

The Department of Energy's Fiscal Year 2010 Budget Request



An analysis by
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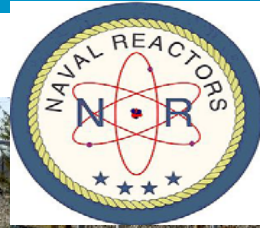


As U.S. energy dependence has worsened, its greenhouse gas emissions have grown worse as well--increasing by 17 percent since 1990--accelerating potentially disastrous climate change.

Created in 1977 in response to oil disruptions, the U.S. Department of Energy has done little since to stem the country's burgeoning energy problems.

With about 5.5 percent of the world's population, the United States consumes more oil than any other nation, three-fourths of which comes from foreign sources.

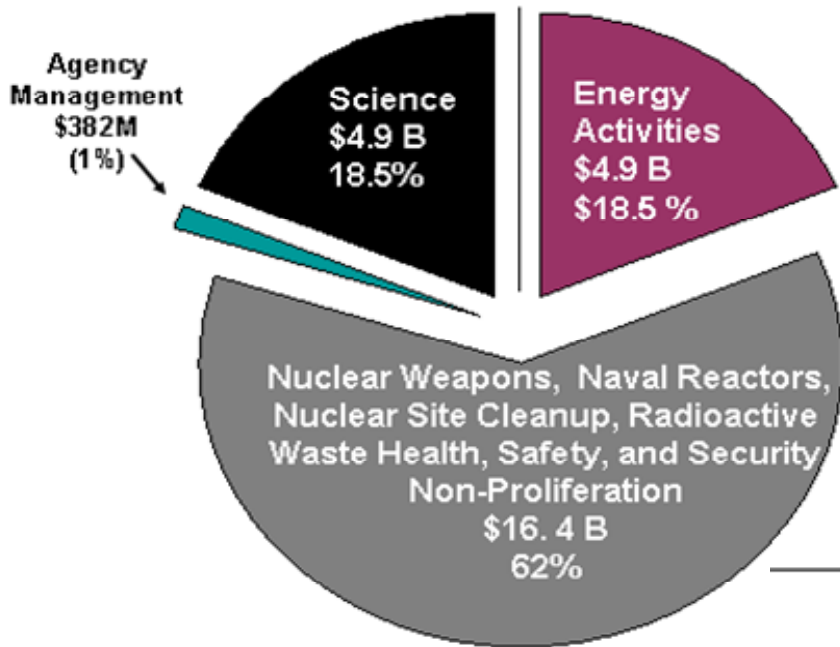
Pantex Plant



The main reason for Energy's ineffectiveness is that it's not structured to usher in the country's energy future.

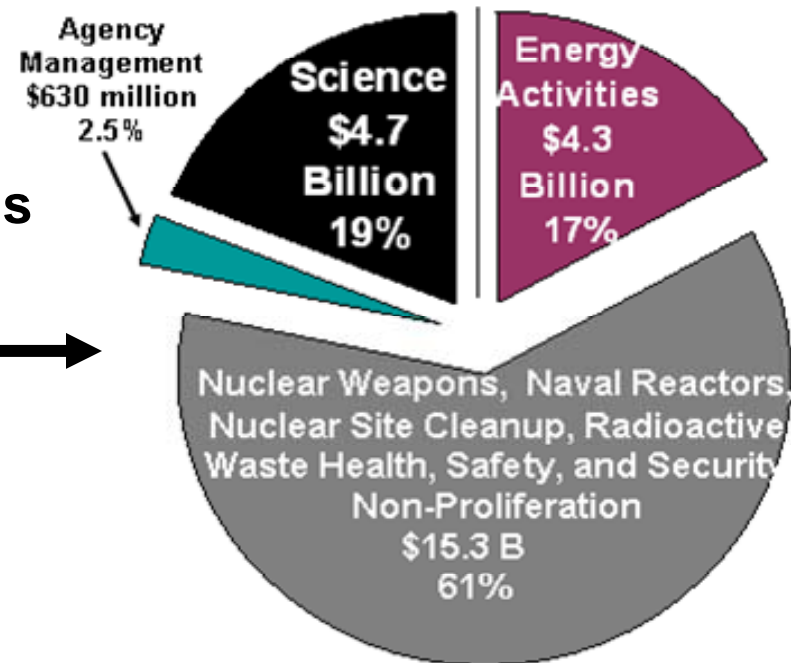
For most of its existence, about two-thirds of Energy's annual spending has gone to maintaining the U.S. nuclear weapons complex and cleaning up its environmental legacy.

