE has had with the AEO in getting communities the resources they need to develop their energy resources and reduce the cost per kilowatt hour to Alaskan ratepayers. I would especially appreciate examples referencing ongoing projects.

Answer. IE has had significant impacts on energy affordability, accessibility, and reliability in Alaska, having supported 74 projects across the state with a combined energy savings of \$168 million over the life of the projects. These savings were the result of \$54 million in federal investment. IE also has a strong record of ensuring Alaska Native entities have comparable accessibility to the Office's programs; since 2010, approximately 28 percent of IE deployment funding and approximately 42 percent of all IE technical assistance has gone to Alaska.

Access to IE programs is heightened by key partnerships, including regular collaboration with the Arctic Energy Office (AE). Below are ongoing examples:

- IE and AE leadership meet monthly to coordinate amongst the Offices.

- Staff from IE's technical assistance program participate in monthly Arctic Energy Ambassador calls, hosted by AE, to share updates on IE's technical assistance program and boost access to the program across Alaska. In turn, Arctic Energy Ambassadors share the latest needs and trends from Alaska.
- IE has supported several requests from Arctic Energy Ambassadors, including a design review for a geothermal project.
- IE and AE have co-located workspace in Anchorage to facilitate local collaboration.

Question 10. What are DOE's plans for the unobligated IRA Section 50122 Tribal Home Electrification and Appliance Rebate funding?

Answer. The Department is conducting a department-wide review to ensure all activities follow the law, comply with applicable court orders, align with the Trump administration's priorities, and ensure the responsible stewardship of American taxpayer dollars. The American people provided President Trump with a mandate to govern and to unleash 'American Energy Dominance.' The Department of Energy is hard at work to deliver on President Trump's promise to restore affordable, reliable, and secure energy to the entire nation.

Question 11. Through conversations with former administrative staff, we have heard many positive things about the collaborative approach IE takes to addressing community energy and natural resources needs. One particularly strong example included working with the Department of the Interior's (DOI) Division of Energy and Mineral Development (DEMD). How have Tribes/TEDOs utilized both DEMD and IE in order to achieve their energy goals?

Answer. IE and the U.S. Department of the Interior (DOI), Division of Energy and Mineral Development (DEMD) each have complementary functions that benefit Tribal Nations and Alaska Native Villages throughout the energy development and deployment process.

Two distinctions between the two programs are as follows:

- IE conducts TA through access to the DOE national labs and more recently the Department of Commerce. This TA, provided at no-cost to Tribes and Tribal entities, is useful for early analysis to help inform the development of energy projects and frameworks to enable energy sector commerce.
- DEMD's financial assistance has focused more resources on project development (pre-construction activities) whereas IE's financial assistance has focused more resources on deployment (construction activities). IE has also funded pre-construction activities although less frequently than DEMD.

Tribes have often staggered IE and DEMD resources to advance projects along the development pipeline. The most common path begins with IE no-cost TA, followed by DEMD project development resources, followed by IE competitive financial assistance to deploy the project. However, there are also many examples where a Tribe or Alaska Native Village will approach DEMD first for services and then apply for a competitive grant under IE financial assistance.

In addition to offering complementary resources, IE and DEMD staff coordinate and support each other as competitive grant application reviewers to maximize the use of their specialized expertise and ensure the projects are poised for success once selected for negotiation and awards.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BRIAN SCHATZ TO
DAVID CONRAD

Question 1. On average, how many grant applications does your office receive in a year?

Answer. The number of applications received in any given years can be dependent on the nature of the announced funding opportunities. Between FY 2010–FY 2024, IE received less than 1000 applications.

Question 2. On average, how many annual applications has your office been able to fund?

Answer. Between FY 2010–FY 2024, IE announced about 260 awards.

Question 3. Beginning in Fiscal Year 2022 and ending in Fiscal Year 2025, please provide the number of applications for renewable energy development, including wind, solar, and battery storage your office received.

