

Statement of

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Chairman Conrad, Ranking Member Gregg, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the President's Fiscal Year 2010 Budget.

The President's Budget recognizes the enormous challenges and threats we face because of the ways we use energy. Today, we import roughly 60 percent of our oil, draining resources from our economy and leaving it vulnerable to supply disruptions. Much of that oil is controlled by regimes that do not share our values, weakening our security. Additionally, if we continue our current rates of greenhouse gas emissions, the consequences for our climate could be disastrous.

If we, our children, and our grandchildren are to prosper in the 21st century, we must decrease our dependence on oil, use energy in the most efficient ways possible, and lower our carbon emissions. Meeting these challenges will require both swift action in the near-term and a sustained commitment for the long-term to build a new economy, powered by clean, reliable, affordable, and secure energy.

American Recovery and Reinvestment Act

The President took several strong steps toward that goal with the American Recovery and Reinvestment Act of 2009. As President Obama says, this Act is putting Americans back to work doing the work America needs done. Let me highlight a few of its provisions on energy.

First, the Recovery Act will create new jobs making our homes and offices more energy efficient. It includes \$5 billion to weatherize the homes of low-income families; a \$1,500 tax credit to help homeowners invest in efficiency upgrades; \$4.5 billion to "green" federal buildings, including reducing their energy consumption; and \$6.3 billion for state and local efficiency and renewable efforts.

The Recovery Act also includes \$6 billion for loan guarantees and more than \$13 billion in estimated tax credits and financial assistance instruments (grants and cooperative agreements) that may leverage tens of billions in private sector investment in clean energy and job creation. This will help clean energy businesses and projects get off

the ground, even in these difficult economic times. The bill also makes investments in key technologies, such as \$2 billion in advanced battery manufacturing, \$3.4 billion for fossil energy research and development in support of clean coal efforts, and \$4.5 billion for our efforts to modernize the electric grid.

Getting this money into the economy quickly, carefully, and transparently is a top priority for me. I know that your constituent states, localities, businesses, and other entities are eager to move forward and are seeking more information about how to access this funding. I have met with many of them already, and we will have much more detail in the coming weeks.

Fiscal Year 2010 Budget

The President's Fiscal Year 2010 Budget will continue this transformation to a clean energy economy, while returning to fiscal responsibility. The President has pledged to cut the deficit he inherited by at least half by the end of his first term.

But even as we make the hard choices to begin to bring down the deficit, the President's Budget will make strategic investments in America's economic future – investments that have been delayed for far too long. It lays the groundwork for our future prosperity by bringing down the high cost of health care, by giving all of our children a world class education, and by reducing our dependence on foreign oil and creating millions of clean energy jobs.

The President's Fiscal Year 2010 Budget provides \$26.3 billion for the Department of Energy, with investments in basic science and in clean energy technologies, while securing and properly managing our nation's nuclear materials. The development of this budget carefully considered the funding in the Recovery Act for the Department of Energy and complements those investments. The line-by-line details of the FY 2010 budget are not final yet, but I'd like to share with you a few of our priorities.

Investing in Science: The President has set a goal of doubling federal investment in the basic sciences. As part of that plan, the 2010 Budget provides substantially increased support for the Office of Science. It increases funding for climate science – a critical area of concern – and continues America's role in international science and energy experiments. The Budget also invests in the next generation of America's scientists by expanding graduate fellowship programs in critical energy-related fields. The funding builds upon the \$1.6 billion provided in the Recovery Act for basic science programs at the Department of Energy.

Clean Energy Technology: To encourage the early commercial use of innovative clean energy technologies, the Budget supports loan guarantees to help get these projects off the ground. These include renewable energy projects, transmission projects, and carbon sequestration projects that avoid, reduce, or sequester air pollutants and greenhouse gases. It also provides support for research, development, deployment, and commercialization of biofuels, renewable energy, and energy efficiency projects. And to

allow us to exploit our huge domestic coal resources with reduced harmful greenhouse gas emissions, the budget supports carbon capture and storage technology. This is in addition to the \$3.4 billion provided in the Recovery Act for low-carbon emission coal power and industrial projects.

Together, these investments will reduce our dependence on oil and create sustainable green industries that will power our economy long into the future.

Smart Electricity Infrastructure: As part of the President's plan to modernize the nation's electric grid, the Budget provides support for the Office of Electricity Delivery and Energy Reliability. Goals of this program include improved energy storage, security, smart grid technology and reliability. A new Smart Grid will be more reliable, more secure, and quicker to recover from disruptions.

Increased Nuclear Security: To enhance our security, the Budget increases our efforts to secure and dispose of nuclear material and invests in innovative technology to detect and deter nuclear smuggling and weapons of mass destruction programs. Under this budget, development work on the Reliable Replacement Warhead will cease, while we will continue to make investments to ensure the nuclear stockpile's safety, security, and reliability. We will also improve performance and accountability for the environmental legacy of the nation's nuclear weapons program.

Meanwhile, the Budget begins to eliminate funding for Yucca Mountain as a repository for our nation's nuclear waste. Both the President and I have made clear that Yucca Mountain is not a workable option and that we will begin a thoughtful dialogue on a better solution for our nuclear waste storage needs.

Cap-and-Trade System

For the longer term, the President has pledged to work with Congress to design a cap-and-trade system to reduce greenhouse gas emissions. Such legislation will place a market-based cap on carbon emissions and drive the production of more renewable energy in America. It will provide the framework for transforming our energy system to make our economy less carbon-intensive, and less dependent on oil.

Our energy agenda is an ambitious one, but it is the right one. We simply cannot afford to put off these investments any longer. But with the leadership of the President, the actions of this Congress, and the support and participation of the American people, I am confident that we will succeed.

Thank you. I would be glad to answer your questions at this time.