

GAO Highlights

Highlights of [GAO-25-108135](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

Why GAO Did This Study

The IIJA and IRA provided billions of dollars in funding to federal entities, including EPA and DOE.

This testimony discusses the status of programs created or expanded with funds under the IIJA and IRA and related challenges. Specifically, the statement discusses (1) EPA, (2) DOE, and (3) key issues looking ahead.

This testimony is based on prior GAO work and more recent work reviewing new and expanded programs from the IIJA and IRA. It is also based on preliminary observations from ongoing work reviewing EPA's use of IRA appropriations, where GAO analyzed EPA data and documentation, and interviewed EPA officials. GAO's prior work was issued from 2007 through 2024. Details on GAO's methodology can be found in each of the 22 reports cited throughout GAO's statement for this hearing.

What GAO Recommends

Across 22 reports from 2007 to 2024, GAO has made a total of 60 recommendations to help address identified challenges at EPA and DOE discussed in GAO's statement for this hearing. The agencies have implemented 43 of these recommendations. GAO maintains that implementing the remaining recommendations could help address programmatic challenges.

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OVERSIGHT OF EPA AND DOE SPENDING

Implementing Remaining GAO Recommendations Could Help Address Identified Challenges

What GAO Found

The Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act of 2022 (IRA) provided billions of dollars in funding to the Environmental Protection Agency (EPA) and the Department of Energy (DOE). This funding is for grants and programs supporting clean energy research and development, water and infrastructure investments, and other purposes. GAO has identified challenges in various aspects of certain programs that received significant funding through this legislation.

EPA. The IIJA provided over \$43 billion for State Revolving Fund (SRF) water infrastructure programs. As of January 2025, EPA had fully obligated funds to six states and had not yet obligated any funding to eight states for fiscal year 2024. The status of funds for the remaining states was mixed. The IRA also provided about \$41.5 billion for grants to reduce greenhouse gas emissions and enhance climate resilience. As of January 2025, EPA had obligated about \$40 billion (96 percent), and about \$20 billion (49 percent) of its IRA appropriations had been expended. GAO has recommended ways EPA could improve grants monitoring, including improving financial indicators for the SRFs, and address workforce challenges affecting grants management. EPA has implemented 24 out of 29 of these recommendations.

DOE. DOE's Office of Clean Energy Demonstrations (OCED) and Loan Programs Office (LPO) are responsible for billions of DOE's IIJA and IRA funding.

- **OCED.** DOE established OCED in 2021 to manage about \$27 billion in IIJA and IRA funding. As of January 2025, OCED had awarded about 140 projects and obligated about \$1.6 billion. In 2024, GAO found that OCED did not have a strategic workforce plan despite needing to fill about 100 more positions to be fully staffed. GAO made recommendations including that OCED develop such a workforce plan. OCED has lost staff since the 2024 report, and GAO is monitoring OCED's efforts to implement the recommendation given current agency priorities.
- **LPO.** The IIJA and IRA provided LPO over \$350 billion in new loan authority for energy-related ventures and added two new programs to the office's three active programs. After experiencing a substantial increase in applications for LPO's programs starting in 2021, the office increased the number of loans and loan guarantees it closed in the last quarter of calendar year 2024. Loans and guarantees closed in that quarter (\$24.4 billion) account for about half of the total that the office has closed under its five current programs since they were established (\$52.5 billion). GAO has reported on the importance of monitoring loans and guarantees after they are closed to proactively manage their risks and protect the financial interests of the federal government and the taxpayer.

GAO has previously reported that there are risks involved with major new programs, especially when funding is awarded on a compressed schedule. GAO has additional ongoing work examining various aspects of how EPA and DOE are spending the funds they received in the IIJA and IRA.