Answer. The vast majority of applications IE received during this time period contained one or more of these technologies, in line with the FOA objectives at the

time: wind, solar, battery storage, as well as microgrids which often include wind, solar, and battery technologies.

Question 3a. To date, how many of these applications have been funded?

Answer. 36 of these applications were awarded to date.

Question 3b. To date, how many of these applications have been denied and on what basis?

Answer. IE followed DOE's standard procedures for reviewing financial assistance applications. DOE did not make awards based on: applicant withdrawal, failure to meet eligibility requirements set forth in the FOA, failure to meet the compliance requirements set forth in the FOA, failure to meet the responsiveness criteria set forth in the FOA; insufficient technical merit based on application of technical review criteria set forth in the FOA; application of program policy factors set forth in the FOA; and available funding.

Question 3c. To date, what is the status of pending applications?

Answer. The American people provided President Trump with a mandate to govern and unleash 'American Energy Dominance.' The Department is continuing to conduct a department-wide review and ensure all pending applications are in line with the administration's priorities to ensure a responsible stewardship of taxpayer dollars, while providing the most reliable and secure energy possible, that will lower costs.

Question 3d. How many of these applications are still under review? Why?

Answer. Applications received under DE-FOA-0003401 "Tribal Energy Planning and Development" valued at \$25,000,000, are pending review. The FOA is under review by Department of Energy leadership to ensure compliance with Administration policies and priorities.

Question 4. Does the OIEPP plan to support an all of the above energy strategy for Tribal projects in Fiscal Year 2026? Or will there be a preference for, or prohibition on, certain energy technologies?

Answer. While the previous administration pursued a strategy of energy subtraction that raised costs and made our grids less reliable through funding intermittent energy sources, President Trump's administration is advancing a strategy of energy addition-utilizing taxpayer resources for energy that is affordable, reliable, and secure and will lower costs for the entire Nation.

Question 4a. Assuming an all of the above approach, how many projects would your office be able to fund under the President's Budget Request for Fiscal Year 2026?

Answer. The President's FY26 Budget request includes \$30 million for IE financial assistance, out of \$50 million total requested appropriations. If appropriated by Congress, this would allow IE to fund approximately 12 to 24 community scale energy projects.

Question 5. For new grant applicants—are there certain types of projects that your office is prioritizing for funding?

Answer. As Secretary Wright has mentioned, DOE will prioritize energy solutions based on people and math, with consideration for the local context and available resources and the fact that one of the problems we've made the least amount of progress on is affordable energy in remote communities. IE's decisions will continue to be guided by robust analysis aimed at enhancing energy reliability, security and affordability across Indian Country, where the impacts of unreliable and high-cost power are acutely felt. Energy resources or technologies which address these challenges given the unique circumstances of any particular Tribe are a priority for the Office.

Question 5a. Are there certain types of projects that currently require additional rounds of agency scrutiny, review, or evaluation that were not implemented in previous years?

Answer. Consistent with previous years, Department of Energy ensures compliance with Administration policies and priorities.

Question 6. You testified that the Department is not delaying funding for wind, solar, or battery projects. For applications to use Fiscal Year 2025 funds for wind, solar, and battery projects, has this administration, DOGE, the Secretary, or any other person, persons, or office directed your office to re-review or evaluate applications for wind, solar, or battery projects that would be funded using Fiscal Year 2025 or earlier appropriations?

Question 6a. If yes, what are the criteria your office is using to re-review or evaluate those applications?

Answer. The reliability and security of our power grid are critically threatened by inadequate and intermittent energy supplies, necessitating rapid and robust reforms. Without decisive intervention, the Nation's power grid will be unable to support Tribal energy needs nor expanded manufacturing, re-industrialization efforts, and the data centers needed to win the AI race.

To clarify the testimony that was provided, any projects selected for award in prior years (including projects which use wind, solar, and battery technologies) are moving forward, including through negotiation, and grantees continue to receive funding under the terms of their awards.

Question 7. You testified that your office's plan was approved this summer. Please provide a copy to the Committee.

Answer. IE's FY 26 Budget Briefing to HEWD is attached to convey FY 26 program priorities.

