



ISSUE UPDATE

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FY 08 Appropriations for Renewable Energy and Energy Efficiency: Full House and Senate Committee Vote for Increase in EE/RE Funding

The House passed the Energy and Water Development Appropriations Bill of 2008 (H.R. 2641, H. Rept. 110-85) July 17 by a vote of 312-112. The House Bill appropriates \$1.98 billion for Department of Energy (DOE) Energy Efficiency and Renewable Energy (EE/RE) programs for FY 2008, \$742 million (60%) more than the Administration's FY 2008 request of \$1.23 billion and \$504 million more than FY 07 enacted. **Congressionally directed activities** were funded by the House at \$104.3 million.

Ten amendments to H.R. 2641 were considered. Only one (H.Amdt.500) passed on a voice vote to eliminate an \$0.5 million earmark. Rep. John Campbell (R-CA) offered an amendment (H.Amdt.509) to prohibit use of funds for each earmark listed in the bill. Rep. Campbell said "This particular amendment would eliminate all the earmarks in the bill, all 800 of them, all \$1.1 billion of them.... the fact is, Mr. Chairman, that the process by which these earmarks happen stinks. And I believe that this process is terrible and that until we reform this process, we should eliminate all earmarks." The amendment failed 39-388.

The Senate Committee on Appropriations reported the Energy and Water Development Appropriations Bill of 2008 (S. 1751, S. Rept. 110-127) out of Committee on June 28. The Senate Bill appropriates \$1.72 billion for Department of Energy (DOE) Energy Efficiency and Renewable Energy (EE/RE) programs for FY 2008, \$479 million (39%) more than the Administration's FY 2008 request and \$241 million more than FY 07 enacted. **Congressionally directed activities** were funded by the Senate Committee at \$91.0 million.

According to the Senate report, for every dollar invested in **energy efficiency** R&D, the US economy receives about \$20 in return through energy savings, new jobs and new products. The Committee supports increases in efficiency programs above the President's request. The report finds that the President's goal of reducing gasoline usage by 20 percent in the next ten years, coupled with the increased **biomass R&D** budget, could significantly reduce the Nation's "oil addiction." In particular, lowering feedstock costs and ensuring sustainable supplies of biomass are necessary to greatly increase the amount of biofuels production in the United States. The Committee also believes that **solar energy** could provide hundreds of thousands of new, high-tech jobs throughout the United States and could reduce natural gas demand on the order of billions of cubic feet.

Renewable Energy Appropriations

The House and Senate restored funding for two core DOE renewable energy programs, geothermal energy and hydropower, which had been eliminated in the Administration's FY 2008 budget request. The House appropriated \$44.2 million for **geothermal energy**, a nearly nine-fold increase over the \$5.0 million enacted in FY 2007 and almost double the \$22.3 million enacted in FY 2006. The Senate

appropriated \$25.0 million for **geothermal energy**. The House appropriated \$22.0 million for **hydropower**, well above the \$0.5 million enacted in 2006. The Senate appropriated \$2.0 million for **hydropower**.

The House increased funding for **biomass and biorefinery systems** R&D to \$250 million, which is \$70.7 million (39%) greater than the FY 2008 request. The Senate increased funding for **biomass and biorefinery systems** R&D to \$244 million, which is \$64.7 million (36%) greater than the FY 2008 request. The House and Senate both increased funding for **wind power** to \$57.5 million, an increase of \$17.4 million (44%) over the Administration's FY 2008 request.

The House increased funding for **solar power** to \$200 million, \$51.7 million (35%) above the Administration's FY 2008 request. The Senate increased funding for **solar power** to \$180 million, \$31.7 million (21%) above the Administration's FY 2008 request. The Senate funded **ocean technologies**, a new program, at \$8.0 million. The Administration's request for \$7.5 million for the Asia Pacific Partnership was not approved by the House or Senate.

Energy Efficiency Appropriations

The House bill boosts funding for **building technologies** to \$146 million, \$60.0 million (69%) more than the FY 2008 request. The Senate bill boosts funding for **building technologies** to \$137 million, \$50.5 million (58%) more than the FY 2008 request.

The **Federal Energy Management Program** received \$27.0 million from the House, \$10.2 million (61%) greater than the FY 2008 request. The **Federal Energy Management Program** received \$23.0 million from the Senate, \$6.2 million (37%) greater than the FY 2008 request.

