CLEAN ENERGY BUSINESS NETWORK

Tight Budgets and Tight Timing

Takeaways from a discussion on the FY 2018 budget request for clean energy programs

June 16, 2017: Lynn Abramson

Funding for clean energy programs is in jeopardy and timing is tight—but business voices can make a difference.

These were the takeaway messages of a June 15 webinar for the Clean Energy Business Network examining the President's Fiscal Year 2018 budget request for renewable energy, efficiency, and advanced fossil energy programs.

The U.S. energy industry has grown cleaner, cheaper, and more efficient over the past five years, with renewables and natural gas now meeting half of the nation’s power demand. But continued federal investment in all phases of technological innovation—from early-stage research and development to commercialization and deployment—is needed to continue to pave the way for these growing industries.

To that end, the funding cuts envisioned in the FY 2018 budget request would represent a major setback for U.S. competitiveness in the development of new energy technologies. The proposal would slash most non-defense programs in the Department of Energy (DOE) by 16-70%, the Environmental Protection Agency by 32%, and the Department of Interior by 11%. It would also eliminate a variety of impactful programs, such as the Advanced Research Projects Agency-Energy (ARPA-E), ENERGY STAR, the CHP Partnership Program, CHP Technical Assistance Program (CHP TAP), and pilot projects for advanced fossil energy and carbon sequestration.

Overview of Key Energy Programs in FY 2018

Energy Programs (in millions of $)	Agency	FY 2016 Enacted	FY 2017 Annualized CR	FY 2018 Request	FY 2018 vs. FY 2016 $	FY 2018 vs. FY 2016 %
Agency top-line:						
Department of Energy	DOE	29,603	29,651	28,042	-1,561	**-5%**
Environmental Protection Agency	EPA	8,258	8,244	5,655	-2,603	**-32%**
Department of Interior	DOI	13,222	13,176	11,740	-1,482	**-11%**
Specific DOE accounts:						
Energy Efficiency and Renewable Energy	DOE	2,069	2,069	636	-1,433	**-69%**
Electricity Delivery and Energy Reliability	DOE	206	206	120	-86	**-42%**
Fossil Energy Programs	DOE	869	867	480	-389	**-45%**
Advanced Research Projects Agency - Energy	DOE	291	290	20	-271	**-93%** (eliminated after closing existing projects)
Science (includes National Labs)	DOE	5,347	5,337	4,473	-874	**-16%**

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NOTE: The Consolidated Appropriations Act enacted on May 5, 2017 (P.L. 115-31) was not available when the federal agencies developed the FY 2018 Congressional Budget Justification. Therefore, the column labeled “FY 2017 Annualized CR” reflects the amounts in the continuing resolution enacted Dec. 10, 2016 (P.L. 114-254) annualized to a full) year.

Todd Foley, Senior Vice President, Policy and Government Affairs at the American Council on Renewable Energy, pointed out that some of the programs in jeopardy have historically attracted strong interest in Congress. “The support the DOE budget has had over the years for its critical role in renewable energy development has been bipartisan. This has been very important, and it is quite essential to maintain the continuity as any industry leads on that front.”

Ben Evans, Vice President of Government Affairs and Communication at the Alliance to Save Energy highlighted several efficiency programs that have historically been very successful in returning cost savings to consumers. “The Building Technologies Office sets appliance standards covering about 60 products across the country that saves consumers billions of dollars per year.”

Rich Kaelin, Vice President of Government Relations at the Gas Technology Institute, noted that the budget proposes eliminating a variety of pilot and demonstration programs and instead focusing solely on basic energy research. “The danger here is that you end up with a lot of really good ideas coming out of universities and national labs that are never adopted in the commercial sector because you are making the ‘valley of death’ worse.”

The budget cycle is unusually compressed this year due to the start of the new Administration. It is unclear if Congress will have time to complete funding bills in regular order, or pass a so-called “continuing resolution” that simply continues the prior year’s funding levels. But as Todd Foley pointed out, there have been signals from some Congressional leaders “to develop funding levels consistent with fiscal year 2017… We will have to stay attuned to this process and we look forward to working with the appropriators and the administration to make sure that these programs continue as robustly as they can.”

The speakers highlighted the importance of business leaders making their views known by writing, calling, or using social media to contact their representatives. Policymakers need to know how the funding decisions they make will impact business opportunities and jobs in their districts.

To learn more, please click here to join the CEBN and download the webinar recording. Consider taking action by tweeting at your representatives about your funding priorities.

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The Clean Energy Business Network (CEBN) is one of the largest and most diverse clean energy organizations in the country, with more than 3,000 members across all 50 U.S. states. Started in 2009 by The Pew Charitable Trusts, the CEBN is now an initiative of the Business Council for Sustainable Energy, where it serves as a grassroots arm to inform and engage clean energy business leaders in policy issues affecting their industry. Please visit www.cebn.org *to learn more about the network or to join.*