THIRD WAY

THIRD WAY TAKE *Published February 14, 2018 • 5 minute read*

Trump Budget, Take 2: Another DOE budget that is reckless, ill-informed, and dead-on-arrival

The Clean Energy Program

On Monday, the Trump Administration released its budget request for FY2019. For the second year in a row, it proposes deep cuts to innovation across the Department of Energy (DOE). If the President got his way, it would set back U.S. efforts to develop important climate solutions and to stay competitive in growing markets for clean energy around the world. Fortunately, Congress understands the vital role that energy innovation plays in achieving national priorities, and passed a budget deal last week that clears the way to increase energy innovation funding. We fully anticipate that they'll reject these cuts—just like they did last year—and provide DOE with the budget it needs to help America succeed.

Federal Support is Necessary for Innovation

There's a belief amongst some on the far right that the federal government shouldn't be funding energy innovation beyond the earliest stages of development. This ignores a pretty glaring fact: many of America's biggest energy breakthroughs were the result of federal support that went well past basic research. Take nuclear energy, which produces

around 60% of our carbon-free electricity. The federal government helped establish the commercial nuclear energy sector starting in the 1950s and has played a continuous role in developing and deploying the latest cutting edge technology to improve our nuclear fleet.

DOE has also helped create many of the renewables technologies we use today, led efforts to significantly reduce their costs, and supported their deployment with financing assistance through initiatives like the Loan Programs Office. Thanks to the dedicated partnership from DOE that helped get them started, U.S. generation from wind and solar has grown by nearly 900% over the past decade, and domestic renewable industries now employ more than 750,000 people. DOE is currently working on the next generation of renewables, storage, and grid technologies that will allow this important sector to grow even further in the future.

And, no, this isn't a case where the private sector would step in to fill the role of DOE. As we've explained before, if the federal government isn't helping industry develop and deploy innovative energy technology, our chances of success go way down.

Cuts to EERE Hurt All Applied Offices

While it looks like all of the applied offices at DOE would face cuts under the Trump budget proposal, the Office of Energy Efficiency and Renewable Energy (EERE) is by far the hardest hit. Stepping away from renewables and efficiency would be unwise from an economic standpoint, given huge growth projections for these technologies in global markets—not to mention a major setback in the fight against climate change. It's also a bad decision if you care about other energy technologies like nuclear and carbon capture, which this administration claims to support.

DOE's applied offices aren't entirely separate entities walled off from one another—much of their work is intertwined through research program synergies. For instance, the Idaho National Lab (INL) is the lead nuclear lab and receives the

largest share of funding from the Office of Nuclear Energy (NE). It also houses part of the federal work on geothermal technology, which is funded through EERE, but has been helpful to NE research on rock fracture mechanics. Additionally, efforts at the Office of Fossil Energy (FE) to improve performance and safety of drilling techniques could have direct overlap with the geothermal work happening back at INL. So, to recap, EERE funding is enabling work at a lab primarily funded by NE, and which has important cross-benefits with efforts funded by both NE and FE. See what we mean about the work being interconnected?

That's far from the only example. The Advanced Manufacturing Office (AMO), which is funded through EERE and would face extreme cuts to its budget under the Trump proposal, has very broad implications for America's manufacturing economy. And right now, AMO is doing a significant amount of work that will help lower the cost and improve the performance of nuclear reactors, among other energy technologies. There are also explicit partnerships between offices, like the NE-EERE hybrid energy systems work that enables both Offices to better understand how their technologies work together—something that could help lower emissions and improve grid resiliency.

Luckily, Congress Knows the Value of Energy Innovation

Despite Trump's reckless budget proposals, appropriators have been quick to assert their position as the holders of the nation's checkbook, and to voice their support for investments in energy innovation. Last year, top Republican Senators sent a letter to the President stating that "federally funded research is imperative to ensuring we meet our energy, science, and national security needs for generations to come." They then went on to flatly reject Trump's proposed cuts to DOE, including the steepest cuts to EERE. This time around, both Senator Alexander and Congressman Simpson, the top energy appropriators in the Senate and House, have already made public statements reminding

everyone that they make the final decision on funding levels. Essentially, politely saying that Trump's budget is "dead-on-arrival."

Last week, Congress made a deal that raised the budget caps for FY2018 and FY2019, opening up an opportunity to *increase* funding at DOE, not just above the anemic levels in Trump's requests from last year and this year, but above the current enacted levels. To meet our climate goals, maintain U.S. competitiveness in global clean energy markets, and spur economic growth, we need to be doubling down on energy innovation, not walking away from it. Congress has shown it understands just how important a well-funded DOE is to the nation's success. Let's hope they take this opportunity to raise America's investment in clean energy innovation closer to where it really needs to be.