

August 10, 2010

The Honorable Lamar Alexander
United States Senate
455 Dirksen Senate Office Building
Washington, D.C. 20510

Senator Alexander,

We are writing, on behalf of the Southern Alliance for Clean Energy (SACE), to alert you to serious concerns we have with the Department of Energy's management of the Title XVII Loan Guarantee Program and the risk to taxpayers from the program.

To illustrate, in March, SACE filed a Freedom of Information Act (FOIA) request to the Department of Energy (DOE) for information related to the \$8.33 billion taxpayer-financed loan guarantee awarded on February 16, 2010 by President Obama to the Southern Company and its utility partners for the proposed new reactors at Plant Vogtle in Georgia. Nearly six months later, we have yet to receive any substantive information from the DOE. The files we have received to date are so heavily redacted that the content is, essentially, meaningless. Given that the U.S. taxpayer will be on the hook to pay back billions in loans if the Vogtle project defaults and given that DOE is authorized to give out a total of \$77 billion in loan guarantees, the DOE's behavior has left us with no choice but to file suit against the DOE.

Serious criticisms with the loan guarantee program were detailed in the July 12, 2010 U.S. Government Accountability Office report, "Further Actions Are Needed to Improve DOE's Ability to Evaluate and Implement the Loan Guarantee Program." (See <http://www.gao.gov/products/GAO-10-627>.) Essentially, the GAO found that the program is inadequately planned and executed, lacks objective performance goals, and provides preferential treatment to certain loan guarantee applications over other types of applications without justification.

We would be eager to work with your office to find ways to allow the public to obtain access to this critical information. Please feel free to contact our director of high-risk energy programs, Sara Barczak, with any questions or concerns at 912.201.0354.

Sincerely,



Stephen A. Smith
Executive Director



Sara Barczak
Program Director, High Risk

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