Question 8. What is the current timeline for getting OIEPP's Fiscal Year 2025 funds out the door?

Answer. As stated during testimony, IE is looking forward to applying FY 25 funds to a Notice of Funding Opportunity (NOFO) targeted for release in the coming months.

Question 9. GAO's Dr. Ortiz testified that the Department has \$10.5 million available to use to support the Tribal Energy Loan Guarantee Program/Tribal Energy Finance Program. Please confer with the Loan Programs Office to provide the Committee with a reasonable approximation of the total loan value the available subsidy account could support. Assume, for the purposes of analysis, the average loan request is \$100 million.

Answer. The credit subsidy calculation is highly dependent on the characteristics and credit profile of the loan and underlying project. As illustration, LPO estimates that a reasonable credit subsidy rate range for TEFP could be approximately 5 to 20 percent, once again dependent on the attributes of a given project. Assuming this range, the current credit subsidy amount of \$10.5 million could support between \$52.5 million and \$210 million in total loans or loan guarantees (or one to two projects assuming an average loan request of \$100 million), out of the \$19.9 billion available as loan commitment authority overall.

Question 10. The last time the Department provided testimony to the Committee, I expressed concern that Tribes were being penalized for using multiple federal funding sources to stand up their energy projects based on a double benefit restriction in the Inflation Reduction Act (IRA). After enactment of the One Big Beautiful Bill Act, does the Department agree with GAO that this "double dipping" restriction no longer applies?

Answer. The Department agrees with GAO that the double benefit restriction no longer applies, as this restriction was tied to funds provided in the Inflation Reduction Act, which were rescinded by the One Big Beautiful Bill Act.

Question 11. The One Big Beautiful Bill Act rescinded unobligated amounts of the \$75 million Congress provided to subsidize loan guarantees for the Tribal Energy Loan Guarantee Program. Please confer with the Loan Programs Office to answer the following questions:

Question 11a. How much unobligated IRA funding was rescinded to support the Tribal Energy Loan Guarantee Program/Tribal Energy Finance Program?

Answer. The OBBBA rescinded all unobligated TEFP IRA balances. Of the \$75 million provided for TEFP in the IRA, \$70 million was rescinded by the OBBBA in 2025. Since OBBBA indefinitely rescinded TEFP IRA balances, in the event any obligated balances are recovered in future fiscal years, they will be subject to the rescission.

Question 11b. How much non-IRA funding remains to support the Tribal Energy Loan Guarantee Program/Tribal Energy Finance Program?

Answer. Available non-IRA funding resources are \$19.9 billion in loan commitment authority and \$10.5 million in credit subsidy appropriation. Non-IRA administrative funding available at the start of FY 2026 was \$5.3 million.

Question 11c. How many loans could these remaining funds guarantee, assuming an average loan amount of \$100 million?

Answer. As illustration, LPO estimates that a reasonable credit subsidy rate range for TEFP could be approximately 5 to 20 percent, once again dependent on the attributes of a given project. Assuming this range, the current credit subsidy amount of \$10.5 million could support between \$52.5 million and \$210 million in total loans or loan guarantees (or one to two projects assuming an average loan request of \$100 million).

Question 12. What is the Department's reduction in force (RIF) plan with respect to OIEPP?

Answer. DOE is not currently planning any RIFs.

Question 13. Do the President's proposed reductions in Department staff that support OIEPP include staff that have already left the agency or do they include existing FTE positions that are currently filled?

Answer. DOE is not currently planning any RIFs.

Question 14. In a House Energy and Commerce hearing, Secretary Wright expressed his support for not rescinding unobligated balances of LPO's credit subsidy accounts. Please confer with the Loan Programs Office to answer the following questions:

Question 14a. After the rescission of the Tribal loan guarantee subsidy account, what is the Department's plan to continue to support Tribal energy projects through the Tribal Energy Loan Guarantee Program/Tribal Energy Finance Program?

