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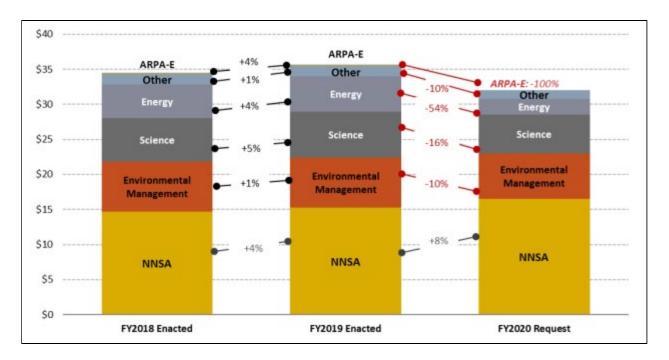
FY2020 Budget Request for the Department of Energy

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The President's FY2020 <u>budget request</u> includes \$31.7 billion for the Department of Energy (DOE), approximately \$4 billion (11%) less than the FY2019 enacted level of \$35.7 billion (see Division A of <u>P.L. 115-244</u>). While this request would reduce the total budget for DOE, it would increase overall funding for the National Nuclear Security Administration (<u>NNSA</u>), the Office of Electricity (<u>OE</u>), and the Office of Cybersecurity, Energy Security, and Emergency Response (<u>CESER</u>). The request would reduce funding for the Offices of <u>Environmental Management</u>, <u>Science</u>, Energy Efficiency and Renewable Energy (<u>EERE</u>), Nuclear Energy (<u>NE</u>), and <u>Fossil Energy</u>. The request would eliminate funding for the Advanced Research Projects Agency-Energy (<u>ARPA-E</u>), two programs within EERE—the <u>Weatherization Assistance Program</u> and <u>State Energy Program</u>—and three programs within the Loan Programs Office (LPO)—<u>Title XVII</u> Innovative Technology Loan Guarantee Program (Title XVII Loan Guarantee Program), Advanced Technology Vehicle Manufacturing (<u>ATVM</u>) Loan Program, and the <u>Tribal Energy Loan Guarantee Program</u>. (See <u>Figure 1</u>.)

Figure 1. Department of Energy Budget Comparison

(in billions of current dollars)



Source: FY2020 request from DOE, *FY2020 Congressional Budget Request: Budget in Brief* (March 2019). FY2019 enacted and FY2018 enacted from the Joint Explanatory Statement accompanying <u>H.Rept. 115-929</u> (Conference report) for <u>P.L. 115-244</u>.

Notes: "Other" refers to programs and funding not within the specified categories. "Energy" refers to the Offices of EERE, NE, OE, CESER, and Fossil Energy (FE), which includes Fossil Energy R&D. "Science" refers to the Office of Science.

Comparison with Prior Appropriations

Proposed changes to the DOE budget are illustrated in Figure 1. The FY2020 request for NNSA is \$16.5 billion (an 8% increase over FY2019 enacted). Among other increases, the budget request would provide \$116 million to restart licensing activities for the proposed Yucca Mountain nuclear waste repository and to initiate an interim nuclear waste storage program. The Environmental Management budget request of \$6.5 billion is a decrease of \$706 million (10%) from FY2019 enacted. The request would include a proposal to transfer management of the Formerly Utilized Sites Remedial Action Program (FUSRAP) from the U.S. Army Corps of Engineers to the Office of Legacy Management.

The Office of Science would be reduced by \$1.0 billion (16%) to \$5.5 billion from the enacted FY2019 level of \$6.6 billion. The request would focus on early-stage research and would increase funding for exascale computing, quantum computing, and artificial intelligence/machine learning.

The budget request would provide \$2.3 billion for energy programs as defined in <u>Table 1</u>. These programs received \$5.0 billion in FY2019. The FY2020 request is a \$2.7 billion (54%) decrease. The request decreases funding for EERE (-86%), NE (-38%), and FE (-23%), and increases funding for OE (+17%) and CESER (+30%).

The request would eliminate funding for ARPA-E and programs within the LPO. Unobligated balances associated with these programs would be used to wind down operations.

Table 1 shows a summary of changes included in the FY2020 request compared to the FY2018 and FY2019 enacted levels.

Table 1. FY2020 Request for Selected DOE Offices and Programs

(in millions of current dollars)

| Office/Program | FY2018 Enacted | FY2019 Enacted | FY2020 Request | Requested Change from FY2019 | |
|---|-------------------|-------------------|-------------------|------------------------------|---------|
| | | | | Dollars | Percent |
| NNSA | \$14,669 | \$15,229 | \$16,485 | \$1,256 | 8% |
| Environmental Management | 7,126 | 7,175 | 6,469 | (706) | (10) |
| Nuclear Waste Disposal | 0 | 0 | 116 | 116 | New |
| Office of Science | 6,260 | 6,585 | 5,546 | (1,039) | (16) |
| Energy Programs | 4,774 | 4,986 | 2,283 | (2,703) | (54) |
| EERE | 2,322 | 2,379 | 343 | (2,036) | (86) |
| OE | NA | 156 | 183 | 27 | 17 |
| CESER | NA | 120 | 157 | 37 | 30 |
| NE | 1,205 | 1,326 | 824 | (502) | (38) |
| FE | 999 | 1,005 | 777 | (228) | (23) |
| ARPA-E | 353 | 366 | (287) | (653) | (100) |
| ATVM Loan Program | 5 | 5 | 0 | (5) | (100) |
| Title XVII Loan Program | 23 | 18 | (161) | (179) | (100) |
| Tribal Energy Loan Guarantee Program | 1 | 1 | (9) | (10) | (100) |

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Notes: Parentheses () indicate negative numbers. The request includes the elimination of

unobligated balances and cancellation of credit subsidies. "Energy Programs" refers to the Offices of EERE, NE, and OE, and FE, which includes Fossil Energy R&D.

Potential Issues

The FY2020 request for DOE would reduce funding for energy programs and focus R&D on energy storage and harsh environment materials for thermoelectric power plants, among other activities. The request would fund EERE at approximately 14% of the FY2019 enacted level (or 29% including the proposed use of \$353 million in prior-year balances). Almost one-third of EERE funding (\$105 million) would support the Advanced Energy Storage Initiative (AESI), a cross-cutting effort to develop technologies for flexible generation, and increased grid reliability and resiliency. The request would fund AESI at \$158 million, including funds from EERE and other offices. The Harsh Environment Materials Initiative (HEMI) would also receive \$59 million from energy programs, including EERE.

The request proposes to eliminate ARPA-E and cancel \$287 million in unobligated balances. It would eliminate the program to facilitate "opportunities to integrate the positive aspects of ARPA-E into DOE's applied energy research programs." The request would use portions of the unobligated balances to wind down the program. ARPA-E obligates the entire amount of funding for multiyear projects in the year of the award, although project funds are often spent over a multiyear period, so existing multiyear projects would continue to completion. The budget request states its expectation to shut down the agency in FY2022.

The budget request would eliminate programs within the LPO. According to the request, the existing loan portfolio would continue to be managed, and unobligated balances from these programs would be carried forward from prior-year appropriations to cover loan portfolio monitoring and administrative functions. The request would also cancel the remaining \$169.5 million in previously appropriated credit subsidies for loan guarantees.

Many of the reductions in the FY2020 request were proposed in the FY2019 request but were not approved by Congress for FY2019. For additional information on FY2019 appropriations, see CRS Report R45258, *Energy and Water Development: FY2019 Appropriations*.