



THE COMMITTEE ON ENERGY AND COMMERCE

INTERNAL MEMORANDUM

March 6, 2012

TO: Members and Staff, Subcommittee on Energy and Power

FROM: Committee Staff

RE: Hearing on “The FY 2013 DOE Budget”

On Thursday, March 8, 2012, 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 for Fiscal Year 2013.

I. WITNESS

The Honorable Steven Chu
Secretary
U.S. Department of Energy

II. BACKGROUND

The U.S. Department of Energy (DOE) was established in 1977 pursuant to the Department of Energy Organization Act, which consolidated various energy-related agencies into a single department.¹ DOE is comprised of 10 program offices, 13 staff offices, 10 operations offices, 21 lab and technology centers, 4 power marketing administrations, as well as the Energy Information Administration and the National Nuclear Security Administration.² DOE has 14,582 federal employees and 96,873 contractors (as of the end of FY 2011).

DOE traces its origins back to the Manhattan Project and the U.S. Atomic Energy Commission, established in 1946. 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

¹ See [Department of Energy Organization Act \(August 4, 1977\)](#); see also [DOE Organization Act, as amended](#).

² 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 independent agency within DOE. FERC is self-funding, recovering costs directly from the industries it regulates through annual charges and fees. See [About FERC](#).

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.³

On February 13, 2012, President Obama proposed a budget of **\$27.2 billion** for DOE for FY 2013 (October 1, 2012 to September 30, 2013).⁴ The budget requests a 3.2 percent increase, or \$856 million above the FY 2012 enacted level. The specific funding requests, and the increase or decrease from the FY 2012 enacted level, are summarized below:

Office of Science: \$4.9 billion (+2.4%)
Advanced Research Projects Agency-Energy (ARPA-E): \$350 million (+27.3%)
Energy Efficiency and Renewable Energy: \$2.3 billion (+29.1%)
Electric Delivery and Energy Reliability: \$143 million (+2.8%)
Environmental Management: \$5.65 billion (-1.1%)
 Defense Environmental Cleanup: \$5.4 billion (+9.4%)
 Non-Defense Environmental Cleanup: \$199 million (-15.6%)
 Total Uranium Enrichment Decontamination and Decommissioning Fund: \$442 million (-6.3%)
Office of Legacy Management: \$178 million (+4.9%)
Office of Nuclear Energy: \$770 million (-10.3%)
Office of Fossil Energy: \$651 million (+15.3%)
 Fossil Energy Research and Development: \$421 million (+21.3%)⁵
 Strategic Petroleum Reserve: \$196 million (+1.5%)
 Strategic Petroleum Account:⁶ -\$291 million (N/A)
 Northeast Home Heating Oil Reserve: \$4.1 million (-59.3%)
 Naval Petroleum and Oil Shale Reserves: \$14.9 million (0%)
 Elk Hills School Land Fund: \$15.6 million (N/A)
Innovative Technology Loan Guarantee Program: \$0 (0%)⁷
Advanced Technology Vehicles Manufacturing Loan Program: \$9 million (+50%)

National Nuclear Security Administration (NNSA): \$11.5 billion (+4.9%)
 Weapons Activities: \$7.6 billion (+5%)

³ For links to the offices and descriptions of activities, see [DOE Program Offices, Labs & Technology Centers, Power Marketing Administration, Operations Offices, Other Agencies and Staff Offices](#).

⁴ For DOE budget materials, see [Press Release](#); [DOE FY 2013 Budget Highlights](#); [Appropriation Summary](#); [Organization Summary](#); [Control Summary by Appropriation](#); [Control Table by Organization](#); [Laboratory Tables Preliminary](#); [State Tables Preliminary](#); [Detailed Budget Justifications](#); [President's Budget Department of Energy](#).

⁵ The budget proposes reducing the effective program level for Fossil Energy R&D from \$534 million in 2012 to \$421 million in 2013, including reducing funding for carbon capture and storage (CCS) technology from \$184 million to \$156 million. See [Fiscal Year 2013, Cuts, Consolidations and Savings, Budget of the United States](#), p. 46.

⁶ The SPR Petroleum Account funds all Strategic Petroleum Reserve petroleum inventory acquisitions, associated transportation costs, and other related costs. The budget proposes a rescission of \$291 million in mandatory balances in FY 2013. See [DOE FY 2013 Budget Request, Vol. 3](#), p. 491.

⁷ This program was authorized under Title XVII of the Energy Policy Act of 2005, as amended by Section 406 of the American Recovery and Reinvestment Act of 2009. The authority to enter into loan guarantees under Section 1705 expired on Sept. 30, 2011. See [DOE FY 2013 Budget Highlights](#), p. 52.

Defense Nuclear Nonproliferation: \$2.5 billion (+7.1%)
Naval Reactors: \$1.09 billion (+.8%)
Office of the Administrator: \$411 million (+.3%)

Energy Information Administration (EIA): \$116.4 million (+10.8%)
Power Marketing Administrations: \$85.2 million (+.2%)
Departmental Administration: \$122.6 million (-2.7%)
Office of the Inspector General: \$43.5 million (+3.5%)
Health, Safety and Security: \$245.5 million (-2.1%)
Hearing and Appeals: \$4.8 million (+15.9%)
Federal Energy Regulatory Commission: -\$25.8 million (-1.1%)

In the [Fiscal Year 2013, Cuts, Consolidations and Savings, Budget of the United States](#), the President's budget proposes deferring DOE's construction of the Chemistry and Metallurgy Research Replacement Project at Los Alamos (-\$165 million); reducing certain fossil energy research and development (R&D), and redirecting oil and gas R&D to interagency activities to conduct R&D relating to hydraulic fracturing (-\$113 million); limiting Second Line of Defense radiation detection equipment installation activities (-\$169 million); restructuring DOE's approach to providing the ability to disassemble and convert nuclear weapons pits (-\$26 million); and proposals to repeal a number of tax preferences available for fossil fuels.

III. ISSUES

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 Patrick Currier at (202) 225-2927.