

OPENING STATEMENT
Ranking Member Eddie Bernice Johnson (D-TX)
Committee on Science, Space, and Technology

An Overview of the Budget Proposal for the Department of Energy for Fiscal Year 2019
Full Committee Hearing
May 9, 2018

Thank you, Mr. Chairman for holding this hearing, and thank you, Secretary Perry, for finally appearing before us today. It is good to see you again. As you know, this Committee has jurisdiction over all of the Department of Energy's vitally important science and energy research and development activities, laboratories, and facilities, so I hope we see you much more frequently from now on, and I look forward to working with you in the years to come.

In that spirit, I would like to highlight some remarks you've made recently that I appreciate and wholeheartedly agree with. In your address to the ARPA-E Energy Innovation Summit in March, you told the audience that you hoped they would, and I quote, "enjoy the many high-potential, high-impact technologies that ARPA-E has moved out of the lab and towards deployment". You also announced that "ARPA-E projects have attracted more than 2.6 billion dollars in private sector follow-on funding. 71 projects have formed new companies, and 109 have gone on to partner with other government agencies to further their research." And you went on to say that, and again I quote, "ARPA-E is one of the reasons DOE has had and is having such a profound impact on American lives."

Secretary Perry, you've been singing my song. And yet, as I'm sure you are well aware, you made these remarks just a few weeks after the Administration proposed to eliminate ARPA-E for the second year in a row. You're also proposing a 70% cut to research carried out by DOE's Office of Energy Efficiency and Renewable Energy, a 37% cut to the Offices of Electricity and Nuclear Energy, and a 31% cut to fossil energy R&D.

And last but certainly not least, you are again proposing to eliminate DOE's remarkably successful loan programs office, which has been instrumental in launching the utility-scale PV industry, the construction of our first new nuclear reactors in 30 years, and is now supporting the commercialization of new carbon capture and reuse technologies for fossil energy systems.

So I have to ask, given your consistent praise for ARPA-E and DOE's energy technology and innovation programs more broadly throughout your tenure as the Secretary of Energy to date, how do we make sense of this budget request? Did the Department's arguments about the value of these activities fall on deaf ears at OMB, or did you even push back on these ill-conceived, draconian cuts at all?

By all credible accounts, American industry will not fund the activities that are proposed for elimination, no matter how much the Administration would like to think so. The Department could have heard that from industry directly, but for the second year in a row, we heard from Department officials that they did not formally engage with the private sector in deciding what activities you would cut. And yet that did not stop you from rationalizing these large cuts by

simply stating that the federal role in our energy innovation pipeline should be strictly limited to support for so-called “early-stage” research, without providing any clear definition for what that actually means. And then, over and over again in this request, you state that the private sector is better suited to carry out anything that you are proposing to cut or eliminate entirely. But if you don’t have any process to engage with the private sector before proposing to, say, cut energy efficiency programs by 84%, then you’ll have to excuse me if I find it difficult to take your justifications for this budget request seriously.

Now to be clear - I am not saying that every program the Department currently implements is perfect. We should continue to identify smart reforms and debate our priorities. We must be thoughtful investors of taxpayer dollars. But I am confident that investing robustly in our national laboratories in early *and* appropriately reviewed later-stage R&D is the right decision.

With that, I would like to thank you again for being here, Mr. Secretary, and I look forward to a productive discussion this morning. I yield back.