

Plan Needed to Meet Statutory Requirements for Clean Energy Demonstration Projects

GAO-26-107997

February 2026

A report to congressional committees

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What GAO Found

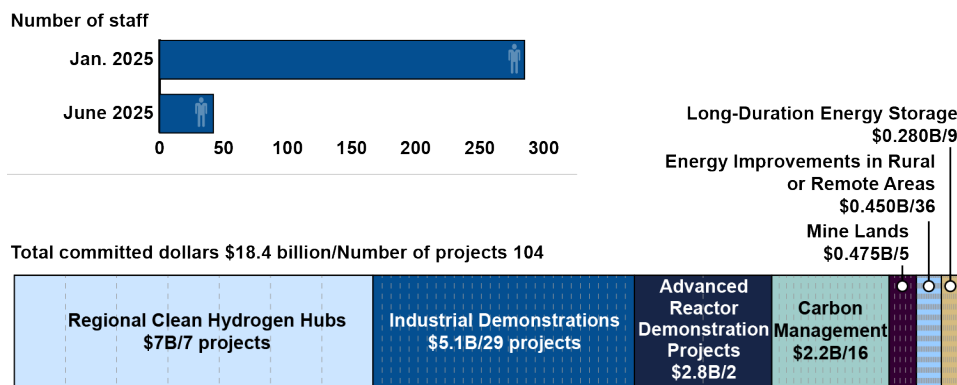
DOE established the Office of Clean Energy Demonstrations (OCED) in December 2021 to manage the historic amount of funding appropriated to DOE for demonstration projects. Key responsibilities include managing projects and assessing lessons learned to improve project oversight.

OCED projects vary in scale and cover diverse clean energy technologies, including hydrogen and advanced nuclear energy. Generally, at least 50 percent of the project costs are borne by the project awardees. As of November 2025, OCED had committed over \$18 billion to about 100 projects, although 35 of these projects have been identified for termination.

To manage projects, OCED developed a framework that included a phased project approach and independent assessments at key oversight points to reduce organizational biases. Previously, OCED estimated it would need 351 staff to be fully staffed for the expected number of demonstration projects.

There have been significant changes at OCED in 2025 affecting its capacity, including a significant decrease in workforce and contract support. OCED lost 85 percent of its staff (from 285 staff to about 40) between January and June 2025. This included all independent assessment staff. Further, in February 2025, OCED issued a stop work order on almost all contracts supporting the office.

Office of Clean Energy Demonstrations (OCED) Workforce Changes from January 2025 to June 2025 and OCED's Committed Funds and Projects as of November 2025



Source: GAO analysis of Department of Energy documents and data. | GAO-26-107997

Currently, it is unclear how DOE plans to meet its statutory requirements to manage projects given OCED's limited capacity. The office is unlikely to be able to conduct in-depth project reviews at key oversight decision points and an OCED official said the office will likely move some aspects of OCED's oversight to other DOE offices. For example, the Office of Project Management agreed to conduct independent assessments, but that office lost about 60 percent of its staff in 2025. Without a plan to meet the statutory requirements of managing projects and assessing lessons learned, DOE faces increased risks of not having the capacity to manage and oversee billions of dollars of federal funding for demonstration projects.

Why GAO Did This Study

The Infrastructure Investment and Jobs Act (IIJA) of 2021 requires the Department of Energy (DOE) to establish a program for clean energy demonstration projects. Roughly \$27 billion was appropriated to DOE for large-scale clean energy demonstration projects.

Congress included a provision in the IIJA for GAO to examine the oversight of demonstration projects and recommend changes for the purpose of better carrying out the program.

This report examines (1) recent changes at OCED and (2) DOE's capacity to successfully manage projects given these changes.

GAO reviewed DOE and OCED documents, including policies, guidance, and award documentation. GAO also interviewed DOE officials and stakeholders, including surveying 45 recipients of OCED awards.

What GAO Recommends

GAO recommends that the Secretary of Energy develop a plan to meet statutory requirements for managing projects and assessing lessons learned for clean energy demonstration projects. DOE agreed with GAO's recommendation.