- **Like those of his predecessors, President Obama's FY 2010 Budget for the Energy department is dominated by spending for nuclear weapons and to cleanup and maintain DOE's large nuclear infrastructure.**
- **Nuclear weapons production has resulted in the most expensive environmental cleanup program in the United States – estimated to cost as much as \$283 billion.**
- **Energy activities take up only 18.5 percent of DOE's FY 2010 budget.**

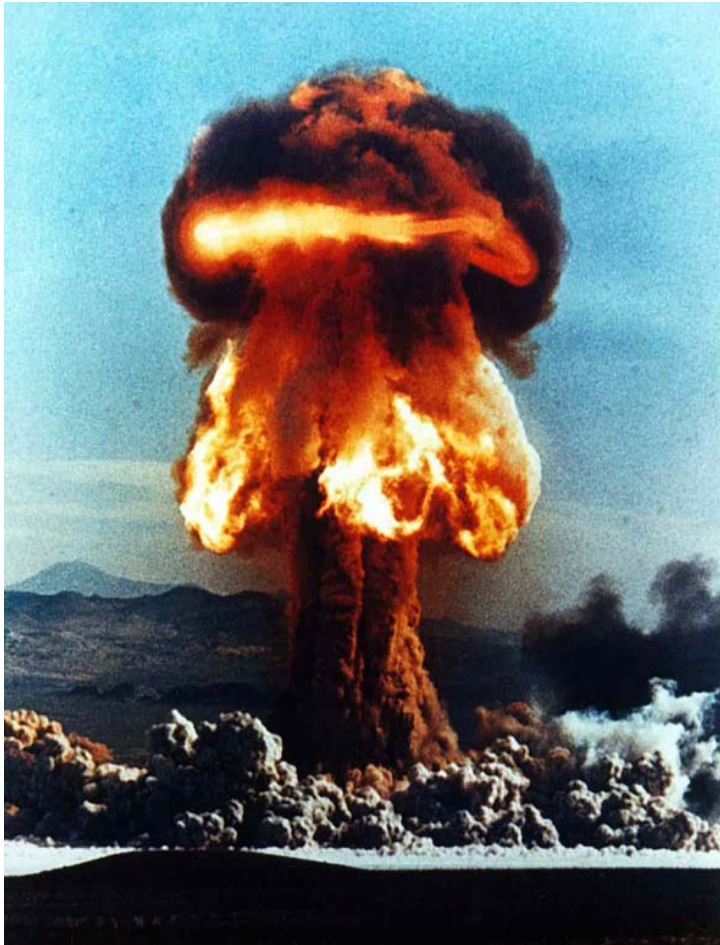


**The Obama Administration's
Department of Energy
FY 2010
Budget Request**

**The Bush Administration's
Department of Energy
