



COMMITTEE ON

SCIENCE, SPACE, AND TECHNOLOGY

REPUBLICANS Frank Lucas, Ranking Member

Opening Statement of Ranking Member Jay Obernolte as Prepared for the Record

Joint Subcommittees on Investigations & Oversight and Energy Hearing – Judicious
Spending to Enable Success at the Office of Nuclear Energy

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Good morning. Thank you, Chairman Foster, for holding this hearing.

Californians are acutely aware of the challenges our country faces in ensuring that reliable, affordable energy is available to all. Recent price surges for energy commodities have sparked serious concerns for consumers who already face rising costs for essential goods. Rolling blackouts and power outages across my home state reinforce the need to support a diverse mix of reliable energy sources and ensure supply can meet demand.

The U.S. Department of Energy is uniquely equipped to lead the way in the development of next-generation clean energy technologies that will address these concerns - both back home in my district and around the world. Today, we have an opportunity to examine one of the Department's applied programs, the Office of Nuclear Energy. Nuclear energy will play a critical role in our clean energy future. In 2020, nuclear power plants operated at full capacity more than 92 percent of the time, making nuclear power the most reliable energy source in the United States. The Office of Nuclear Energy supports research and development to maintain American leadership in the nuclear technology sector, accelerate deployment of advanced reactor designs, solve fuel cycle challenges, and increase cost effectiveness of existing facilities.

On the Science Committee, we share bipartisan support of this program and its essential activities. Last Congress, the Committee worked together to pass the Energy Act of 2020, which included significant nuclear energy R&D provisions. This Congress, the Science Committee has prioritized oversight of the Department's implementation of this legislation, and I am looking forward to receiving an update from the Department on its progress this morning.

But while we support robust funding for the Office of Nuclear Energy, we must ensure that American taxpayers are getting the best return on our investment in this program, especially as the national debt has climbed over \$28 trillion. My colleagues and I on the

House Budget Committee are confronted regularly with the dire consequences of ballooning government spending and failure to use our federal resources wisely.

Today, we hope to learn more about some of the Office of Nuclear Energy's recent "sole-source" awards and awards made outside of the competitive process to ensure the necessary safeguards are in place to limit costs and ensure a level playing field during the process. Over the past three years, the Office of Nuclear Energy has made at least three large sole source awards, for the demonstration of the production of high-assay low-enriched uranium, demonstration and deployment of small modular reactors, and instrumentation and control upgrades under the Light Water Reactor Sustainability program, respectively. In other words, the Department awarded funds for these projects without offering other prospective participants the opportunity to submit their own competing proposals. We hope to learn more about Office of Nuclear Energy's practices for making sure the most promising proposals have the opportunity to receive consideration and doing its due diligence when such sole source awards are necessary.

Federal agencies award contracts and financial assistance to partner with entities that can provide essential goods and services and to foster collaboration with stakeholders performing groundbreaking research, development, demonstration, and commercial application activities. As Members of Congress, it is our responsibility to ensure that agencies are being good stewards of taxpayer dollars when carrying out these transactions.

Federal law, with a few limited exceptions, mandates that agencies conducting procurement activities "obtain full and open competition" and utilize the competitive procedures best suited to the circumstances. Section 988 of the Energy Policy Act of 2005 establishes cost-share requirements for most research, development, demonstration and commercial application activities at the Department. However, these requirements may be waived under certain circumstances. This waiver authority can be extremely useful for investing in novel technologies in the nuclear field but must also be exercised appropriately and carefully.

I look forward to hearing more about the incredible work at the Department's Office of Nuclear Energy, how Congress can be an effective partner in instilling best practices for contracts and financial awards, and recommendations for maximizing the value of this program's engagement with the stakeholder community moving forward.

I want to thank all of our witnesses for being here today to share your expertise with us. Thank you, Chairman Foster, and I yield back the balance of my time.