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U.S. Department of Energy

Before the

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Chairman Lee, Ranking Member Heinrich, and Members of the Committee, it is an honor to appear before you and this Committee today as the Secretary of Energy to discuss the President's Fiscal Year (FY) 2026 Budget request for the Department of Energy ("the Department" or "DOE").

America has a historic opportunity to secure our energy systems; deliver leadership in scientific and technological innovation, including in artificial intelligence (AI); maintain and strengthen our weapons stockpiles; and meet Cold War legacy waste commitments. The Department of Energy is capable of meeting these critical missions while increasing efficiency, unleashing innovation, and ensuring we are better stewards of taxpayer dollars. President Trump is committed to balancing the budget and implementing fiscal restraint – focusing agency funding on the crucial goal of unleashing American energy dominance. This is a commitment I share and a duty I intend to fulfill.

Since President Trump was inaugurated, the Department of Energy has been hard at work to deliver on these goals of unleashing energy expansion while improving operational efficiency. I am proud to report that we have officially ended the previous administration's reckless pause on Liquified Natural Gas (LNG) export permits and returned DOE to regular order for reviewing and approving new permits. Under President Trump's leadership, the Department has approved applications from projects that will export more than 11.45 billion cubic feet per day (Bcf/d) of natural gas as LNG, adding more incremental volume than the world's second-largest LNG-exporting nation is exporting today.

Additionally, we are advancing President Trump's pledge to lower the cost-of-living and expand consumer choice for all Americans by rightsizing DOE's regulatory approach to home appliance efficiency standards. At President Trump's direction, DOE has begun slashing more than 47 burdensome and costly regulations, eliminating and modifying dozens of consumer appliance standards, regulations limiting building and energy production and unscientific requirements for grant recipients. Under the Congressional Review Act, Congress has passed and the President has signed multiple resolutions of disapproval, which have nullified DOE's rules to impose burdensome energy conservation standards for walk-in coolers and freezers, efficiency standards

for gas-fired instantaneous water heaters, and energy standards for commercial refrigeration equipment. DOE has also delayed compliance with test procedures for central air conditioning and heat pumps, as well as extended the deadline for compliance with energy-conservation standards for manufactured housing. In addition, DOE published a final rule withdrawing coverage of miscellaneous gas products such as outdoor heaters and decorative hearths, meaning those beloved products are exempt from unnecessary regulations.

By removing burdensome rules, we are returning freedom of choice to the American people, ensuring consumers can choose the home appliances that work best for their lives and budgets.

While we actively work to strengthen America's role as the world's leader in oil and natural gas production and lower costs for all Americans, we are also taking steps to accelerate innovation in the commercial nuclear development. In the first 100 days, DOE issued two disbursements to support the reopening of Michigan's Palisades Nuclear Energy Plant. We allocated high-assay low-enriched uranium (HALEU) material to five U.S. advanced nuclear reactor developers to boost domestic reactor deployment. It is imperative to jumpstart America's nuclear energy industrial base, and I am taking immediate action to accelerate the deployment of small modular reactors (SMRs). As electricity demand continues to grow, fueled by AI development and the growth of American manufacturing, Americans will need more energy from more sources, including nuclear.

Priorities

My priorities for the Department of Energy are clear – to unleash a golden era of American energy dominance while strengthening our national security. Energy is the essential ingredient that enables everything we do. Access to an abundant and reliable energy supply is a key ingredient to unlocking prosperity and ensuring human flourishing and innovation.

As a first order of business, the Department of Energy must increase the accountability and stewardship of American taxpayer dollars. This is why I have implemented a new policy to ensure responsibility for DOE's financial assistance that identifies waste of taxpayer dollars, protects America's national security and advances President Trump's commitment to unleash affordable, reliable and secure energy. It is deeply concerning how many billions of dollars were rushed out the door without proper due diligence in the final days of the Biden administration. DOE is committed to conducting a thorough review of these projects under its existing authorities to ensure they are among other things, financially sound and economically viable, aligned with national and economic security interests, and consistent with Federal law and this Administration's policies. As a result, we have announced the termination of 24 projects totaling over $3.7 billion in taxpayer-funded financial assistance. These projects failed to advance the energy needs of the American people, were not economically viable, and would not generate a

positive return on investment of taxpayer dollars.

Consequently, we are focused on energy addition, versus subtraction or even replacement. As government leaders, we need to be of the mindset that more is better; replacing energy sources does not add to the finite energy supply that American families, businesses, and innovators are competing for.

This means fully leveraging the reliable sources of energy that have fueled American innovation and security for decades. Coal, oil, and gas are abundant natural resources that our country has been blessed with, and the Trump Administration is committed to using them to provide affordable, reliable, and secure energy for Americans. To this end, we are returning the Office of Fossil Energy to its original mission – advancing affordable, reliable, and secure energy sources for the American people while continuing to support research and development in emerging technologies that advance these sources. This will not only enable greater focus on expanding energy access for the American people but also promote more efficient use of taxpayer dollars.

