



Moniz-led group calls for DOE overhaul

Staffing levels and grant and loan processes are "hindering any future efforts to compete in a rapidly changing energy landscape," the EFI Foundation says.

By Christa Marshall

ENERGYWIRE | The Department of Energy needs to "modernize" its loan office and grant programs to ensure effective deployment of large projects and move technologies across the "valleys of death," according to a new report.

The analysis from the EFI Foundation, which was founded by former DOE Secretary Ernest Moniz, provides a snapshot of challenges facing federally funded energy demonstrations. The group interviewed 20 developers of projects representing \$9.7 billion in investments funded by the 2021 bipartisan infrastructure law and reported DOE's current structure can cause lengthy delays, frustration and unnecessary costs with project applications.

"DOE's current staffing level and contracting and award processes are preventing it from fully realizing the potential of [infrastructure law] investment — and hindering any future efforts to compete in a rapidly changing energy landscape," the report says.

According to EFI's modeling, less than 5 percent of \$61 billion in appropriated infrastructure law funding has been paid to the private sector, and projects typically took 18 months to move from award announcement to contract. Also, the costs of complying with DOE's contracts through project updates and other requirements were "prohibitive" for many companies.

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The findings are relevant for the Trump administration, which is pushing for more nuclear power and geothermal projects with DOE backing, according to the foundation.

Trump's priorities are the "exact kinds of things that need support at the large-scale demonstration level," said Sam Savitz, a research specialist at the foundation and co-author of [the report](#).

DOE's mission has changed over time, with help from the infrastructure law, Inflation Reduction Act and other measures, to be focused more on "end-to-end innovation" that includes deploying large projects along with lab research. EFI said that change isn't going away, but DOE's structure hasn't reflected the shift.

To close the gap, the report made five recommendations, including ensuring there is adequate staff with the right training to deploy projects. Large demonstration projects, for example, require different skills than basic research, including knowledge of construction management, siting and permitting.

Congress should require DOE to create plans for increasing staff, the report said. DOE can "ill afford" the loss of thousands of workers, it said, referring to potential Trump administration job cuts. EFI recommended recalling some workers who left in recent months while they are still under contract.

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The group also called for simplifying applications so the award process moves faster, including by allowing applicants to reuse materials and creating a digital task force to cut paperwork.

“There was a three-week negotiation over \$5k,” one award recipient told EFI. “There is a lack of urgency. Things are so slow.”

DOE should turn to new financing tools that are more aligned with commercial deployment, the report added. That includes tapping what is known as Other Transactions (OT) authority, which is similar to what NASA and the Department of Defense have used to deploy large projects such as satellites. Such an approach would allow agreements outside the usual grants, loans and contracts.

At the loan office, EFI recommended changes such as broadening project eligibility and authorizing a revolving fund so repayments can be made into future loans without new appropriations.

To execute its goals, the Trump administration is going to need these "capabilities in place" at the loan office, said Alex Kizer, executive vice president at EFI.

With the national labs, the group called for increasing resources available to the private sector and creating a new office to formulate "big idea" initiatives, among other things. "Lab experts, for instance, could provide technical assistance to DOE colleagues in evaluating applications and managing projects," the report says.

Some of the recommendations would face challenges if implemented, including internal resistance and existing lack of expertise at the department.

A 2016 Government Accountability Office report also found that OT agreements are not being used at DOE partly because staffers found them "more time consuming and challenging to establish."

Wright on staffing, nuclear

The report comes as DOE officials are conducting a review of projects and weighing deferred resignation offers from more than 3,500 employees. At some offices like the Office of Clean Energy Demonstrations, more than half of employees opted to leave voluntarily, although it remains unclear how many staffers' departures were approved.

At a hearing Wednesday of the Senate Energy and Natural Resources Committee, Energy Secretary Chris Wright did not elaborate on the numbers but urged lawmakers to confirm several officials that were nominated months ago.

“Please help confirm my people,” he told lawmakers. Wright has said that staffing reductions are needed because employment levels grew under Biden. The GAO in the past questioned whether staffing levels are adequate considering the billions of dollars funded by the IRA and other laws.

Wright reiterated at the hearing that DOE’s review of programs would likely be completed this summer. “We want to be careful with the American taxpayer monies ... that these projects are responsible and credible and thoughtful and are going to lead to some good results,” he said.

The secretary has called for using the loan office for administration priorities such as advanced nuclear. On Wednesday, DOE launched a [pilot program](#) to expedite advanced nuclear reactor designs. It said it would consider reactors that have a "reasonable change" of operating by July 4 of next year.

Former US energy secretary Ernest J. Moniz is founder and CEO of the Energy Futures Initiative.

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