



April 18, 2013

Opening Statement of Chairman Ron Wyden on DOE FY 2014 Budget

It is quite clear that our country needs to have a broad portfolio of energy choices, but it can't have that when the Energy Department's budget doesn't fund them. The energy needs and opportunities in Oregon are different from the energy needs and opportunities in Alaska, or West Virginia, or Louisiana or North Dakota.

It is true that no one has a crystal ball that's good enough to know exactly where technological breakthroughs will occur or how energy markets in our world will change. Five years ago, when the Congress last enacted a major energy bill, the potential for the kinds of dramatic increases in oil and gas resources from shale were unknown. Putting all of our research dollars on a few technologies closes off pathways to other potentially transformative energy breakthroughs.

I understand that proposing a budget is about establishing priorities and that the current budget problems require tough decisions. The Department of Energy budget is no exception. Nonetheless, a budget is also about your priorities in the future. I am very concerned about some of the investment decisions that I see in the Department of Energy budget, because I don't think they truly reflect the level playing field that is needed to promote choice and competition in energy and particularly to encourage energy investment .

This morning I am not going to go over the same ground on technologies like energy storage or environmental clean-up that I discussed with Dr. Moniz last week. I think energy storage, which has the potential to greatly improve the economics and challenges of adding renewable energy to the electric system has been underfunded. Environmental clean-up is not a problem that is going to be solved just by spending more money.

I do think it is important to ask for explanations about why the DOE budget has such dramatic reductions in fossil energy and nuclear energy, and to a lesser extent in water power and fuel cells. The DOE budget never seems to be complete without the Department cutting funding Congress has added for water power and fuel cells. These are technologies that the private sector is anxious to move on quickly. Our competitors around the world are ramping up their

investments in these areas. Despite that, this year appears to be no exception to what clearly are misguided cuts.

Year over year, funding for fossil energy research is cut over \$74 million, or 15%. Sure, the fossil budget includes a new program for collaboration with EPA and the U.S. Geological Survey to develop safer fracking technologies. But, the \$17 million budgeted for this program doesn't begin to reflect the importance of addressing the challenges of improving the way fracking is done and the implications that has for U.S. energy production and competitiveness.

Year over year, funding for nuclear energy research was cut \$123.6 million or 16%. In the wake of the decision to cancel the Yucca Mountain repository, it is hard to understand how it makes sense to reduce funding on nuclear fuel cycle research. Earlier this week, the Department announced a program to develop spent fuel storage technologies for high-burnup fuel of \$15.8 million stretched over five years. Certainly better late than never, but like Department's efforts on fracking, the level of effort proposed doesn't seem to me to begin to match the importance of the challenge.

Funding for fusion energy is proposed to increase to almost a half a billion dollars (\$458.3 million) with half of that (\$225 million) going to fund the U.S. contribution to the international fusion demonstration project being constructed in France. ITER is now such a large portion of the Fusion Program that it is quite literally eating up other programs' funding. Even with a large budget increase, the department is ordering MIT to shut down its fusion research program to save dollars.

DOE has now said that the U.S. contribution to ITER will be capped at \$2.4 billion. The last time the department provided the Congress with an estimate of the total U.S. project cost was 2008 when the U.S. share in this project was estimated to cost less than half that amount. Fusion may truly be the breakthrough technology of the future, but it's time for Congress to take a closer look at this program, especially the ITER project.

My point here is simple. Not every technology needs to get the same amount of funding, but there should be some genuine balance among technologies that reflect their likely contribution to the country's energy mix. Budgeting priorities ought to also make sure that addressing problems that are already at hand, like fracking or spent nuclear fuel storage, are real priorities, not afterthoughts.

I look forward to the Department's testimony, but let me have Sen. Murkowski make her opening statement.

And just two procedural points that you and I have talked about Sen. Murkowski.

First, this Committee cannot do its job without receiving the Department's budget justifications in a timely manner. Sen. Murkowski and I feel very strongly that we have to have that level of cooperation.

Second, members of the Committee invariably have detailed questions about the budget and the Department's testimony that they submit after the Committee's budget hearings. Last year, the Committee did not receive the Department's responses to our budget hearing questions until December, 10 months after they were submitted. Deputy Secretary Poneman, the Department may not completely control all of the issues with respect to budget justifications are submitted, but you do have complete control over when responses to this Committee are submitted. For myself and Sen. Murkowski and I have talked about this; it is not acceptable to fail to deliver response to Committee questions for months and months on end. That will have to change. I want your personal assurance that the Department is going to answer our questions this year in a timely manner.

Sen. Murkowski is recognized.