Answer. The Tribal Energy Finance Program (TEFP) at the Loan Programs Office will continue to operate. TEFP is focused on supporting the White House's priorities while closely aligning with Tribes on expanding the use of Tribal energy resources.

Question 14b. Will the Department allocate other funds to support current TELGP applicants?

Answer. When the Administrative Budget is finalized, LPO will evaluate how much funding could be used for loan assistance for applicants. LPO will work with the Office of Indian Energy and other offices to determine if DOE grant funding could support TEFP applicants navigate the application and due diligence process.

Question 14c. If yes, how much does the Department intend to allocate and from where?

Answer. When the Administrative Budget is finalized, LPO will evaluate how much funding could be used for loan assistance for applicants. LPO will work with the Office of Indian Energy and other offices to determine if DOE grant funding could support TEFP applicants navigate the application and due diligence process.

Attachment

OFFICE OF INDIAN ENERGY POLICY AND PROGRAMS—FISCAL YEAR 2026 BUDGET
REQUEST—HOUSE ENERGY AND WATER DEVELOPMENT—13 JUNE 2025

Executive Summary

FY 2026 Priorities

Through financial and technical assistance IE will catalyze American Indian and Alaskan Native nations to lead the development of reliable, firm energy infrastructure in Indian Country to advance energy abundance, help restore American energy dominance, and address energy access challenges in Indian Country. Priorities:

- Expand reliable, firm energy development in Indian Country.
- Leverage IE's grant making authority to fund energy infrastructure planning and deployment.
- Provide expert assistance to Tribes for productive engagement with project developers to unleash new American energy.
- Improve energy access for Tribes.

FY 2026 Request

- The FY 2026 Budget Request streamlines the Office of Indian Energy's management footprint, but proposes to expand reliable, firm energy infrastructure development in Indian Country. IE offers financial and technical assistance to Indian Tribes, including Alaska Native villages, and eligible Tribal entities for advancing electrification and energy development and deployment on Indian lands, reducing energy costs, and assisting economic development in Tribal communities where unemployment and poverty rates far exceed national averages.

FY 2026 Overview

Program Overview

Mission of the Office of Indian Energy Policy and Programs (45 U.S.C. § 7144e): The Director, in accordance with Federal policies promoting Indian self-determination and the purposes of this chapter, shall provide, direct, foster, coordinate, and implement energy planning, education, management, conservation, and delivery programs of the Department that—

- (1) promote Indian tribal energy development, efficiency, and use;
- (2) reduce or stabilize energy costs;
- (3) enhance and strengthen Indian tribal energy and economic infrastructure relating to natural resource development and electrification; and
- (4) bring electrical power and service to Indian land and the homes of tribal members located on Indian lands or acquired, constructed, or improved (in whole or in part) with Federal funds.

FY 2026 Priorities

Financial assistance to increase reliable, firm power: competitive funding opportunities for energy infrastructure deployment to American Indian and Alaska Native federally recognized Tribes across the Nation. Programs will not support work on solar, wind, or battery technologies.

Technical assistance to overcome energy development barriers: technical assistance at no cost to Indian Tribes to develop a tangible product or specific deliverable to address a need or barrier and move energy projects forward, and to enable a competitive business environment for energy development in Indian Country. Programs will not support work on solar, wind, or battery technologies.

FY 2026 Overview

\$ in thousands	FY24	FY25	FY26 Request
Office of Indian Energy	70,000	70,000	50,000
Program Direction	14,000	14,000	10,000
Assistance Programs	56,000	56,000	40,000

Explanation of Changes from FY25:

The increase in technical assistance funding will enable the expansion of technical assistance to more Tribes and increased local providers. The decrease in federal assistance funding focuses support on reliable, firm energy infrastructure.

Programs will not support work on solar, wind, or battery technologies.

FY 2025 Planned Activities

- Development of a strategy to advance electrification and energy development and deployment on Indian lands to address energy access challenges in Indian Country.
- Issuance of a Notice of Funding Opportunity (NOFO) for cost-shared competitive grants to eligible Tribal entities for energy deployment on Tribal lands.

