U.S. DEPARTMENT OF ENERGY

Office of Inspector General

DOE-OIG-27-03

October 14, 2026

Battelle Energy Alliance, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-AC07-05ID14517

AUDIT REPORT

On October 14, 2026, the Department of Energy Office of Inspector General issued audit report DOE-OIG-27-03, *Battelle Energy Alliance, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-AC07-05ID14517*. Due to the audit report containing controlled unclassified information, it was not released publicly. However, in the interest of transparency, we prepared a highlights document to convey key summary facts from our work that is free of controlled information.

Department of Energy
Washington, DC 20585

October 14, 2026

MEMORANDUM FOR THE CONTRACTING OFFICER, IDAHO OPERATIONS OFFICE, OFFICE OF NUCLEAR ENERGY

SUBJECT: Audit Report: *Battelle Energy Alliance, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-AC07-05ID14517*

The Office of Inspector General contracted with the Department of Interior, Interior Business Center (DOI IBC), to audit Battelle Energy Alliance, LLC's costs incurred and claimed for fiscal years 2022 and 2023 at Idaho National Laboratory, under Department of Energy management and operating contract No. DE-AC07-05ID14517, to determine if costs charged were allowable, allocable, and reasonable in accordance with contract terms, applicable laws, and regulations. DOI IBC performed the audit in accordance with generally accepted government auditing standards.

DOI IBC is responsible for the audit report dated December 16, 2025, and the conclusions expressed therein. The Office of Inspector General did not express an independent opinion on Battelle Energy Alliance, LLC's fiscal years 2022 and 2023 Statement of Costs Incurred and Claimed submissions.

Battelle Energy Alliance, LLC nonconcurred with the findings and related questioned costs. However, pursuant to Public Law 117-263, Section 5274, the contractor has 30 days from the date of publication of this report on our website to submit an optional written response to OIG.Reports@hq.doe.gov for the purpose of clarifying or providing additional context to any specific reference. The response will be posted on our public website. If the response contains any classified or other nonpublic information, the response should clearly identify the portions that need to be redacted and should provide a legal basis for the proposed redactions.

We appreciated the cooperation of your staff during the audit.

Matthew D. Dove
Assistant Inspector General
for Audits
Office of Inspector General

DOE-OIG-27-03

cc: Deputy Secretary
Chief of Staff

DOE OIG HIGHLIGHTS

Battelle Energy Alliance, LLC's Costs Incurred and Claimed for Fiscal Years 2022 and 2023 Under Contract No. DE-AC07-05ID14517

Why the Audit Was Performed

This audit was performed by the Department of Interior, Interior Business Center (DOI IBC), on behalf of the Department of Energy Office of Inspector General. DOI IBC audited Battelle Energy Alliance, LLC's (BEA) costs incurred and claimed for fiscal years 2022 ($1.63 billion); and 2023 ($1.82 billion) at Idaho National Laboratory, under Department of Energy management and operating contract No. DE-AC07-05ID14517.

The audit's objective was to determine if costs charged to Department contract No. DE-AC07-05ID14517 for fiscal years 2022 and 2023 were allowable, allocable, and reasonable in accordance with contract terms, applicable laws, and regulations.

DOI IBC performed the audit in accordance with generally accepted government auditing standards.

What the Audit Found

DOI IBC questioned almost $5 million of education costs contained within the Fringe pool for fiscal years 2022 and 2023 and a net of approximately $700,000 in Safeguards and Security pool costs. Additionally, DOI IBC questioned over $30.5 million in proposed award fee amounts in the General and Administrative pool. The award fees represent a contractual incentive paid by the Department and were questioned by DOI IBC because BEA included the fee as a cost in the General and Administrative pool. DOI IBC reconciled the proposed award fees to the general ledger, and the amount of fee the Department determined that BEA was entitled.

What the Audit Recommends

The Office of Inspector General recommends that the contractor coordinate with the contracting officer to address the questioned costs identified in this report. If the issues identified are fully addressed, it should help ensure that costs charged to the Department are allowable, allocable, and reasonable in accordance with contract terms.

How the Contractor Responded

BEA nonconcurred with the findings and questioned costs. DOI IBC reviewed the contractor's response but maintained its position related to each finding and associated questioned cost.

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FEEDBACK

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