

ONE HUNDRED TWELFTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

August 10, 2012

The Honorable Timothy Geithner  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Geithner:

We are writing as part of the Committee on Energy and Commerce's continuing examination of the implementation of section 1603 of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), as extended under the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).

As of March 29, 2012, over \$11 billion in Federal funds under this program have been directed to more than 34,000 projects to build wind farms and solar projects and benefit other alternatives to oil and natural gas.<sup>1</sup> The Subcommittee on Oversight and Investigations hearing on June 19, 2012, "The Federal Green Jobs Agenda,"<sup>2</sup> and the staff report released concurrently, "Where Are the Jobs? – The Elusiveness of Job Creation under the Section 1603 Grant Program for Renewable Energy",<sup>3</sup> raised significant concerns about the section 1603 program's value as an engine of job creation, especially considering the tremendous federal resources already, and still remaining, to be committed to it.

Recently, on July 17, 2012, *The Wall Street Journal* reported that the Department of the Treasury (Treasury) was planning to demand the return of more than \$5 million it granted under section 1603 to Thompson River Power LLC, a Montana power plant that later filed for bankruptcy.<sup>4</sup> The original grant was made in June 2010 to convert a coal-fired plant to burn wood. However, since receiving the money, the plant never operated either as a coal- or wood-

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<sup>1</sup> Overview and Status Update of the §1603 Program, Department of the Treasury (March 29, 2012), available at <http://www.treasury.gov/initiatives/recovery/Documents/Status%20overview.pdf>

<sup>2</sup> <http://republicans.energycommerce.house.gov/hearings/hearingdetail.aspx?NewsID=9593>

<sup>3</sup> <http://energycommerce.house.gov/Media/file/PDFs/061812greenjobsstaffreport.pdf>

<sup>4</sup> Justin Scheck, "U.S. to Seek Clawback of Closed Montana Plant's Funds," *The Wall Street Journal* (July 17, 2012), available at [http://online.wsj.com/article/SB10001424052702303644004577523282632904216.html?mod=googlenews\\_wsj#articleTabs%3Darticle](http://online.wsj.com/article/SB10001424052702303644004577523282632904216.html?mod=googlenews_wsj#articleTabs%3Darticle)

burning plant, according to Montana regulators, and has produced neither power nor new jobs. Thompson River Power LLC filed for Chapter 7 bankruptcy on July 3, 2012. *The Wall Street Journal* also reported that Treasury may seek to recoup millions of dollars in section 1603 program funds awarded in 2010 to Raser Technologies Inc. for Thermo No. 1 BE-01, LLC and Stirling Energy Systems Inc. for Maricopa Solar, LLC, both of which filed for bankruptcy protection last year.<sup>5</sup>

In fact, several months ago, on March 15, 2012, the Committee wrote to you requesting, among other things, documents and communications related to any and all estimates of jobs created due to the section 1603 program as a result of the \$6.5 million grant awarded to Thompson River Power LLC and the \$33 million grant awarded to Thermo No. 1 BE-01, LLC.<sup>6</sup> The Committee also inquired as to what procedures were in place to enable Treasury to recoup funds from recipients that violate the terms of their section 1603 grants.<sup>7</sup>

In its March 30, 2012, response to the Committee, Treasury asserted that “job creation is not a factor in the consideration process” for applicants under the section 1603 program and that Treasury “does not report on the number of jobs created by the program” including, presumably, for the Thompson River Power LLC and Thermo No. 1 BE-01, LLC plants.<sup>8</sup> Neither, at the time, did Treasury supply the Committee with information, as requested, detailing “all instances where either the Department of Energy (DOE) or Treasury has attempted to recoup such funds and the outcomes of such attempt(s).”<sup>9</sup>

In light of the Committee’s earlier inquiries and reports of Treasury’s ongoing efforts to recoup awarded section 1603 grant funding from several recipients, we ask that you provide the Committee with the status of Treasury’s plans to recover taxpayer dollars in these and any other instance under section 1603. Specifically, we request a response to the following by August 24, 2012:

1. Precisely when, and on what basis, did Treasury decide to attempt to recoup funds awarded to Thompson River Power LLC under the section 1603 program?
  - a. Please identify the owners of Thompson River Power LLC from whom Treasury seeks to recover these funds and include a description of how Treasury determined the specific amount it is demanding to be returned.
  - b. Please detail the steps Treasury intends to take to recover funds from Thompson River Power LLC.
2. Is Treasury presently undertaking or considering similar action with regard to other section 1603 grant recipients, including but not limited to Raser Technologies Inc. and Stirling Energy Systems Inc.? Please provide details of each such instance, including

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<sup>5</sup> *Id.*

<sup>6</sup> <http://republicans.energycommerce.house.gov/Media/file/Letters/112th/031512Treasury.pdf>

<sup>7</sup> *Id.*

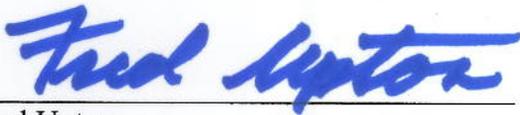
<sup>8</sup> <http://republicans.energycommerce.house.gov/Media/file/Letters/112th/033012TreasuryResponse.PDF>

<sup>9</sup> <http://republicans.energycommerce.house.gov/Media/file/Letters/112th/031512Treasury.pdf>

answers to the queries posed above, in Question 1, as relates to these additional recipients.

If you have any questions regarding this request, please contact Sam Spector with the Committee staff at (202) 225-2927.

Sincerely,



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Fred Upton  
Chairman



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Cliff Stearns  
Chairman  
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Ranking Member

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