FY 2009
Budget Request**



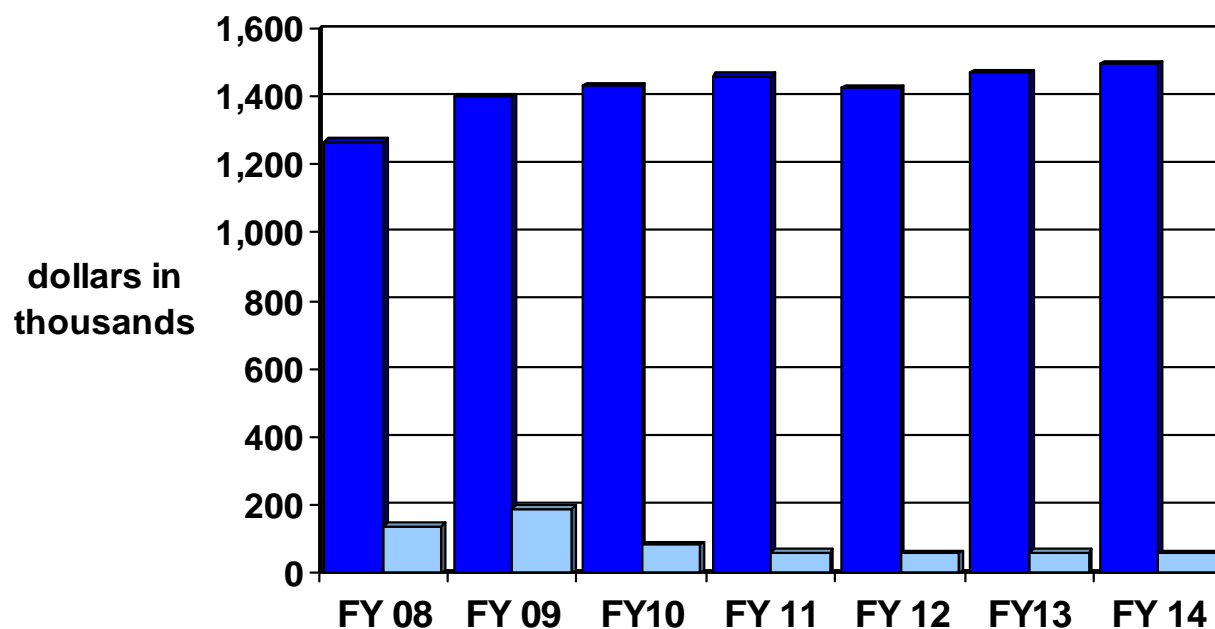
An Oversized Nuclear Arsenal



The single largest expenditure in DOE's FY 2010 budget is to maintain some 9,200 intact nuclear warheads and thousands of weapons parts (\$6.4 billion).

These weapons have about 400 times more destructive force than for all explosives used in World War II combined.

Nuclear Weapons Stockpile Spending



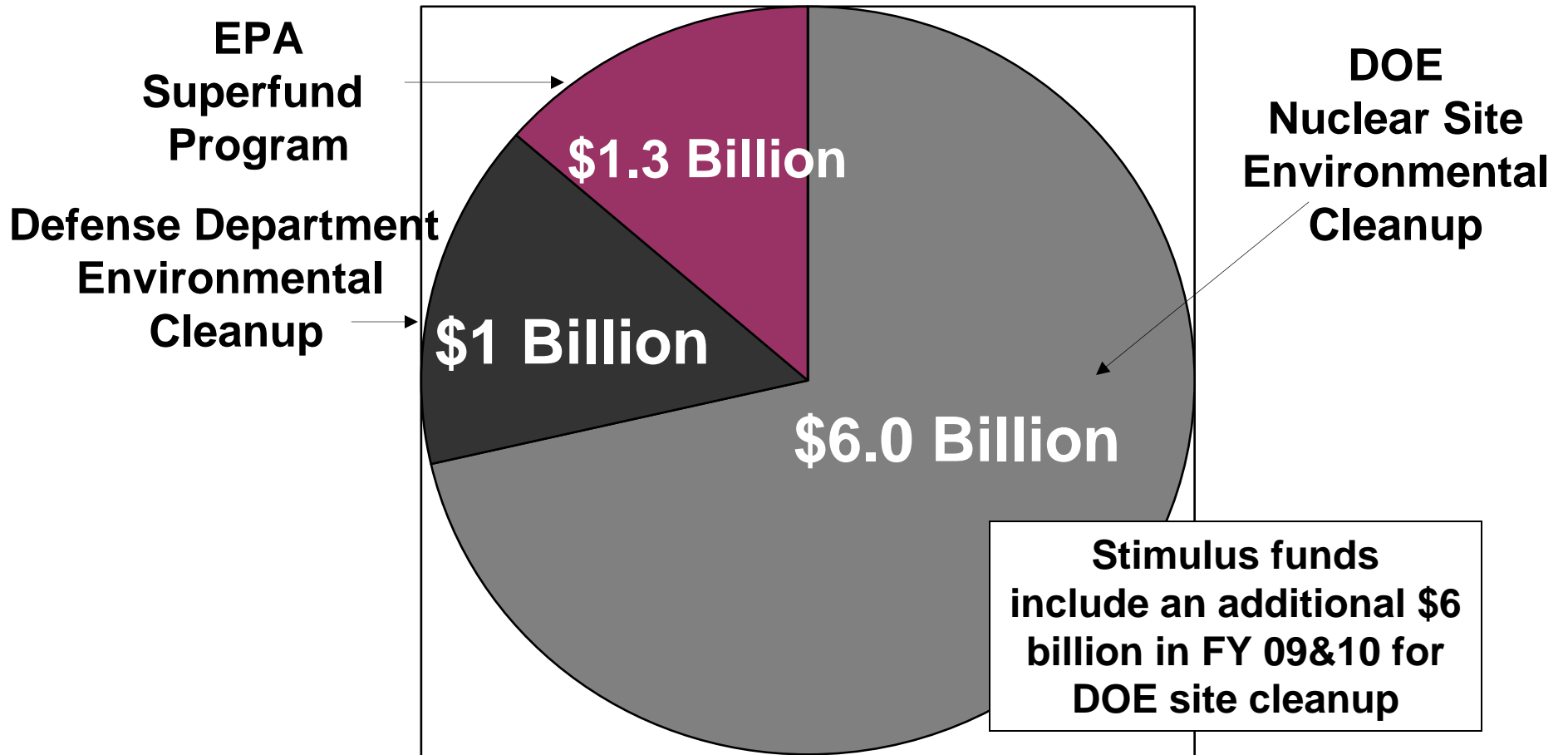
■ Weapons stockpile service and life extension
■ Dismantlement

There is a 15 year backlog of some 4,200 retired nuclear warheads awaiting dismantlement.

