

THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

June 11, 2013

TO: Members and Staff, Subcommittee on Energy and Power

FROM: Committee Staff

RE: Hearing on "The FY 2014 DOE Budget"

On Thursday, June 13, 2013, at 10:00 a.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing on the U.S. Department of Energy's budget request for Fiscal Year 2014.

I. WITNESS

The Honorable Ernest J. Moniz Secretary U.S. Department of Energy

II. BACKGROUND

The U.S. Department of Energy (DOE) traces its origins to the World War II Manhattan Project and to the Atomic Energy Act of 1946, amended in 1954. The Atomic Energy Act established the fundamental law for the civilian development and control of nuclear energy, guided by the policy that, subject to the needs of common defense and security, the research, development, and control of nuclear energy and related technology would be directed toward "improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

DOE in its current form was established in 1977 pursuant to the Department of Energy Organization Act, which consolidated its core atomic energy and R&D programs and responsibilities with various energy-related agencies into a single department.² DOE is comprised of 10 program offices, 13 staff offices, 9 operations offices, 21 lab and technology centers, 4 power marketing administrations, as well as the Energy Information Administration and the National Nuclear Security Administration.³ DOE has 15,671 federal employees and 92,419 contractors (as of the end of FY 2012).

¹ See Atomic Energy Act of 1954 (42 U.S.C. § 2011 et seq.).

² See Department of Energy Organization Act (August 4, 1977); see also DOE Organization Act, as amended.

³ See Organization Chart; DOE Program Offices, Labs & Technology Centers, Power Marketing Administration, Operations Offices, Other Agencies and Staff Offices. The Federal Energy Regulatory Commission (FERC) is an

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DOE currently engages in a broad range of national security, scientific, and environmental activities, including maintenance of the nation's nuclear weapons program, nuclear propulsion work for the U.S. Navy, environmental cleanup of the nuclear weapons complex, nuclear waste management and disposal, as well as promotion of scientific and technical innovation, energy conservation, and energy-related research, and other activities.⁴

On April 10, 2013, President Obama proposed a budget of \$28.4 billion for DOE for FY 2014 (October 1, 2013 to September 30, 2014). The budget requests an 8 percent increase, or \$1.75 billion, above the FY 2012 enacted level. FY 2014 funding requests for select offices and programs, and the percentage increase or decrease from the FY 2012 enacted levels, are summarized below:

Applied Energy

Energy Efficiency and Renewable Energy: \$2.8 billion (+55.9%)

Vehicle Technologies: \$575 million (+79.1%) Bioenergy Technologies: \$282 million (N/A) Solar Energy: \$356.5 million (+25.2%)

Wind Energy: \$144 million (+56.8%) Water Power: \$55 million (-5.3%)

Geothermal Technology: \$60 million (+62.3%) Advanced Manufacturing: \$365 million (N/A) Building Technologies: \$300 million (+39.7%)

Weatherization and Intergovernmental Programs: \$248 million (+93.8%)

Electricity Delivery and Energy Reliability: \$169 million (+24.1%)

Clean Energy Transmission and Reliability: \$32 million (+29.7%)

Smart Grid: \$14.4 million (-37.9%)

Cybersecurity for Energy Delivery Systems: \$38 million (+31%)

Electricity Systems Hubs: \$20 million (N/A)

Infrastructure Security and Energy Restoration: \$16 million (+167.5%)

Office of Fossil Energy: \$638 million (+15.0%)

Fossil Energy Research and Development: \$421 million (+24.8%)

Strategic Petroleum Reserve: \$189.4 million (-1.7%) Northeast Home Heating Oil Reserve: \$8 million (-20.9%) Naval Petroleum and Oil Shale Reserves: \$20 million (+34.1%)

independent agency within DOE. FERC is self-funding, recovering costs directly from the industries it regulates through annual charges and fees. *See* <u>About FERC</u>.

⁴ For links to the offices and descriptions of activities, see <u>DOE Program Offices</u>, <u>Labs & Technology Centers</u>, <u>Power Marketing Administration</u>, <u>Operations Offices</u>, <u>Other Agencies and Staff Offices</u>.

⁵ For DOE budget materials, see <u>Press Release</u>; <u>DOE FY 2014 Budget Highlights</u>; <u>Appropriation Summary</u>; <u>Organization Summary</u>; <u>Control Summary by Appropriation</u>; <u>Control Table by Organization</u>; <u>Laboratory Tables Preliminary</u>; <u>State Tables Preliminary</u>; <u>Detailed Budget Justifications</u>; <u>President's Budget Department of Energy</u>.

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Office of Nuclear Energy: \$735.5 million (-13.9%)

Nuclear Energy Enabling Technologies: \$62.3 million (-12.6%)

Small Modular Reactors: \$70 million (+4.5%) Reactor Concepts R&D: \$72.5 million (-34.5%)

Fuel Cycle R&D: \$165 million (-8.8%)

Advanced Research Projects Agency-Energy (ARPA-E): \$379 million (+37.8%)

Race to the Top for Energy Efficiency and Grid Modernization: \$200 million (N/A)

Environmental

Environmental Management: \$5.62 billion (-1.6%)

Defense Environmental Cleanup: \$5.3 billion (+6.3%)

Non-Defense Environmental Cleanup: \$212.9 million (-9.5%)

Total Uranium Enrichment Decontamination & Decommissioning Fund: \$554.8 million (+17.5%)

Office of Legacy Management: \$177 million (+4.4%)

Nuclear Security

National Nuclear Security Administration (NNSA): \$11.6 billion (+5.9%)

Weapons Activities: \$7.9 billion (+9.1%)

Defense Nuclear Nonproliferation: \$2.1 billion (-7.0%)

Naval Reactors: \$1.24 billion (+15.4%)

Office of the Administrator: \$397 million (-3.0%)

Credit Programs

Innovative Technology Loan Guarantee Program: \$0 (N/A)

Advanced Technology Vehicles Manufacturing Loan Program: \$6 million (N/A)

Other Offices and Programs

Office of Science: \$5.15 billion (+4.4%)

Energy Information Administration (EIA): \$117 million (+11.4%)

Power Marketing Administrations: \$85.2 million (+.2%)

Federal Energy Regulatory Commission: -\$26.2 million (-2.7%)

Departmental Administration: \$118.4 million (-6.0%) Office of the Inspector General: \$42.1 million (+.3%) Health, Safety and Security: \$251.9 million (+.5%) Hearing and Appeals: \$5.02 million (+21.2%) Majority Memorandum for the June 13, 2013, Subcommittee on Energy & Power Hearing Page 4

III. <u>ISSUES</u>

The following issues may be examined at the hearing:

- Funding priorities;
- Major budget changes;
- Planned rulemakings;
- Priority science and research;
- Loans and Grants;
- Management and security; and,
- Enforcement activities.

IV. STAFF CONTACT

For questions regarding the hearing, please contact Tom Hassenboehler or Patrick Currier at (202) 225-2927.

Appendix

