



Fact Sheet

Obama Administration FY 2013 Budget Proposal: Sustainable Energy and Transportation

February 2012

President Obama released his \$3.8 trillion fiscal year (FY) 2013 budget proposal on February 13, 2012, which includes a continued emphasis on renewable energy and infrastructure spending. Obama called for an “all of the above” energy strategy during his State of the Union speech in January to grow the economy, create jobs and promote green technology development. The budget calls for an elimination of \$4 billion in fossil fuel subsidies and a shift in funding from decreasing military actions in Iraq and Afghanistan to infrastructure projects. Clean energy and environment are important components and priorities of the FY 2013 budget request, which stresses developing new clean energy, advancing research and development funding for alternative energy, as well as promoting advanced manufacturing and jobs. Key agencies related to the President’s clean energy goals are the Department of Energy, Department of Transportation, Department of Agriculture, Housing and Urban Development and Environmental Protection Agency.

This fact sheet outlines the Obama administration’s FY 2013 budget request for several key clean energy and transportation programs within these agencies.

DEPARTMENT OF ENERGY

The President’s FY 2013 budget request for the Department of Energy (DOE) would increase funding over 2012 enacted levels by 3.2 percent to \$27.2 billion. The proposed budget increases funding for clean energy, research and development, and advanced manufacturing. The Office of Energy Efficiency and Renewable Energy (EERE) would receive \$2.3 billion; an increase of more than 29 percent from 2012 enacted levels. Electric Delivery and Energy Reliability **increases 2.8 percent to \$143 million**. The Fossil Energy budget would **grow by 15.3 percent to \$651 million**. The Office of Nuclear Energy, which includes R&D for advanced small modular reactors, is funded at \$770 million. The budget also provides \$350 million for the Advanced Research Projects Agency-Energy, **an increase of 27 percent**.

DOE Overall Energy Budget (Dollars in thousands)					
Organization	FY 2011 Appropriations	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 v. FY 2012	
				\$ Change	% Change
Energy Efficiency and Renewable Energy	1,771,721*	1,809,638*	2,337,000	527,362	29.1
Electric Delivery and Energy Reliability	138,170	139,103	143,015	3,912	2.8
Fossil Energy	572,525	564,435	650,792	86,357	15.3
Nuclear Energy	805,996	858,741	770,445	-88,296	-10.3
Advanced Research Projects Agency- Energy (ARPA-E)	179,640	275,000	350,000	75,000	27.3
Total	3,468,052	3,646,917	4,251,252	604,335	64.2

*Note: Includes Adjustments

The President’s FY 2013 Energy Efficiency and Renewable Energy budget request for DOE includes:

- **\$91.2 million increase** in the Vehicle Technologies program (28 percent increase from FY 2012 appropriations).
- **\$90.8 million increase** in the Building Technologies program (41 percent increase from FY 2012 appropriations). For more details, see “Energy-Efficient / Sustainable Buildings Programs” section below.
- **\$21.0 million increase** in the Solar Energy program (7 percent increase from FY 2012 appropriations).
- **\$70.7 million increase** in the Biomass and Biorefinery R&D program (35 percent increase from FY 2012 appropriations). For more details, see “USDA/DOE Bioenergy Programs” section below.
- **\$67.0 million increase** in the Weatherization and Intergovernmental Activities program (52 percent increase from FY 2012 appropriations).
- **\$27.1 million increase** in the Geothermal program (72 percent increase from FY 2012 appropriations).
- **\$1.7 million increase** in the Wind Energy program (2 percent increase from FY 2012 appropriations).
- **\$174 million increase** in the Advanced Manufacturing (formerly Industrial Technologies) program (151 percent increase from FY 2012 appropriations).
- **\$2.1 million increase** in the Federal Energy Management Program (7 percent increase from FY 2012 appropriations).
- **\$38.8 million decrease** in the Water Power program (66 percent decrease from FY 2012 appropriations).
- **\$23.6 million decrease** in the Hydrogen and Fuel Cell Technologies programs (23 percent decrease from FY 2012 appropriations).

