



MEMORANDUM

April 25, 2022

To: Subcommittee on Energy Members and Staff
Fr: Committee on Energy and Commerce Staff
Re: Hearing on “The Fiscal Year 2023 DOE Budget”

On Thursday, April 28, 2022, at 10:00 a.m. (EDT), in the John D. Dingell Room, 2123 of the Rayburn House Office Building, and via Cisco WebEx online video conferencing, the Subcommittee on Energy will hold a hearing entitled, “The Fiscal Year 2023 DOE Budget.”

I. DEPARTMENT OF ENERGY FISCAL YEAR 2023 BUDGET

The President’s fiscal year (FY) 2023 budget requests \$48.2 billion for the Department of Energy (DOE), which represents a 7.4 percent increase from FY 2022 enacted levels.¹ The budget proposes investments in domestic clean energy manufacturing, environmental justice, tackling the climate crisis, and ensuring the safety and security of the nuclear weapons stockpile.²

The budget proposes \$2.1 billion for offices and programs within the Office of the Under Secretary for Infrastructure, \$14.7 billion for the Office of the Under Secretary for Science and Innovation, and \$21.4 billion for the Office of the Under Secretary for Nuclear Security. It also includes \$7.6 billion for the Office of the Assistant Secretary for Environmental Management and \$2.4 billion for other Departmental elements, such as the Energy Information Administration, the Office of Technology Transitions, and the Office of the Inspector General.³

¹ Department of Energy, *Comparative Appropriation by Congressional Control: Budget Stat by Appropriation Enacted* (www.energy.gov/sites/default/files/2022-04/fy-23-budget-stat-by-appropriation-enacted.pdf) (accessed Apr. 15, 2022).

² The White House, Office of Management and Budget, *Budget of the U.S. Government: Fiscal Year 2023* (Mar. 28, 2022).

³ Department of Energy, Office of the Chief Financial Officer, *Budget in Brief for Fiscal Year 2023* (Mar. 24, 2022).

A. Cybersecurity, Energy Security, and Emergency Response (CESER) and Petroleum Accounts

The Administration's budget request includes \$202 million for the Office of Cybersecurity, Energy Security, and Emergency Response (CESER). CESER leads DOE's efforts to secure U.S. energy infrastructure, restore service after events, and reduce risks and impacts of disruptive events.⁴ This amount represents an 8.8 percent increase over the FY 2022 enacted level.⁵ Additionally, the budget requests \$242 million for the Office of Petroleum Reserves, which falls within CESER. This request represents more than a 16 percent increase from FY 2022 enacted levels. Of this \$242 million, the request includes \$214 million for the Strategic Petroleum Reserve (SPR).⁶ The SPR provides security against disruptions in oil supplies and fulfills the United States' obligations under the International Energy Program.⁷

B. Clean Energy Demonstrations

The budget request includes \$214 million for the Office of Clean Energy Demonstrations (OCED). OCED is a new office designed to scale clean energy and industrial decarbonization projects.⁸ Funding for OCED includes \$150 million for a competition to support demonstrations that address issues related to the integration of renewable energy into transmission and distribution grids.⁹ Additionally, the request includes \$25 million for advanced reactor demonstrations and \$14 million for technical and analysis support, including funding for National Environmental Policy Act (NEPA) support and implementation costs.¹⁰

C. Manufacturing and Energy Supply Chains

The budget includes \$27 million for the newly created Office of Manufacturing and Energy Supply Chains.¹¹ These activities were previously funded under the Energy Efficiency and Renewable Energy appropriation account. This office is responsible for strengthening and securing domestic manufacturing and supply chains needed to support a clean energy economy.

⁴ *Id.* at 6.

⁵ *See* note 1.

⁶ *See* note 3 at 20.

⁷ *See* note 3 at 81.

⁸ *See* note 3 at 6.

⁹ *Id.*

¹⁰ *See* note 3 at 76.

¹¹ *See* note 3 at 101.

D. State and Community Energy Programs

The budget requests \$727 million for the Office of State and Community Energy Programs (SCEP). Programs under this office are designed to increase energy affordability and transition the energy economy by working with local partners.¹²

Within SCEP, the President’s budget includes \$502 million for the Weatherization Assistance Program. Of this \$502 million, \$100 million is for the new Low Income Home Energy Assistance Program (LIHEAP) Advantage program, \$30 million for Weatherization Readiness, and \$10 million for technical assistance.¹³ The Weatherization Assistance Program increases access to energy efficiency and weatherization services for low-income households.¹⁴ LIHEAP Advantage, a new pilot proposed by the Administration, would invest in home energy efficiency and emissions reductions retrofits.¹⁵

Additionally, the budget proposes \$70 million for the State Energy Program, \$25 million for community programs, and \$105 million for Energy Future Grants. Energy Future Grants will support technical assistance to scale best practices across local entities, such as technical assistance for community engagement, financing, and implementation of clean energy technologies.

