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# Press Release

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## **DOE Energy Efficiency and Renewable Energy FY 2009 Budget Cut 27%; Low-Income Weatherization Assistance Program Zeroed Out**

WASHINGTON – *Carol Werner, Executive Director of the Environmental and Energy Study Institute (EESI), issued the following statement on the release of the president's FY 09 budget for the U.S. Department of Energy:*

In signing the Energy Independence and Security Act of 2007 (HR 6, P.L. 110-140) on December 19, 2007, President Bush said the Act makes "a major step toward reducing our dependence on oil, confronting global climate change, expanding the production of renewable fuels and giving future generations of our country a nation that is stronger, cleaner and more secure." In his January 28 State of the Union address, President Bush said, "Let us fund new technologies that can generate coal power while capturing carbon emissions. Let us increase the use of renewable power and emissions-free nuclear power....The United States is committed to strengthening our energy security and confronting global climate change. And the best way to meet these goals is for America to continue leading the way toward the development of cleaner and more energy-efficient technology."

**The funding priorities reflected in the President's FY 09 budget appear in conflict with the goals of expanding renewable energy development and making the economy more energy efficient.** Given the volume of voices and concerns about energy security, the huge bills residential and business consumers face, loss of economic competitiveness, environmental degradation, and rising greenhouse gas emissions, the President's budget is not consistent with his stated goals. The U.S. Department of Energy (DOE) Energy Efficiency and Renewable Energy (EE/RE) program should play a critical role in reducing energy import dependence while protecting the environment by developing and promoting the use of energy efficiency and renewable energy technologies.

The President's FY 09 budget request for DOE's EE/RE programs is **\$1.26 billion** (five percent of the DOE budget)—**essentially flat with the FY 08 budget request and 27 percent below FY 08 appropriations.** At the same time, nuclear energy received a **\$385.5 million increase (37 percent increase from FY 08 appropriations)** and fossil energy received a **\$222.7 million increase (25 percent increase over FY 08 appropriations).** Although there is a significant increase for geothermal and increases for biomass and building technology, the funding for DOE's energy efficiency and renewable energy technology investments includes significant cuts in hydropower technology and tribal energy activities and zeroes out investments in weatherization assistance program grants and the Renewable Energy Production Incentive (REPI).

The President's FY 09 budget request includes:

- **Zeroing out** the Weatherization Assistance Program Grants (**100% cut from \$227 million** in FY 08)
- **Zeroing out** the Renewable Energy Production Incentive (**100% cut from \$5.0 million** in FY 08)
- **\$6.9 million cut** in the Hydropower Program (**70% cut** from FY 08 appropriations)
- **\$4.9 million cut** in Tribal Energy Activities (**83% cut** from FY 08 appropriations)
- **\$12.3 million cut** in the Solar Energy Program (**7% cut** from FY 08 appropriations)
- **\$26.8 million increase** in Biomass and Biorefinery Systems R&D (**13% increase** from FY 08 appropriations)
- **\$ 14.8 million increase** in Building Technologies (**13% increase** from FY 08 appropriations)
- **\$ 10.2 million increase** in Geothermal Technology (**51% increase** from FY 08 appropriations)
- **\$7.5 million** for the Asia-Pacific Partnership, one of the President's priorities for addressing climate change (unfunded in FY 07 and FY 08 appropriations)

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In addition, the DOE Office of Electric Delivery and Energy Reliability Budget was **cut \$4.6 million (3% cut from FY 08 appropriations)**.

| <b>DOE Energy Budget:<br/>FY 2007-08 Appropriation, FY 2009 Budget Request</b> |                                  |                                  |                                   |
|--|----------------------------------|----------------------------------|-----------------------------------|
| <b>Energy<br/>(dollars in thousands)</b>                                       | <b>FY 2007<br/>Appropriation</b> | <b>FY 2008<br/>Appropriation</b> | <b>FY 2009 Budget<br/>Request</b> |
| Nuclear Energy   | 612,230                          | 1,033,923                        | 1,419,463                         |
| Fossil Energy  | 774,669                          | 904,202                          | 1,126,929                         |
| Energy Efficiency and Renewable Energy   | 1,457,241                        | 1,722,407                        | 1,255,393                         |
| Electric Delivery and Energy Reliability                                       | 134,363                          | 138,556                          | 134,000                           |
| <b>Total</b>   | <b>2,978,503</b>                 | <b>3,799,088</b>                 | <b>3,935,785</b>                  |

The table below compares the President's FY 2009 budget request to FY 2007 and 2008 appropriations for DOE's Office of Energy Efficiency and Renewable Energy.

| <b>DOE Energy Efficiency and Renewable Energy Budget:<br/>FY 2007-08 Appropriation, FY 2009 Budget Request</b> |                                  |                                  |                                   |
|--|----------------------------------|----------------------------------|-----------------------------------|
| <b>Energy Efficiency and Renewable Energy<br/>(dollars in thousands)</b>                                       | <b>FY 2007<br/>Appropriation</b> | <b>FY 2008<br/>Appropriation</b> | <b>FY 2009 Budget<br/>Request</b> |
| Biomass and Biorefinery Systems R&D  | 196,277                          | 198,180                          | 225,000                           |
| Geothermal Technology  | 5,000                            | 19,818                           | 30,000                            |
| Hydrogen Technology  | 189,511                          | 211,062                          | 146,213                           |
| Water Power*   | 0                                | 9,909                            | 3,000                             |
| Solar Energy   | 157,028                          | 168,453                          | 156,120                           |
| Wind Energy  | 48,659                           | 49,545                           | 52,500                            |
| Facilities and Infrastructure  | 107,035                          | 76,176                           | 13,982                            |
| Program Support (RE)   | 10,930                           | 10,801                           | 20,000                            |
| Building Technologies  | 102,983                          | 108,999                          | 123,765                           |
| Federal Energy Management Program  | 19,480                           | 19,818                           | 22,000                            |
| Industrial Technologies  | 55,763                           | 64,408                           | 62,119                            |
| Vehicle Technologies   | 183,580                          | 213,043                          | 221,086                           |
| Weatherization Assistance Program Grants   | 204,550                          | 227,222                          | 0                                 |
| State Energy Program Grants  | 49,457                           | 44,095                           | 50,000                            |
| State Energy Activities  | 9,348                            | 0                                | 0                                 |
| International Renewable Energy Program   | 9,473                            | 0                                | 0                                 |
| Tribal Energy Activities   | 3,957                            | 5,945                            | 1,000                             |
| Renewable Energy Production Incentive  | 4,946                            | 4,955                            | 0                                 |
| Asia Pacific Partnership   | 0                                | 0                                | 7,500                             |
| Program Direction (EE)   | 99,264                           | 104,057                          | 121,846                           |
| Congressionally Directed Activities  | 0                                | 186,664                          | 0                                 |
| Adjustments  | 0                                | -743                             | -738                              |
| <b>Total, Energy Efficiency and Renewable Energy</b>   | <b>1,457,241</b>                 | <b>1,722,407</b>                 | <b>1,255,393</b>                  |

\*Water Power includes hydropower, stream, ocean and tidal energy technologies.

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*The Environmental and Energy Study Institute is a non-profit organization established in 1984 by a bipartisan, bicameral group of members of Congress to provide timely information on energy and environmental policy issues to policymakers and stakeholders and develop innovative policy solutions that set us on a cleaner, more secure and sustainable energy path.*