The United States is the largest global producer and exporter of natural gas, and DOE is doing everything to ensure that the United States retains and builds on this enviable position. Our policy approach for LNG and other energy sources is to make it less expensive and more reliable, and achieve more American energy production and infrastructure development, not less. Right now, eight large-scale U.S. export terminals are now producing around 15 Bcf/d of LNG exports to the global market. With additional capacity currently under construction, exports are expected to average 16 Bcf/d next year. Exports are on track to nearly double from current levels and reach around 29 Bcf/d around 2030 once all the export capacity under construction is completed. This amount could grow as more projects reach a final investment decision.

A vital area of focus is expanding commercial nuclear power across the country. America must lead the commercialization of affordable, reliable, safe, and secure nuclear energy. DOE will focus on the rapid deployment and export of advanced nuclear reactors, including small modular reactors. Small modular reactors will provide reliable power for our Nation's growing energy demands, with the added benefits of flexible deployment due to their compact size and modular design.

We also need to unleash American energy innovation, and the National Labs are the engine that drives research and development to further this aim. When it comes to our National Labs, we are capable of doing more with less. We can both increase efficiency and drive innovation. We will prioritize research that supports true technological breakthroughs, such as nuclear fusion, high-performance computing, quantum computing, and AI, which will maintain America's global competitiveness.

I recently visited DOE's Berkeley National Lab, where I joined leaders from Dell Technologies and NVIDIA in announcing a contract for a new supercomputer – the Doudna system – named after Nobel Prize winner Jennifer Doudna. This system will be one of the most advanced supercomputers ever deployed by the Department, advancing U.S. leadership in the global race for AI. This is exactly the type of innovation between government and the private sector that the Trump administration is focused on unleashing over the next four years.

AI is the next Manhattan Project. AI technology will define the future of the world, and it is essential that the U.S. leads in the development of this technology. DOE has a significant role to play in driving AI innovation for scientific discovery, energy innovation, and national security. Our agency has the world-class high-performance computing capabilities that enable fast and efficient AI research and development, including four of the world's top ten supercomputers. To ensure American leadership, we must not overburden AI development with restrictions and regulations – including those on energy supplies essential for AI data centers. We need all energy sources to power the global AI race and meet growing data centers energy demand, including natural gas, nuclear, geothermal, and coal, while also ensuring the security of the grid.

Fortifying America's electric grid is critical to the reliable and secure delivery of electricity. We are now faced with evolving and rapid changes to the system that threaten the reliability of our grid. Aging infrastructure and increases in demand are multifaceted stressors to the grid, putting the national and economic security of the American people at risk. The threats to America's energy infrastructure are also evolving at an unprecedented pace. Cyber adversaries and physical attacks are no longer isolated challenges – they are converging to create a complex and persistent threat landscape. I am committed to restoring American energy dominance to ensure that we make energy more affordable, reliable, and secure.

DOE is also working to replenish the Strategic Petroleum Reserve (SPR). The SPR is a national asset that protects our security in times of crisis. The last administration's politically motivated depletion of 180 million barrels has significantly degraded SPR infrastructure, brought storage levels to historic lows, and weakened America's ability to respond to new geopolitical oil market shocks. At the end of calendar year 2024, the SPR held 394 million barrels of crude out of a 714-million-barrel top-line capacity, or operational capacity of approximately 680 million barrels. It is noted that the time needed to refill the SPR is six times greater than the time required to do a drawdown; thus, it is important to make material progress immediately.

In his 2025 Inaugural Address, President Trump made a commitment to "bring prices down, fill our strategic reserves up again right to the top, and export American energy all over the world." Subsequently, I issued a Secretarial Order to refill the SPR and review SPR infrastructure and develop appropriate plans to safeguard this important strategic asset.

We appreciate the work of the Committee to provide fiscal responsibility and critical funding for key parts of our energy infrastructure through reconciliation, such as the Strategic Petroleum Reserve (SPR). The SPR funding will enhance its infrastructure and longevity, building back its inventory to ensure the reserve can protect our security in times of crisis for many decades to come.

Critical minerals and materials, used in applications across energy, defense, industry, and consumer electronics, are essential for economic growth and national security. Currently, however, the United States is reliant on other countries, like China, which dominates midstream processing and refining. It is essential that we focus on building domestic capabilities to extract, process, manufacture, and recover end-of-life critical materials for our industrial needs, energy goals, and national security. DOE is already directly supporting the goals laid out in recent executive orders on critical minerals and materials by identifying and expediting pending projects to support domestic mineral production, coordinating with other agencies including the U.S. Department of Defense, exploring the effectiveness of offtake agreements and pricing support, and developing new programs to bolster domestic mining and production.

America doesn't back down from big challenges or big builds. If we want abundant, affordable, and secure energy, we must invest in the infrastructure, generation, and innovation that get us there. We are working to accelerate projects through permitting reform. Every delay is a dollar lost. We need to break ground faster with streamlined permitting, standardized designs, and public-private partnerships to build at the speed of national need. And we need to do so with security in mind to be more resilient to attacks and failures. A proactive approach will minimize disruptions and ensure the reliable delivery of essential energy resources. Every mile of protected infrastructure is a step toward greater energy independence and national resilience.

