

**Opening Statement of the Honorable Ed Whitfield  
Subcommittee on Energy and Power  
Hearing on “The FY 2016 DOE Budget”  
February 11, 2015**

*(As Prepared for Delivery)*

This afternoon we will examine the Department of Energy’s proposed budget for fiscal year 2016. I welcome Secretary Moniz and look forward to hearing your thoughts on this proposed budget as well as your answers to our questions.

DOE’s proposed budget for 2016 is \$29.9 billion dollars, a 9 percent increase over last year’s appropriation. DOE’s budget request is growing, yet the agency’s role in setting the nation’s energy policy is shrinking. DOE has relinquished the lead to EPA, and much of DOE’s actions amount to little more than a support role, in particular providing justification for EPA’s efforts to handicap coal and other fossil fuels in the name of addressing climate change.

The potential damage goes well beyond the thousands of coal miners and tens of thousands of coal-fired power plant employees who have lost their jobs under the Obama administration. Electric bills are on the rise, and reliability concerns are real and growing. Secretary Moniz, you will have the distinction of seeing more coal-fired generation shut down during your tenure than any other Secretary of Energy, and by a wide margin. While the President and the environmentalists may applaud you for that, I can assure you the citizens of Kentucky and other coal states would not.

As a direct result of EPA’s proposed regulations on new power plants, you cannot build a state-of-the-art coal fired power plant today in the United States – the type being built today in Japan, in Germany, in China, in India and other parts of the world. Low natural gas prices play a part, but EPA has effectively put a moratorium on construction by requiring that new plants use Carbon Capture technology that has not been demonstrated as commercially viable for power generation in this country. And, we continue to see that the prospects for CCS power plant commercialization are slipping years into the future, according to your agency.

So, at a time when EPA is ratcheting up the regulatory demands on coal-fired electric generation, DOE is cutting back on the Fossil Energy Research and Development program that could help this sector find ways to comply. And, just last week, the agency put an end to the FutureGen program even though EPA’s regulatory agenda continues to require that new power plants install carbon capture and storage.

I believe that a good budget reflects reality, and that a bad one reflects wishful thinking. I’d like to point to a slide that shows the DOE budget for Applied Energy and ARPA-E. As in previous years, this DOE budget lavishes large sums on wind and solar energy and other renewables. The requested budget for the Office of Energy Efficiency and Renewable Energy (EERE) is more than all of the other Applied Energy Office and ARPA-E budgets combined. But despite all this funding, non-hydro renewables remain less than 10 percent of our nation’s electricity supply, and they create serious cost and reliability concerns that are likely to preclude a significant increase. Wind and solar will always remain an intermittent and minor contributor relative to base load sources such as coal, nuclear, and natural gas. Granted, the Office of Energy Efficiency & Renewable Energy does some useful work that should continue, but its \$2.7 billion dollar budget is well out of proportion to the potential benefits and the realities of our nation’s energy needs. I would prefer that proposed spending levels better reflected the reality of America’s current and future energy mix.

I might also add that I am extremely disappointed with the President's \$38 Million reduction in request for funding at the Paducah Gaseous Diffusion site in Paducah, Kentucky. Since the DOE has now awarded the deactivation contract at the site, there is a mechanism to begin significant work, but consistent and adequate funding to begin cleanup is necessary. Now is not the time to slow down, but to push the project forward. I look forward to addressing this issue with you.

I remain a strong critic of EPA's proposed rules for new and existing coal-fired power plants and I will have many questions about these and other regulations at EPA's upcoming budget hearing. But as long as these measures remain part of the administration's energy agenda, I believe that DOE research efforts should be directed towards assisting industry in meeting these requirements.

Overall, my issues with the proposed budget reflect my issues with the direction the administration has taken on its climate driven energy policy.

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