DOE Energy Efficiency and Renewable Energy Budget			
(Dollars in thousands)			
Program	FY 2011 Appropriations	FY 2012 Enacted	FY 2013 Budget Request
Biomass and Biorefinery Systems R&D	179,979	199,276	270,000
Geothermal Technology	36,992	37,862	65,000
Solar Energy	259,556	288,951	310,000
Water Power	29,201	58,787	20,000
Wind Energy	78,834	93,254	95,000
Hydrogen and Fuel Cell Technologies	95,847	103,624	80,000
Building Technologies	207,310	219,204	310,000
Vehicle Technologies	293,151	328,807	420,000
Advanced Manufacturing (formerly Industrial Technologies)	105,899	115,580	290,000
Weatherization and Intergovernmental	231,300	128,000	195,000
<i>Weatherization Assistance</i>	174,300	68,000	139,000
<i>State Energy Program</i>	50,000	50,000	49,000
<i>Tribal Energy Program</i>	7,000	10,000	7,000
Federal Energy Management Program	30,402	29,891	32,000
Facilities and Infrastructure (NREL)	51,000	26,311	26,400
Program Direction	170,000	165,000	164,700

DOE Energy Efficiency and Renewable Energy Budget (continued)			
Program	FY 2011 Appropriations	FY 2012 Enacted	FY 2013 Budget Request
Strategic Programs	32,000	25,000	58,900
<i>Communications and Outreach</i>	10,000	6,500	8,900
<i>Innovation and Deployment</i>	8,000	6,500	33,500
<i>International</i>	7,000	5,000	8,500
<i>Planning, Analysis and Evaluation</i>	3,000	7,000	--
<i>Strategic Priorities & Impact Analysis</i>	4,000	--	8,000
Subtotal EERE	1,801,471	1,819,547	2,337,000
Adjustments (Includes Prior Year Balances)	-29,750	-9,909	-69,667
Total EERE	1,771,721	1,809,638	2,267,333

USDA / DOE BIOENERGY PROGRAMS

Administration Requests Little Energy Funding for USDA but Boosts DOE Biomass Funding

In its FY 2013 budget request to Congress, the administration requested only \$4.6 million in new budget authority for the Rural Energy for America Program (REAP). It did not seek any new funds for any of the other major bioenergy programs in the Farm Bill such as the Biomass Crop Assistance Program, the Biorefinery Assistance Program, or the Biomass Research and Development Initiative.

This is a far cry from the more than \$400 million per year (on average) in mandatory and discretionary spending authorized by Congress for Energy Title programs in the 2008 Farm Bill. (Actual spending over the past five years was much less than this, because Congress appropriated relatively little of the discretionary funding authorized in subsequent years.) And this contrasts sharply with the level of commitment to biofuels and bioenergy expressed by administration officials and the USDA over the past few years.

Through the USDA Commodity Credit Corporation, the administration is planning to spend about \$200 million of previously authorized funds in FY 2013 to advance collaborative aviation biofuel projects that are already underway with the Navy and the Department of Energy (DOE).

The DOE Biomass Program, which focuses on research and development of biomass and biofuel conversion technologies, fared much better: the administration requested \$270 million in new budget authority, an increase of \$70 million (35 percent) over FY 2012. The administration also is proposing to continue funding the DOE Office of Science Bioenergy Research Centers at \$75 million, the same level as previous years.

ENERGY-EFFICIENT / SUSTAINABLE BUILDINGS PROGRAMS

The Department of Energy's FY 2013 budget proposes a \$90.8 million or **41.4 percent increase** for building technology research, with an emphasis on advanced HVAC systems, building envelope and windows, and enhanced sensor and control technologies for building energy management. Retrofitting existing residential and commercial buildings will continue to be a priority. The budget proposes to accelerate rulemakings and test procedures for energy conservation standards that are currently scheduled, noting that this will enable development of standards for additional products that have large energy savings potential.

In prior years, the Buildings budget showed allocations for residential and commercial building research, emerging technologies, and deployment activities such as codes and standards. The FY 2013 budget is organized in the following categories to indicate a “technology readiness level” that aligns with the RDD&D process to help manage the flow of technology development from research and innovation to private-sector commercialization. For example, priorities in the FY 2013 budget include the Better Buildings Challenge, in which partners commit to energy reduction and the *demonstration* and *deployment* of energy efficiency strategies (Systems Integration, Market Barriers).

Department of Energy Building Technologies Programs			
Dollars in Thousands			
	FY 2011 Appropriations	FY 2012 Enacted	FY 2013 Budget Request
Innovations	13,300	10,894	17,567
Emerging Tech	45,926	48,417	89,660
Systems Integration	91,184	88,578	98,068
Market Barriers	57,000	66,802	98,250
SBIR/STTR*	--	4,513	6,455
Total	207,310	219,204	310,000

*Small Business Innovation Research/Small Business Technology Transfer

The **Department of Housing and Urban Development (HUD)** FY 2013 budget request of \$44 billion reflects a balancing act of several national priorities and housing-policy goals. There is a continued commitment to help the very poor but acknowledgement that spending cuts and new revenues are necessary for debt reduction. In presenting the budget, HUD Secretary Shaun Donovan noted that 83 percent of the FY 2013 budget is for rental assistance renewals, operating subsidies, and capital for public housing, but that it includes rent increases for all HUD-assisted households and reduces contract funding for Project-based Rental Assistance. Proposed activities to improve the energy efficiency of HUD’s housing portfolio would achieve multiple goals: reducing energy costs and improving comfort for HUD households and reducing federal energy subsidies (estimated to cost taxpayers \$4 to \$6 billion per year).