To accomplish many of the goals this administration has set, the energy sector needs relief from the burdensome permitting process that sabotages America's natural competitive advantages for an abundant energy supply and reliable grid. DOE is identifying and exercising the legal authorities it has to streamline the permitting process for energy infrastructure to bolster our grid security and reliability. It is imperative that the Federal Government swiftly and effectively implements President Trump's agenda for the American people.

DOE also remains committed to the responsible and safe cleanup of our Nation's environmental legacy sites, from the Manhattan Project to the Cold War. DOE's Environmental Management program will continue to perform its cleanup efforts at all 14 of the active sites.

I believe the Department of Energy is well positioned to meet the next chapter of American energy security, but we will need to continue to strengthen our Nation's energy leadership by developing our enviable resources, bolstering global partnerships, and advancing new

technologies. We need to continue to foster innovations in quantum computing and AI. We have an urgent need to upgrade our nuclear arsenal and our broader capabilities to design and construct nuclear weapons and power systems. DOE can and will accomplish these goals by cutting red tape, prioritizing common-sense solutions, and cultivating American ingenuity.

FY 2026 President's Budget Request

DOE proposes $46.3 billion in discretionary budget authority for FY 2026. Our fiscally responsible budget will ensure taxpayer resources are allocated appropriately and cost-effectively. This budget will return DOE to its core mission of advancing energy innovation and global competitiveness through research and development. We will invest DOE's resources in sources and technologies that support affordable, reliable, and secure energy and provide a return on investment for the American taxpayers, while restoring confidence in America's fiscal management.

The responsible stewardship and modernization of the Nation's nuclear weapons systems is paramount for the Department of Energy and this Administration. With $30 billion for the National Nuclear Security Administration, we will address critical upgrades for the U.S. nuclear stockpile and maintain our engine powerhouses for submarines and aircraft carriers. Both tasks will become even more crucial in the next few years.

The President's budget proposes the cancellation of $15.247 billion in IIJA funds and a decrease of $2.572 billion relative to the FY 2025 enacted level for the Energy Efficiency and Renewable Energy account. This will halt investment in the Green New Deal projects that waste taxpayer money while failing to help meet the growing energy needs of the American people. While we will continue to invest in advancing emerging energy technologies, we must ensure that every single dollar spent is accountable to the taxpayers and generates a positive return on investment. This Administration is ending the reckless subsidizing of unreliable, unaffordable, and less secure energy sources.

The FY 2026 Budget includes $1.37 billion for the Office of Nuclear Energy, shifting the program's focus to innovation in fuels and reactor design to further U.S. dominance in nuclear technology, and curtailing overspending on non-essential activities. As global energy demand continues to grow, DOE must prioritize commercialization of affordable, reliable, safe, and secure nuclear energy. This budget will enable the rapid deployment of next-generation nuclear technology across the United States. Nuclear energy is incredible. It can provide not just electricity, but also high-temperature process heat, critical to making the materials we need for planes, trains, cars, and houses. Now is the time for a true nuclear renaissance. DOE is going to use all available tools, including direct funding and loans, to unleash this pivotal form of reliable energy. The Budget also includes $750 million of credit subsidy for the Loans Program Office to

accelerate the innovation and deployment of commercial nuclear technologies.

The Budget funds the Office of Science at $7.1 billion to support cutting-edge basic research in the physical sciences. These investments support identifying and accelerating critical and emerging technologies to strengthen the connection between advances in fundamental science and technology innovation. This Budget supports research focused on Administration priorities, including fusion energy, quantum information sciences, high speed computing, and artificial intelligence and machine learning, which bolsters U.S. leadership in science, technology, and innovation and supports the Department's national security mission.

We will also re-focus ARPA-E by decreasing its funding by $260 million relative to the FY 2025 enacted level. ARPA-E will no longer fund so-called green technologies and instead will focus on high risk, high reward research that advances reliable energy technologies and other critical and emerging technologies.

The Budget also includes $8.09 billion for the Environmental Management program and reflects this Administration's strong commitment to clean up and protect communities that supported defense production programs and government-sponsored nuclear energy research, including $3.07 billion to continue cleanup progress at the Hanford site in Washington.

The Department is also focused on streamlining our operations within the agency, consolidating offices and activities to increase efficiency. We will return the Office of Fossil Energy to its proper name and restore its central function of supporting the production of fossil energy, including coal, and critical minerals for the United States, funding the office at $595 million.

The Administration proposes to eliminate spending that is at odds with the intentions and policies outlined in President Trump's Executive Orders, Presidential Memoranda, Proclamations, and other guidance.

As Secretary of Energy, I am honored and humbled by the responsibility to help meet the American people's growing energy needs and lead the world in energy development. Thank you for the opportunity to testify before this committee.