House and Senate funding for **industrial technologies** rose to \$57 million, \$11.0 million (24%) more than the FY 2008 request. House funding of **vehicle technologies** increased to \$235 million, \$59.3 million (34%) above the FY 2008 request. Senate funding of **vehicle technologies** increased to \$230 million, \$53.9 million (31%) above the FY 2008 request.

Weatherization assistance program grants are increased by the House by \$97 million to \$241 million, 67% above the FY 2008 request. **Weatherization assistance program grants** are increased by the Senate by \$92 million to \$236 million, 64% above the FY 2008 request. The House and Senate approved an additional \$4.6 million for weatherization training and technical assistance.

The **State Energy Program Grants** received \$49.5 million from the House, a \$4.0 million (9%) increase over the FY 2008 request but the same as FY 2007 enacted. The **State Energy Program Grants** received \$55 million from the Senate, a \$9.5 million (21%) increase over the FY 2008 request.

EE/RE Budget Request

The President's budget request of \$1.24 billion for **EE/RE** is \$238 million (16%) below FY 2007 enacted. The President's budget request of \$115 million for the office of **Electric Delivery and Energy Reliability** is \$22 million (16%) below FY 2007 enacted. This office is responsible for Distributed Energy Resources (DER), which includes many EE/RE technologies and programs.

Fossil Fuel R&D and Nuclear Appropriations

While the President's request of \$567 million for **fossil fuel R&D** is slightly below FY 2007 enacted (\$26 million and 4%), the President's request of \$802 million for **nuclear power** is \$320 million (66%) above FY 2007 enacted. Both the full House and Senate Committee have appropriated increases for **fossil fuel R&D**, up \$142 million (25%) in the House and up \$241 million (43%) in the Senate. Both the House and Senate have appropriated less than the President's request for **nuclear power**, down \$42 million (5%) in the House and down \$82 million (10%) in the Senate.

FY 2008 Energy and Water Appropriations: DOE Energy Efficiency and Renewable Energy				
Energy Supply and Conservation (dollars in thousands)	FY 2007 Enacted	FY 2008 Budget Request	FY 2008 House Bill H.R. 2641	FY 2008 Senate Bill S. 1751
Biomass and Biorefinery Systems R&D	199,687	179,263	250,000	244,000
Geothermal Technology	5,000	0	44,258	25,000
Hydrogen Technology	193,551	213,000	194,600	228,000
Hydropower	0	0	22,000	2,000
Solar Energy	159,372	148,304	200,000	180,000
Wind Energy	49,319	40,069	57,500	57,500
Ocean Technology	0	0	0	8,000
Facilities and Infrastructure	107,035	6,982	195,699	6,982
Program Support (RE)	10,930	13,281	18,930	13,481
Building Technologies	104,329	86,456	146,456	137,000
Federal Energy Management Program	19,480	16,791	27,000	23,000
Industrial Technologies	56,563	45,998	57,000	57,000
Vehicle Technologies	188,024	176,138	235,441	230,000
Weatherization Assistance Program Grants	204,550	144,000	245,550	240,550
State Energy Program Grants	49,457	45,501	49,451	55,000
State Energy Activities	9,348	0	0	0
Gateway Deployment	0	0	0	0
Asia Pacific Partnership	0	7,500	0	0
International Renewable Energy Program	9,473	0	10,000	0
Tribal Energy Activities	3,957	2,957	5,000	7,000
Renewable Energy Production Incentive	4,946	4,946	4,946	5,000
Program Direction (EE)	99,264	105,013	110,013	105,013
Use of prior year balances	0	0	0	0
Congressionally Directed Activities	0	0	104,269	91,025
Total, Energy Supply and Conservation	\$ 1,474,285	\$ 1,236,199	\$ 1,978,113	\$ 1,715,551

FY 2008 Energy and Water Appropriations: DOE Energy Budget (Selected Programs)				
Energy (dollars in thousands)	FY 2007 Enacted	FY 2008 Budget Request	FY 2008 House Bill H.R. 2641	FY 2008 Senate Bill S. 1751
Nuclear Energy	482,191	801,703	759,227	719,558
Fossil Energy R&D	592,621	566,801	708,801	808,113
Energy Efficiency and Renewable Energy	1,474,285	1,236,199	1,978,613	1,715,551
Electric Delivery and Energy Reliability	137,000	114,937	134,161	168,437
Total	\$ 2,686,097	\$ 2,719,640	\$ 3,580,802	\$ 3,411,659

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