Secretary Donovan said that HUD also has an important role in stabilizing and building the recovering U.S. economy, strengthening the middle class, and ensuring long-term, broadly-shared prosperity by enabling households to rent or own a high quality, affordable home. The FY13 budget **restores \$100 million in funding** for the Sustainable Housing and Communities program that helps communities align housing and transportation planning, locate affordable housing near public transit, make walking easier and safer, and initiate other strategies to reduce costs, energy consumption and greenhouse gas emissions. The HUD budget also proposes to continue funding for programs that directly support rural housing and economic development. “Small towns and rural communities across America are facing an acute need for more affordable and energy efficient housing, while also pursuing sustainable economic development.” Other HUD programs offer further potential to improve the energy efficiency and affordability of U.S. housing, including the Manufactured Housing Standards Program, Native American housing development, and the HUD Office of Policy Development and Research.

Department of Housing and Urban Development			
Dollars in Thousands			
	FY 2011	FY 2012 Enacted	FY 2013
	Appropriations		Budget Request
Sustainable Communities	99,000	--	100,000
Policy Development & Research	48,000	46,000	52,000
Manufactured Housing	11,000	6,000	8,000
Total (Net Budget Authority)	48,529,000	55,900,000	44,010,000

DEPARTMENT OF TRANSPORTATION

The proposed Department of Transportation (DOT) budget calls for a total of \$74.5 billion. This represents a two percent increase over both actual FY 2011 spending and the approved FY 2012 appropriations. The proposal also calls for an immediate investment of **an additional \$50 billion in FY 2012** to help address a backlog of maintenance and infrastructure needs, while spurring economic growth. The FY 2013 budget proposal for the Federal Transit Administration (\$10.8 billion) shifts funding priorities towards improving the Bus and Rail State of Good Repair Program, with \$3.2 billion in dedicated funding. The President requests \$42.6 billion for the Federal Highway Administration, \$4 billion of which would fund a new Livable Communities Program to improve transportation choices and access. The FY 2013 request allocates \$2.5 billion for high-speed rail (HSR) development and capacity building. The \$50 billion immediate investment request calls for an additional \$4 billion for HSR development.

Included with the budget request is a proposal for a six-year, \$476 billion reauthorization for surface transportation programs. Surface transportation programs, including highways, mass transit and railroads, make up 78 percent of the FY 2013 budget request for DOT. The previous reauthorization expired in September 2009 and has been extended eight times. Congress is currently debating two competing new surface transportation bills that are far smaller than the President's FY 2013 request – the House is considering a five-year, \$260 billion package; the Senate version calls for \$109 billion over two years. The President's plan proposes to pay for a larger transportation authorization through savings from reduced overseas military operations of \$231 billion over six years.

Department of Transportation Programs			
(Dollars in Thousands)			
Program / Organization	FY 2011	FY 2012	FY 2013
	Appropriations	Enacted	Budget Request
Federal Highway Administration (FHWA)	41,846,000	41,545,000	42,569,000
Federal-Aid Highways Obligation Limitation	41,1070	39,144,000	41,830,000
Exempt Mandatory Federal-Aid Highways	739,000	739,000	739,000
Emergency Relief	--	1,662,000	--
Federal Transit Administration	10,284,000	10,603,000	10,836,000
Transit Formula Program	8,343,000	8,361,000	4,759,000
Bus and Rail State of Good Repair Program	--	--	3,207,000
Capital Investment Grants	1,584,000	1,950,000	--
Transit Expansion and Livable Communities Program (includes Capital Investment Grants)	--	--	2,448,000
Washington Metropolitan Area Transit Authority	150,000	150,000	135,000

Department of Transportation (continued)			
Program / Organization	FY 2011 Appropriations	FY 2012 Enacted	FY 2013 Budget Request
Federal Rail Administration	1,706,000	1,632,000	2,698,000
Safety and Operations	177,000	178,000	196,000
Operating Grants to Amtrak	562,000	466,000	--
Capital and Debt Service Grants to Amtrak	922,000	952,000	--
Network Development	--	--	1,000,000
System Preservation and Renewal	--	--	1,546,000
Federal Aviation Administration	15,932,000	15,902,000	15,172,000
Federal Maritime Administration	365,000	349,000	344,000
National Highway Traffic Safety Administration	872,000	800,000	981,000

The administration's request for \$50 billion for immediate investment in FY 2012 is divided among five DOT programs. The additional spending would increase this year's highway and transit budgets by 67 and 85 percent, respectively.

