

Congress of the United States

Washington, DC 20515

July 27, 2026

The Honorable Chris Wright
Secretary of Energy
Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Wright:

We write to express our concerns regarding the \$18.5 million loan awarded by the Energy Department's Loan Programs Office (LPO) to TerraSpark, an "eco-friendly" energy developer, for the construction of a new coal-burning plant.¹ We are especially concerned about the apparent lack of due diligence conducted by your Department regarding this project. The purpose of the LPO is to provide funding to energy projects that will meaningfully lower costs for all Americans, but only after rigorously evaluating the economic and technical viability of the projects and regardless of any political agenda or intention to advance a favored technology.

We raise these concerns in light of the applicant Alex Phillips's lack of relevant experience, his political ties to the President, and the fundamental economic unsoundness of the proposal.² The decision to award funds to a political ally for a utility-scale generation project represents a major step backward for the stability and affordability of our electric grid and sets a dangerous precedent for more politically influenced deals that will jeopardize progress towards building an electric grid that supports a thriving U.S. economy.

We write as well in the belief that the hard-working people of West Virginia do not need more false promises. The last coal plant in the U.S. was constructed in 2013. Older coal-fired power plants incur higher operating and maintenance costs, making it more expensive to operate existing plants than transition to cleaner, renewable sources. Since 2021, the cost to operate a coal plant has increased by 28%.³ Almost one quarter of active coal power plants are slated for retirement by 2029.⁴

¹ Colman, Zack, Ian M. Stevenson, Hannah Northey. "“This is not normal”: Trump leans on MAGA organizer to revive coal." Politico. June 12, 2026. <https://www.politico.com/news/2026/06/12/trumps-coal-maga-organizer-grant-00959916>; "Babcock & Wilcox to Support TerraSpark's Development Efforts for 1.6 GW Coal-fired Power Plant Project in West Virginia." June 8, 2026, <https://www.babcock.com/home/about/corporate/news/babcock-and-wilcox-to-support-terraspark-s-development-efforts-for-16-gw-coal-fired-power-plant-project-in-west-virginia->

² *Id.*

³ Solomon, Michelle. "Coal Power 28 Percent More Expensive In 2024 Than in 2021: Coal's already poor economics have only gotten worse over the last four years." Energy Innovation. June 5, 2025. <https://energyinnovation.org/report/coal-power-28-percent-more-expensive-in-2024-than-in-2021/>

⁴ "Nearly a quarter of the operating U.S. coal-fired fleet scheduled to retire by 2029." U.S. Energy Information Administration. November 7, 2022. <https://www.eia.gov/todayinenergy/detail.php?id=54559>

Residents of West Virginia in particular have seen a 34% increase in utility bills from 2019 to 2024.⁵ Three of the active coal plants under Appalachian Power, accounting for 87% of West Virginia's electricity, lost a combined \$81 million in 2025.⁶ Overreliance on expensive coal generation significantly contributes to rising utility costs and lack of economic growth in the region. Meanwhile, onshore wind and utility-scale solar costs have dropped 90%.⁷ The myth that coal power energy is better or cheaper helps no one – not the energy consumer, not the taxpayer, and certainly not hard-working people ready for a future in a modern energy economy.

Additional elements of the TerraSpark proposal raise further concerns. The inclusion of a 1 gigawatt artificial intelligence (AI) data center requires significant technical and managerial expertise to ensure electricity demand can be properly met. Also, TerraSpark claims to have an unconventional approach to carbon capture that differentiates it from other coal companies on the market, a chilling assertion given the rarity of a successful power plant/carbon capture combination.⁸ It will be essential to examine this technology with rigorous scrutiny to ensure emission reduction targets are met without any harmful impacts on the surrounding community and environment.

In order to confirm that your Department conducted appropriate due diligence, we respectfully request submission of the following information by September 1, 2026:

1. The biographies of the principals, key project leads, and partners of TerraSpark and any contractors or subcontractors on this project, including relevant experience in building similar projects.
2. Any application fee collected related to TerraSpark's proposal.
3. Documentation that TerraSpark is in compliance with standard prohibitions against conflicts of interest, including with regard to Mr. Alex Phillips, the longtime Trump political ally running TerraSpark.
4. Letters of firm or contingent project financing, with the contingencies and evidence of financial resources given in detail.
5. Any executed term sheets or letters of intent with offtakers, financial partners, etc.
6. Pro forma projections and key assumptions regarding energy costs, operating efficiencies and off-take agreements.
7. The anticipated debt/equity structure of the deal and likely partners, including key interest rate assumptions, whether equity partners have step-in rights, and under what contingencies these rights may be exercised.
8. Documentation that TerraSpark has secured the \$21.5 million in private capital necessary to receive the federal funds.

⁵ Elbeshbisi, Sarah. "Surging electricity costs are pushing residents to desperate measures. Here's how some West Virginians are struggling through." Mountain State Spotlight. January 4, 2026. <https://mountainstatespotlight.org/2026/01/04/voices-of-rising-power-costs/>

⁶ Tate, Curtis. "Appalachian Power May Stop Burning Coal By 2035." West Virginia Public Broadcasting. October 8, 2025. <https://wvpublic.org/story/energy-environment/appalachian-power-may-stop-burning-coal-by-2035/>

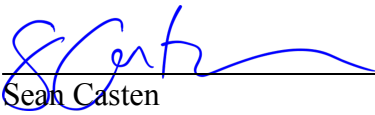
⁷ "Cheapest Sources of Energy to Produce Electricity, Ranked." Science Insights. March 14, 2026. <https://scienceinsights.org/cheapest-sources-of-energy-to-produce-electricity-ranked/>

⁸ "Petra Nova is one of two carbon capture and sequestration power plants in the world." U.S. Energy Information Administration. October 31, 2017. <https://www.eia.gov/todayinenergy/detail.php?id=33552>

9. The details of the insurance coverage used for this project, including wrap-up insurance, if used, the entities providing the coverage, and evidence of their financial capacity.
10. The details of any commitment to meet job creation targets and labor standards.
11. Any milestones, contingent draws or recapture provisions in the event that TerraSpark fails to deliver on any of its commitments.

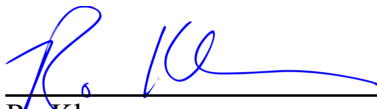
Thank you for your immediate attention to this critical matter.

Sincerely,


Sean Casten
Member of Congress


Suzanne Bonamici
Member of Congress


Mike Quigley
Member of Congress


Ro Khanna
Member of Congress


Mike Levin
Member of Congress


Doris Matsui
Member of Congress

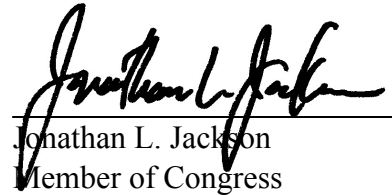

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