

The President's FY2018 Budget Request for the Department of Energy

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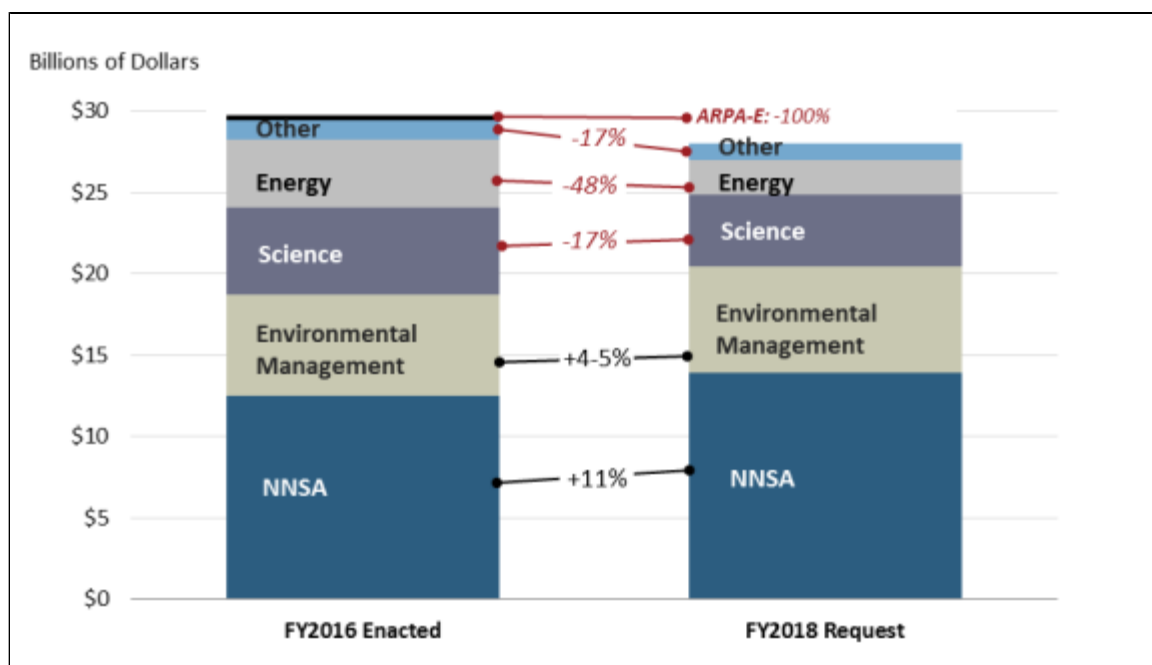
Overview

The President's fiscal year (FY) 2018 budget, *America First: A Budget Blueprint to Make America Great Again*, includes \$28.0 billion for the Department of Energy (DOE), \$1.7 billion (5.6%) less than the FY2016 enacted level of \$29.7 billion. While this request would reduce the total budget for the Department, it would increase funding for the National Nuclear Security Administration (NNSA) and Environmental Management programs. The request would reduce funding for the Office of Science and the offices of Energy Efficiency and Renewable Energy, Nuclear Energy, and Electricity Delivery and Energy Reliability, and the Fossil Energy Research and Development program (herein referred to as "energy programs") and would eliminate the Advanced Research Projects Agency-Energy (ARPA-E) program, Weatherization Assistance Program, State Energy Program, and Loan and Loan Guarantee programs. (See [Figure 1](#).)

Generally, the rationale given for the changes within the FY2018 DOE budget request include a department-wide focus on early-stage R&D, a reliance on the private sector for later-stage R&D and commercialization funding, a commitment to cleaning up legacy contamination and disposing of nuclear waste, and support for the nuclear security enterprise.

Figure 1. Department of Energy Budget Comparison

FY2016 Enacted vs. FY2018 Request



Source: Office of Management and Budget, The White House, *America First: A Budget Blueprint to Make America Great Again*, March 2017; [S.Rept. 114-236](#).

