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Article talks about 400 Billion

There is an article in the NTY that we sent to the entire City Council regarding 1.5 billion dollars that has to be spent within the next year and a half on companies trying to bring emerging energy technologies to market. My questions are as follows:

Can Baltimore City apply for any of these loans?

What about companies in Baltimore?

Are you all in the city government aware of this loan program and are advertising it to local businesses and entrepreneurs?

What about our dirty power plants and garbage/recycling facilities? Could they apply for this money?

Or water and sewer systems?

We are talking about a pile of money available and needing to be spent in a very short time.

The article (already fully copied out to read and in your email inboxes, sent May 16th) can be found at
https://www.nytimes.com/2023/05/11/climate/jigar-shah-climate-biden.html?campaign_id=34&emc=edit_sc_20230516&instance_id=92652&nl=science-times®i_id=42280593&segment_id=133065&te=1&user_id=36d768ca4b242dbd7885aa5d1c6a51ac

The New York Times | https://www.nytimes.com/2023/05/11/climate/jigar-shah-climate-biden.html

# *A Swaggering Clean-Energy Pioneer, With $400 Billion to Hand Out*

Jigar Shah runs a federal program that suddenly has a gusher of money to lend before the next election.


**By Brad Plumer and Lisa Friedman**
May 11, 2023



The hotel ballroom was packed before breakfast as Jigar Shah took the stage at the oil and gas industry's annual conference in Houston this spring. The host joked he was confident a huge crowd would come out for Mr. Shah, even at 7:30 a.m.

It's rare for a midlevel federal official to attract so much attention. But the small, obscure office that Mr. Shah oversees, the Department of Energy's Loan Programs Office, has become an engine of the Biden administration's efforts to aggressively advance clean energy. And Mr. Shah is no ordinary bureaucrat.

As part of last year's Inflation Reduction Act, Congress supersized the office's authority to arrange loans to companies trying to bring emerging energy technologies to market, increasing it tenfold from $40 billion to more than $400 billion. That makes it potentially one of the biggest economic development loan programs in United States history.

Mr. Shah, 48, is the gatekeeper for that gusher of tax dollars. And the clock is ticking; he has roughly a year and a half to get the money out the door before the 2024 elections could mean changes in the White House that would curtail the program.

He brings an entrepreneurial swagger and a tolerance for risk to the job. Before arriving in government in 2021, Mr. Shah was a celebrity of sorts in energy circles. A pioneer in the solar industry who earned millions, he co-hosted a popular energy podcast for nearly a decade where he bluntly riffed on everything from driverless cars to Canadian energy policies. ("Countries should not have stupid policy" he told listeners in 2017, dubbing it "the Jigar Shah Rule.") He has relentlessly promoted the view that shifting to clean energy is nothing to fear, but will amount to the "largest wealth-creation opportunity of our lifetime." He is a regular presence on social media, where he banters with the public.

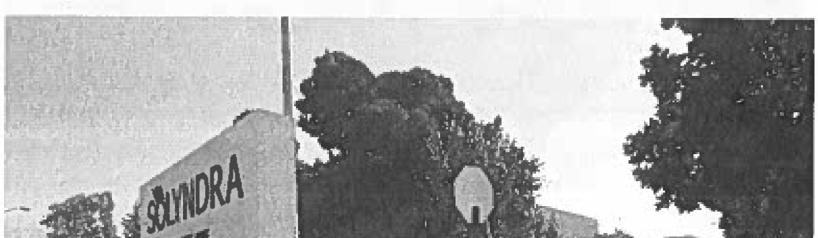
Mr. Shah's business acumen carries weight with energy companies. "Jigar brings street credibility," said Atul Arya, chief energy strategist for S&P Global, a research firm.

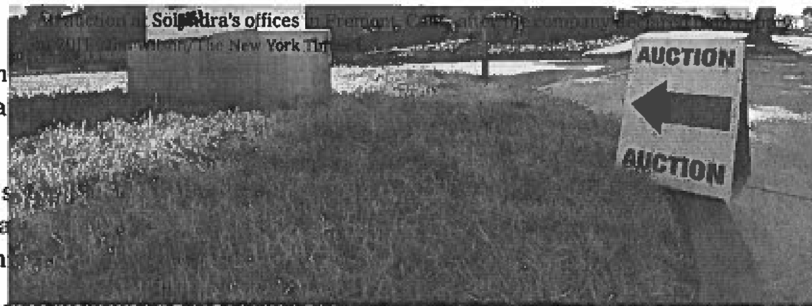
The job comes with enormous expectations — and high stakes. Created in 2005 to help finance clean energy projects that commercial banks found too bewildering, the loan program bankrolled some of the country's first large wind and solar farms, and seeded Tesla, the electric vehicle maker. But it also lent $535 million in 2009 to Solyndra, a solar firm that went bankrupt two years later, requiring taxpayers to absorb the loss. In Republican circles, Solyndra became shorthand for government boondoggle, and the Trump administration essentially froze the loan program.

