

BLOG Published April 15, 2025 • 5 minute read

Demonstrations Push US Energy Tech Forward. DOGE Wants to Drag Them Back.



Ryan Fitzpatrick, Senior Director of Domestic Policy, Climate and Energy Program, Maya Gibbs, Policy Advisor for Deployment

The Department of Government Efficiency (DOGE) is reportedly planning to terminate numerous energy technology demonstration projects within the Department of Energy's Office of Clean Energy Demonstrations (OCED). From clean hydrogen production to carbon capture to power grid improvements, projects across the country and from a wide range of technologies now face an uncertain future.

Demonstration projects are a vital step for transitioning new clean energy technologies from the lab and into commercial markets so they can be widely deployed. Bipartisan legislation – including the Energy Act of 2020, the Bipartisan Infrastructure Law, and years of annual appropriations – has long recognized the strategic importance of demonstration projects, creating and funding a wide array of energy programs to help advance national priorities.

This reckless move from DOGE to haphazardly claw back federal funding will jeopardize efforts to increase domestic energy production and security, restore US leadership in global energy markets and manufacturing, create high-paying jobs for American workers, and unlock private investment in our economy.

Should the Trump Administration move unilaterally to terminate projects and “deobligate” their funding, as they are rumored to do, it will be too late for the bipartisan majorities in Congress who supported these projects to save them. Advocates for these demonstration projects must move quickly to encourage the Trump Administration to change course. Failure to act now exposes the US to the following five risks.

Handing Technological Leadership to America's Competitors

The United States has a long history of using federally funded research and development (R&D) to pioneer technological breakthroughs. America's weak spot, however, has been a lack of government support to advance these technologies beyond the initial R&D phase into demonstration and commercialization. This shortcoming often resulted in US innovations stalling out before reaching the market or being picked up and carried across the finish line by competitors like China. The demonstration programs now targeted by the Trump Administration were on track to fix this decades-long flaw for several nascent technologies. While DOGE tries to cripple America's demonstrations, China is doubling down on its commitment to clean energy demonstrations and recently announced dozens of new projects to prove out its technologies and surpass the US in deploying innovative new tech.

Losing Out on Lucrative Energy Markets

Economic analysis has shown the US can stake out an early advantage in massive clean energy markets by demonstrating emerging technologies here at home. For example, long duration energy storage (LDES) demonstrations like the ones the Trump Administration is proposing to eliminate would help expand America's access to a global LDES equipment market worth \$1.4 trillion over the next 25 years. A similar story can be told about the importance of demonstrations to help the US succeed in global markets for low-carbon hydrogen, direct air capture, and other technologies with projects on DOGE's chopping block. The US finally has demonstration programs in place and private companies moving forward on dozens of projects that will help America win greater market share. Cutting demonstrations now means less profit brought back to our shores in the coming decades – and more revenue flowing to our adversaries.

Slashing Job Opportunities

Canceling demonstration projects would eliminate tens of thousands of engineering, manufacturing, and construction jobs that companies are preparing to fill across the country. Looking just at the cancellation of regional hydrogen hubs, the scale of lost job opportunities is alarming. For example, the Mid-Atlantic Clean Hydrogen Hub alone was set to generate 14,400 jobs in construction, along with 6,400 permanent positions in Pennsylvania, New Jersey, and Delaware. Companies have been readying to create another 12,000 jobs across Michigan, Indiana, and Illinois as part of the MachH2 hub. The decision by the Trump administration to terminate these and other hydrogen hubs – in addition to the many other demonstration projects across the country – will significantly dim the prospects for America's skilled workforce.

Stifling Private Investment

DOE demonstration programs require awardees to cover at least 50% of the total project cost from non-federal funds but usually leverage even more impressive amounts of private investment. The Industrial Demonstrations Program, for instance, used \$6 billion in DOE funding to unlock an additional \$14 billion in commitments from the private sector. This kind of buy-in from industry is vital to get major projects off the ground, and the government should not take it for granted. Project sponsors have spent considerable time and money to go through DOE application and award negotiations. They signed contracts with DOE, which committed nearly all the federal funding Congress appropriated for OCED projects. Now, the government is abruptly deciding not to honor its commitments, which would be a waste of resources for all involved and leave industry holding the bag. The Trump Administration will need support from the private sector to advance its own energy agenda. Backtracking on demonstration contracts with industry sends a clear message that the federal government is not a reliable partner and will make companies wary of taking on that risk and uncertainty again, regardless of who is in the Oval Office.

Jeopardizing US Energy Security and Reliability

DOE demonstration programs reduce the risk and cost of emerging technologies, allowing the US to deploy additional sources of domestic energy to fuel our economy. By creating a more robust and diversified energy portfolio, demonstrations also help America reduce its dependence on foreign supply chains and energy infrastructure. Terminating these demonstrations simply prolongs America's exposure to volatile energy markets and supply disruptions. Furthermore, eliminating first-of-a-kind projects in long-duration energy storage aimed at ensuring grid stability during extreme weather events threatens American energy resilience and reliability. This action by the Trump

Administration runs counter to campaign promises to make energy more affordable, reliable, and secure.

Conclusion

If the Trump Administration proceeds with its plan to de-obligate DOE funding and unilaterally terminate demonstration projects, it will undermine years of bipartisan progress and investment in clean energy innovation. These demonstration projects are an indispensable step in the innovation ecosystem, bridging the gap between technological development and commercial scale deployment. Cutting their funding and oversight is a vast miscalculation that not only undermines U.S. energy security and global leadership but also threatens to stall job creation, hinder domestic manufacturing, and deter private investment.

Advocates must move quickly and urge the Trump Administration to realign its decision-making to best protect America's workforce, economy, and global standing. The window to save these critical demonstration projects is closing, and the stakes are much too high to wait.