Notes: FY2016 enacted numbers are used for this comparison because FY2017 funding is currently provided by a part-year continuing resolution ([P.L. 114-254](#)) that expires on April 28, 2017. Therefore, there is no full-year 2017 amount to compare with the FY2018 request. "Other" refers to programs and expenditures not explicitly referenced in the President's FY2018 budget blueprint. "Energy" refers to the offices of Energy Efficiency and Renewable Energy, Nuclear Energy, and Electricity Delivery and Energy Reliability, and the Fossil Energy Research and Development program. "Science" refers to the Office of Science.

Comparison with FY2016 Enacted

The proposed changes to the DOE budget are illustrated in [Figure 1](#), which compares FY2016 enacted levels to the FY2018 request. The increase in NNSA funding for FY2018 is \$1.4 billion (11% increase over FY2016 enacted). The additional funding for NNSA is requested to move toward a responsive nuclear infrastructure, extend warhead life, address a maintenance backlog in critical infrastructure, and continue research and development (R&D) activities in support of the Navy's nuclear fleet. Additionally, the budget request would provide \$120 million to restart licensing activities for the disposition of nuclear waste at Yucca Mountain and to initiate an interim nuclear waste storage program. The Environmental Management budget request for \$6.5 billion, an increase of \$200-\$300 million (4-5% over FY2016 enacted), aims to advance the "program mission of cleaning up legacy waste and contamination."

The Office of Science would be reduced by \$900 million (17%) under the request to \$4.45 billion from the enacted FY2016 level of \$5.35 billion. According to the request, this funding would support investment in the highest priority basic science research, energy R&D, and operation and maintenance of scientific facilities.

The budget request for energy programs represents a \$2 billion (48%) decrease from the FY2016 enacted budget of \$4.1 billion. The FY2018 request of \$2.1 billion would focus funding on limited, early-stage applied energy research and development. Two programs within EERE would be eliminated: the Weatherization Assistance Program, and the State Energy Program.

Other programs that would be eliminated under the FY2018 budget request include the Advanced Research Projects Agency-Energy (ARPA-E), the Title 17 Innovative Technology Loan Guarantee Program, and the Advanced

Technology Vehicle Manufacturing (ATVM) Loan Program. [Table 1](#) shows a summary of significant changes.

Table 1. Proposed Changes to Selected Offices and Programs in the President's FY2018 Request

(Dollars in Millions)

Office/Program	FY2016 Enacted	FY2018 Request	Change	
			Dollars	Percent
Increases				
NNSA	\$12,527	\$13,927	\$1,400	11%
Environmental Management	6,218	6,500	200-300	4-5
Nuclear Waste Disposal	0	120	120	New
Reductions				
Office of Science	5,350	4,450	(900)	-17
Energy Programs	4,131	2,131	(2,000)	-48
Weatherization Assistance Program	214.6	0	(214.6)	-100
State Energy Program	50	0	(50)	-100
Eliminations				
ARPA-E	291	0	(291)	-100
ATVM Loan Program	6	0	(6)	-100
Title XVII Loan Guarantee	17	0	(17)	-100

Source: Office of Management and Budget, The White House, *America First: A Budget Blueprint to Make America Great Again*, March 2017; [S.Rept. 114-236](#).

Issues and Considerations

Limited information is currently available about the details of the FY2018 budget request and how proposed spending reductions would be applied to specific programs within the Department. Spending reductions specified in the FY2018 request for energy programs only account for \$264.6 million of the \$2 billion overall reduction sought for these programs. It is uncertain how the additional spending reductions will be applied across the energy programs.

The proposed elimination of the Title XVII Loan Guarantee Program and the ATVM Loans would affect the administration of the programs and preclude any future loans, but would not affect the loans and loan guarantees that have already been issued. Much of the Title XVII administrative budget is offset by fees collected from borrowers and applicants, and one of the administrative functions of the office is to monitor the performance of outstanding loans and loan guarantees. The budget request does not provide details regarding how the existing loan and loan guarantee portfolio would be monitored if these cuts were to proceed as proposed.

ARPA-E obligates the entire amount of funding for multi-year projects in the year of the award. For example, projects awarded in FY2016 are funded in their entirety with FY2016 funds although funds are often distributed over a multi-year period as projects proceed and milestones are met. The budget request does not describe how the administration of remaining funds to existing projects would be managed if the proposed elimination were to proceed.

For additional information regarding FY2017 appropriations for DOE, see CRS Report R44465, [*Energy and Water Development: FY2017 Appropriations*](#).