Mr. Shah has focused on avoiding another Solyndra while reviving the office, hiring staff and persuading energy companies that the federal government is ready to lend again.

He is ever mindful that Republicans are poised to seize on any taxpayer-backed loans that go bad. The Energy Department's inspector general has warned her office does not have enough resources to properly monitor the newly-flush agency, raising concerns among some in Congress.

"Americans deserve to know this money is being spent responsibly," said Representative Cathy McMorris Rodgers, Republican of Washington, who chairs the House energy committee and has called the increased funding for the loan office "Solyndra on steroids." She said she would hold the Energy Department "accountable for every cent spent."






Mr. Shah says the loan program ... clean energy deals that can't get conventional financing beca... e that resides at the Department of Energy.

In a recent interview, Mr. Shah ... Solyndra a decade ago. The staff has grown from 12 to 250, a... reported that its overall loan portfolio has turned a profit, wh... e with commercial banks.

"The failed projects of the past clearly wouldn't get through the office this time around," Mr. Shah said. "Now we can look at our portfolio of $38 billion worth of loans and say, actually, we have been pretty good stewards of capital, and we actually make money for the federal government."

Sitting in his office at the Energy Department in front of a map covered in color-coded decals representing projects across the nation, Mr. Shah exuded a relaxed confidence. Dressed casually in a fleece vest more befitting a tech executive than a federal worker, Mr. Shah spoke in full paragraphs, shifting seamlessly from Wall Street lending practices to the challenges of geothermal energy.

He estimated that cutting America's planet-warming emissions roughly in half this decade, as President Biden has pledged, will require about $10 trillion in investment. The Inflation Reduction Act could provide $1 trillion, but the rest has to come from the private sector.

"We're not the smartest people in the room," he explained at a recent podcast event in Napa, Calif. "The folks who are the smartest people are the American innovators and entrepreneurs who put their sweat and tears behind something and come to us to get that last bit of help they need to get to the finish line."

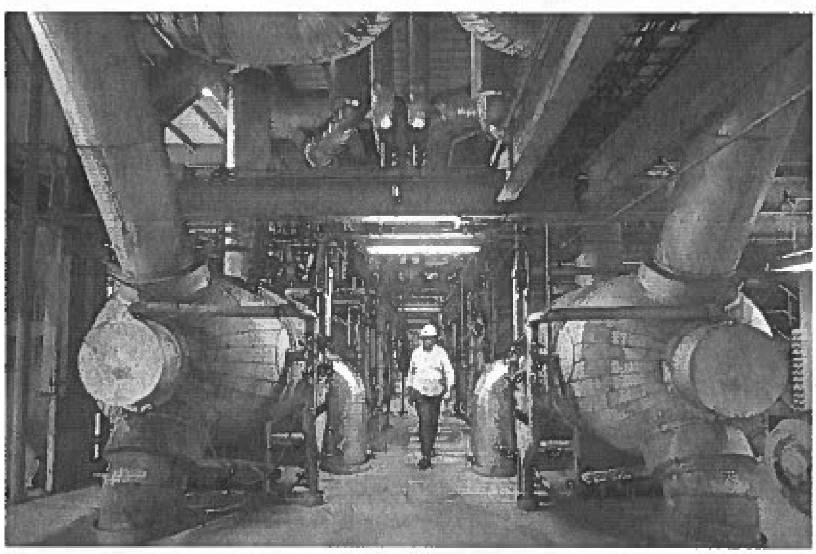
Mr. Shah also insists clean energy can be bipartisan. His office is currently reviewing applications from 141 energy projects seeking $121 billion in loans — many in red states. Fossil fuel companies, too, are investing in renewable energy.

"Everyone is getting on this action," Mr. Shah said at the Napa event. "I get that some of them were worried that their country club membership might get canceled if they're too outwardly supportive of what we're doing. But increasingly everyone in the country club is in on it."