E. Economic Impact and Diversity

The Administration’s budget request includes \$34 million for the Office of Economic Impact and Diversity, a 70 percent increase from FY 2022 enacted levels. This funding supports the office’s central role on issues related to equity and justice. The office is responsible for providing technical assistance to minority businesses, Minority Serving Institutions, and third-party evaluation of the Administration’s Justice40 benefits.¹⁶

F. Nuclear Energy

The budget requests \$1.7 billion for the Office of Nuclear Energy (NE), representing a one percent increase from FY 2022 enacted levels. NE supports civilian nuclear energy programs and the research and development of nuclear energy technologies.¹⁷ This office supports university-level research and development, research into Advanced Reactor Technologies, advanced fuel cycle technologies, and advanced reactor demonstration projects.¹⁸

¹² See note 3 at 103.

¹³ *Id.*

¹⁴ See note 3 at 104.

¹⁵ *Id.*

¹⁶ See note 3 at 114.

¹⁷ See note 3 at 65.

¹⁸ See note 3 at 66.

G. Indian Energy

The budget request includes \$150 million for the Office of Indian Energy Policy and Programs (IE). This office assists with energy development, energy costs, strengthening infrastructure, bringing power to Indian land and homes and Alaskan Native Villages, and providing employment opportunities to the communities. This request is significantly higher than previous years and represents a 159 percent increase from FY 2022 enacted levels.

From 2010 to 2021, IE invested over \$114 million in more than 200 tribal energy projects across the nation. In FY 2021, IE selected 13 tribal energy projects to receive a total of \$12 million in funding.¹⁹ DOE estimates these 13 projects will result in approximately 3.5 megawatts of clean energy generation and over 3.5 megawatt hours of battery storage, saving the communities a combined \$1.8 million annually.²⁰

H. Loan Programs Office

The Loan Programs Office (LPO) runs the Title 17 Innovative Technology Loan Guarantee Program. The budget requests \$168 million for this program. That figure includes \$66 million for administrative expenses and \$150 million in credit subsidy, with \$48 million offsetting collections.²¹ Available loan authority would increase by \$5 billion.²² The Title 17 program allows DOE to provide loan guarantees for energy projects that reduce air pollutants, including energy efficient and renewable energy systems, advanced nuclear facilities, energy storage, and other projects.²³

I. Environmental Management

The budget proposes \$7.6 billion for the Office of Environmental Management (EM). This office supports the cleanup of liquid radioactive waste, spent nuclear fuel, disposition of waste, and deactivation and decommissioning of excess facilities.²⁴ EM has completed cleanup activities at 92 sites, with 15 sites remaining.²⁵

¹⁹ Department of Energy, *DOE Awards \$12 Million to Tribal Communities to Maximize Deployment of Energy Technology* (July 13, 2021).

²⁰ See note 3 at 83.

²¹ See note 3 at 85.

²² See note 3 at 86.

²³ See note 21.

²⁴ See note 3 at 14.

²⁵ See note 3 at 108.

II. DEPARTMENT OF ENERGY AND THE INFRASTRUCTURE INVESTMENT AND JOBS ACT

President Biden signed the Infrastructure Investment and Jobs Act into law in December 2021. Also known as the Bipartisan Infrastructure Law, it created many new programs at DOE and provided the Department more than \$62 billion over a five-year period.²⁶ As a result, DOE announced an internal realignment in February 2022 to implement the investments in the Bipartisan Infrastructure Law and the Energy Act of 2020.²⁷ Among other changes, the realignment created the Under Secretary for Infrastructure and the Under Secretary for Science and Innovation.

Existing offices that are now housed within the purview of the Under Secretary of Infrastructure include LPO, IE, OCED, CESER, and the Federal Energy Management Program. These offices are joined by three new offices: the Grid Deployment Office, SCEP, and the Office of Manufacturing and Energy Supply Chains.²⁸

The Under Secretary for Science and Innovation will oversee offices and programs focused on research, development, and demonstration across existing missions and 17 National Laboratories.²⁹ The Office of Energy Efficiency and Renewable Energy, which supports DOE's research and development to improve energy efficiency and clean energy technologies, now reports to the Under Secretary for Science and Innovation.³⁰ Other offices reporting to the Under Secretary for Science and Innovation include NE, Nuclear Waste Disposal, and Electricity.

The money included in Bipartisan Infrastructure Law will be administered through the new DOE structure, and the Administration's FY 2023 budget request builds on these investments. The Bipartisan Infrastructure Law funds projects at DOE in four main categories: approximately \$21.3 billion for delivering clean power, about \$21.5 billion for clean energy demonstrations, \$6.5 billion for energy efficiency and weatherization retrofits, and \$8.6 billion for clean energy manufacturing and workforce development. Examples of programs in these categories include \$6 billion for battery manufacturing, recycling, and materials processing grants; \$6 billion for the Civil Nuclear Credit Program; \$2.5 billion for transmission facilitation; and \$600 million for critical material innovation, efficiency, and alternatives.³¹ An organizational chart reflecting the recent DOE realignment is included as an appendix.

²⁶ See note 3 at 18.

²⁷ Department of Energy, *Optimizes Structure to Implement \$62 Billion in Clean Energy Investments from Bipartisan Infrastructure Law* (Feb. 9, 2022).

²⁸ *Id.*

²⁹ See note 3 at 5.

³⁰ See note 3.

³¹ The White House, *A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Partners* (Jan. 31, 2022).

III. WITNESS

The following witness has been invited to testify:

The Honorable Jennifer M. Granholm
Secretary
U.S. Department of Energy

Appendix to Hearing Memorandum: “The Fiscal Year 2023 DOE Budget”

Department of Energy Organizational Structure Chart