Program / Organization (Dollars in Thousands)	FY 2012 Enacted
Federal Highway Administration (FHWA)	28,000,000
National Highway Program	28,000,000
Federal Transit Administration	9,000,000
Transit Formula and Bus Grants	3,000,000
Bus and Rail State of Good Repair	6,000,000
Federal Rail Administration	6,000,000
Network Development	4,000,000
System Preservation	2,000,000
Federal Aviation Administration	3,000,000
NextGen Air Traffic Modernization	1,000,000
Grant-in-Aid for Airports	2,000,000
Office of the Secretary	4,000,000
Transportation Infrastructure Grants and Financing	4,000,000

ENVIRONMENTAL PROTECTION AGENCY

The President's FY 2013 budget request for the Environmental Protection Agency (EPA) is \$8.34 billion, a **decrease of approximately \$105 million** (1.1 percent decrease from FY 2012 appropriations). The Greenhouse Gas (GHG) Reporting Registry request is \$18.7 million, **up \$2.9 million** from FY 2012 appropriations. The National Vehicle and Fuel Emissions Laboratory received a **\$10 million increase** for certification and compliance testing programs in addition to new biofuels technology evaluations.

The **Energy STAR** program budget request is \$53.9 million, **an increase of \$4.2 million** from FY 2012 appropriations. In 2010, Americans saved \$20 billion on their annual utility bills and prevented 195 million metric tons of carbon dioxide equivalent with the help of Energy STAR products. The Global Methane Initiative (GMI), formerly known as Methane-to-Markets, is slated to receive \$4.9 million, a decrease of roughly \$86,000. EPA's voluntary partnership program, the SmartWay Transport Partnership, has helped more than 2,900 U.S. corporations and businesses save \$6.1 billion dollars by cutting their combined fuel use by the equivalent of 50 million barrels of oil. The President has requested \$2.8 million

for this program, which will include work to promote the new **Light Duty Vehicle Standards**, develop GHG heavy duty vehicle protocols, and continue federal guidance for these businesses.

Environmental Protection Agency				
(Dollars in Thousands)				
Clean Air and Climate Programs	FY 2011 Appropriations	FY 2012 Enacted	FY 2013 Budget Request	FY 2013 Budget v. FY 2012 Enacted (\$)
Clean Air Allowance Trading Programs	20,877	20,811	20,888	77
Climate Protection Program				
<i>Energy STAR</i>	52,306	49,668	53,872	4,204
<i>Methane to Markets</i>	4,863	5,013	4,927	-86
<i>Greenhouse Gas Reporting Registry</i>	18,358	15,757	18,694	2,937
<i>Climate Protection Program (other activities)</i>	40,809	29,043	30,498	1,455
Subtotal, CPP	116,335	99,481	107,991	8,510
Federal Stationary Source Regulations	31,296	27,298	34,142	6,844
Federal Support for Air Quality Management	106,081	123,469	134,841	11,372
Federal Support for Air Toxics Program	24,006	--	--	--
Stratospheric Ozone: Domestic Programs	5,158	5,570	5,643	73
Stratospheric Ozone: Multilateral Fund	9,690	9,479	9,690	211
Subtotal, Clean Air and Climate	313,443	286,108	313,195	27,087

OTHER AGENCY HIGHLIGHTS

The **Department of Defense (DOD)** budget includes approximately \$1 billion for energy conservation, **more than double** the amount spent in 2010. The Installation Energy Test Bed Program which demonstrates new technologies would receive \$32 million, **a seven percent increase from FY 2012**. The Conservation Investment Program will **increase to \$150 million** to support renewables and efficiency projects at military bases.

The **National Science Foundation** would receive \$203 million for Science, Engineering, and Education for Sustainability, a new sustainability research program focusing on climate change and renewable energy technologies. The Clean Energy research program would receive **\$14 million more than in FY 2012**, increasing its budget to \$355 million.

The **Department of Interior** budget for renewable energy initiatives would **increase \$15.2 million** above FY 2012 enacted levels to \$86.5 million.

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