One of the biggest barriers that clean energy companies face is crossing what is known as the "valley of death." Investors might fund small demonstrations of new battery chemistries or geothermal drilling techniques. But financing a commercial-scale version is challenging.

Consider Monolith, a Nebraska-based chemicals company. For years, Monolith has been refining "methane pyrolysis," which involves taking natural gas, heating it to high temperatures, and producing two valuable products — hydrogen, used to make fertilizer, and carbon black, used in tires. Both products are usually made through highly polluting methods, but Monolith thinks it can do so without heating the planet.

Monolith had already built a small production facility, and was ready to significantly expand. That's where the loan office came in. By tapping the network of scientists and experts within the Energy Department, the office evaluated Monolith's proposal and has since conditionally approved a $1.04 billion loan.



A coal plant in Delta, Utah, where the D.O.E.'s loan office has guaranteed money to convert into a hydrogen manufacturing facility with big underground caverns to store hydrogen fuel. Rick Bowmer/Associated Press

"The scrutiny you go through can be pretty intense — it takes years, they bring in teams to go over every little detail of our technology, our business plans," said Rob Hanson, Monolith's chief executive. "But at the end, you don't just get a loan, you get validation from one of the most sophisticated technical organizations in the world, which is incredibly valuable."

Other projects currently backed by the loan office include a novel plant in Rochester, N.Y., that harvests lithium from old electric vehicle batteries and a giant salt cavern in Utah that will be converted into a hydrogen battery as a backup for wind and solar power.

Even if government experts vet a new technology, success isn't guaranteed. Markets change, commodity prices fluctuate, overseas competitors can muscle in. Solyndra failed not because its solar technology didn't work, but because alternatives became cheaper when silicon prices plummeted.

For Mr. Shah, the office is a natural fit. He is nearly encyclopedic about both energy and finance.

"In some ways he knew more about methane pyrolysis than I did," said Mr. Hanson of Monolith. "He knew what Exxon and Chevron had been doing in this space back in the 1970s, who had tried what. He instantly grasped the importance of what we were trying to do."

In 2003, Mr. Shah founded SunEdison, a solar company that pioneered a new way to pay for solar projects. SunEdison would bear the risk of financing and building solar arrays, and the customer would agree to buy electricity from those panels at a fixed price over a longer period. His first customer was a Whole Foods store in New Jersey. Today, many solar and wind projects are financed by similar agreements.

"There's no better way to learn than the world of hard knocks," said Claire Broido Johnson, his co-founder at SunEdison. "We had a lot of ups and downs in those early days as we tried to persuade potential customers and investors that our idea wasn't crazy."

The loan office wants to make cutting edge technologies, such as clean hydrogen fuels, as mundane and as easy to finance as wind and solar have become.

And it is trying to expand clean energy in a way that touches all Americans. Last month, the office said it would conditionally guarantee up to $3 billion to help Sunnova, a solar firm, fund networks of rooftop solar panels and battery systems to help cut energy costs in disadvantaged communities.

As part of its new windfall, Mr. Shah's office has $250 billion to retool old fossil-fuel infrastructure — by far its biggest pot of money. While the office still needs to clarify how it intends to use this money, experts say it could, for instance, help fend off economic devastation in communities facing coal plant closures.

One question is how quickly the loan office can move money out the door without rushing decisions. Since Mr. Shah came into office, the program has finalized only a handful of loans.

"It's incredibly challenging to get through the application process, especially with all the protections put in place post-Solyndra," said Taite McDonald, a partner at the law firm Holland & Knight, which represents dozens of loan office applicants and awardees. "Jigar's team has worked hard to help projects start moving through again, but it's not easy."

Mr. Shah is aware that he must move fast. He pointed to the Monolith project as evidence that the office is no longer paralyzed by past failures. "Everyone was like 'Wow that's a really risky project.' And we're like 'Well, we're back.'"

***A correction was made on May 11, 2023:** An earlier version of this article described incorrectly one of the products created by methane pyrolysis. It is hydrogen, not ammonia.*

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at nytnews@nytimes.com. Learn more

Brad Plumer is a climate reporter specializing in policy and technology efforts to cut carbon dioxide emissions. At The Times, he has also covered international climate talks and the changing energy landscape in the United States. @bradplumer

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A version of this article appears in print on , Section B, Page 1 of the New York edition with the headline: A Solar Guru Greenlights Green Loans