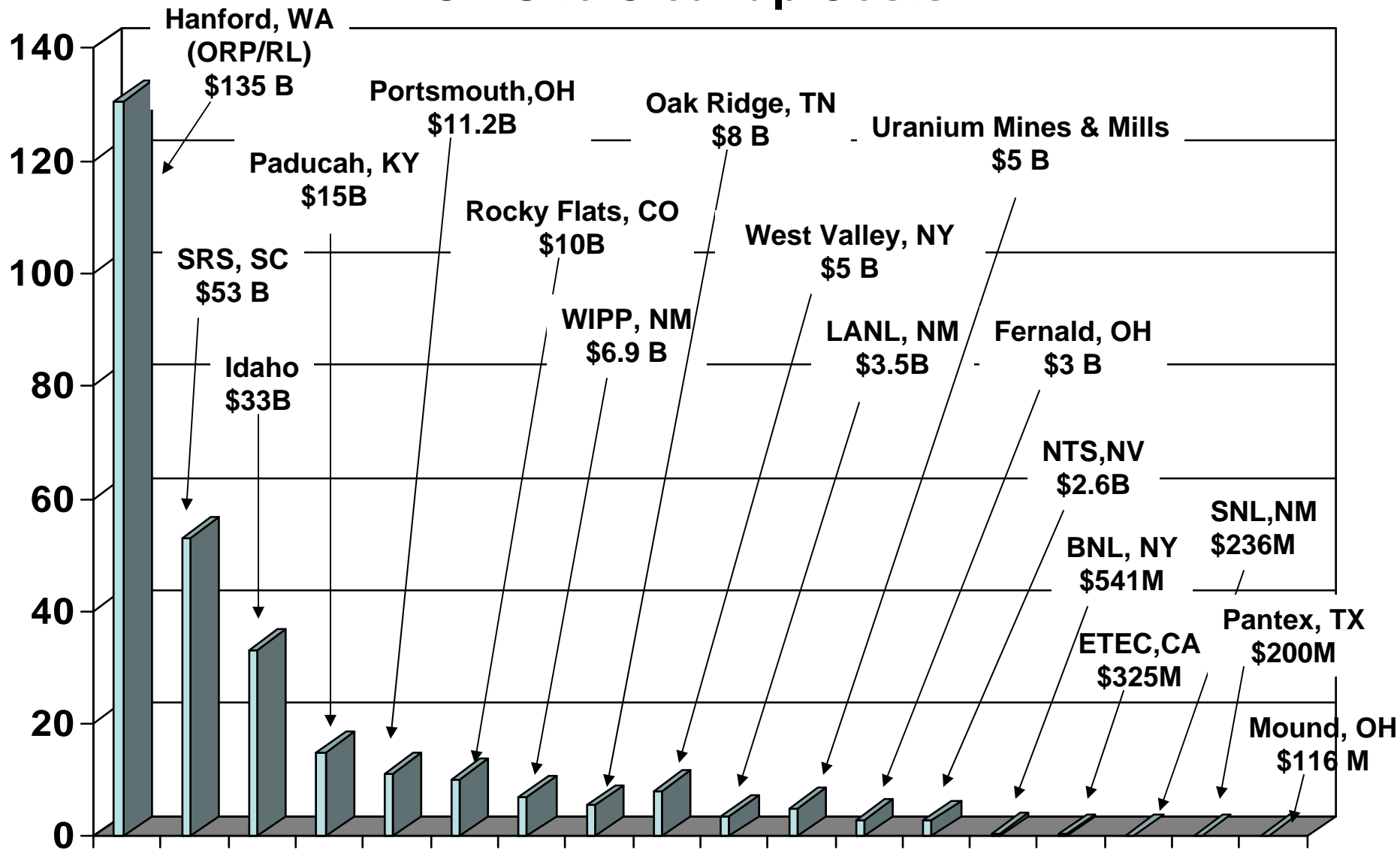
Thousands more will be added if President Obama's pledge to cut nuclear arms is realized.

Yet, funding for dismantlement is expected to drop by 50% over the next five years.

DOE Site Cleanup



DOE Site Cleanup Costs*



Sources: DOE 2008, GAO 2005, EIA 2006

Total Cost = \$283 Billion

DOE Energy Spending

- **The Energy department is responsible for spending \$32.7 billion in energy-related stimulus funds between FY 09-10, and for \$132 billion in loans and loan guarantees.**
- **Nearly 40 percent of stimulus funds will go for energy conservation.**

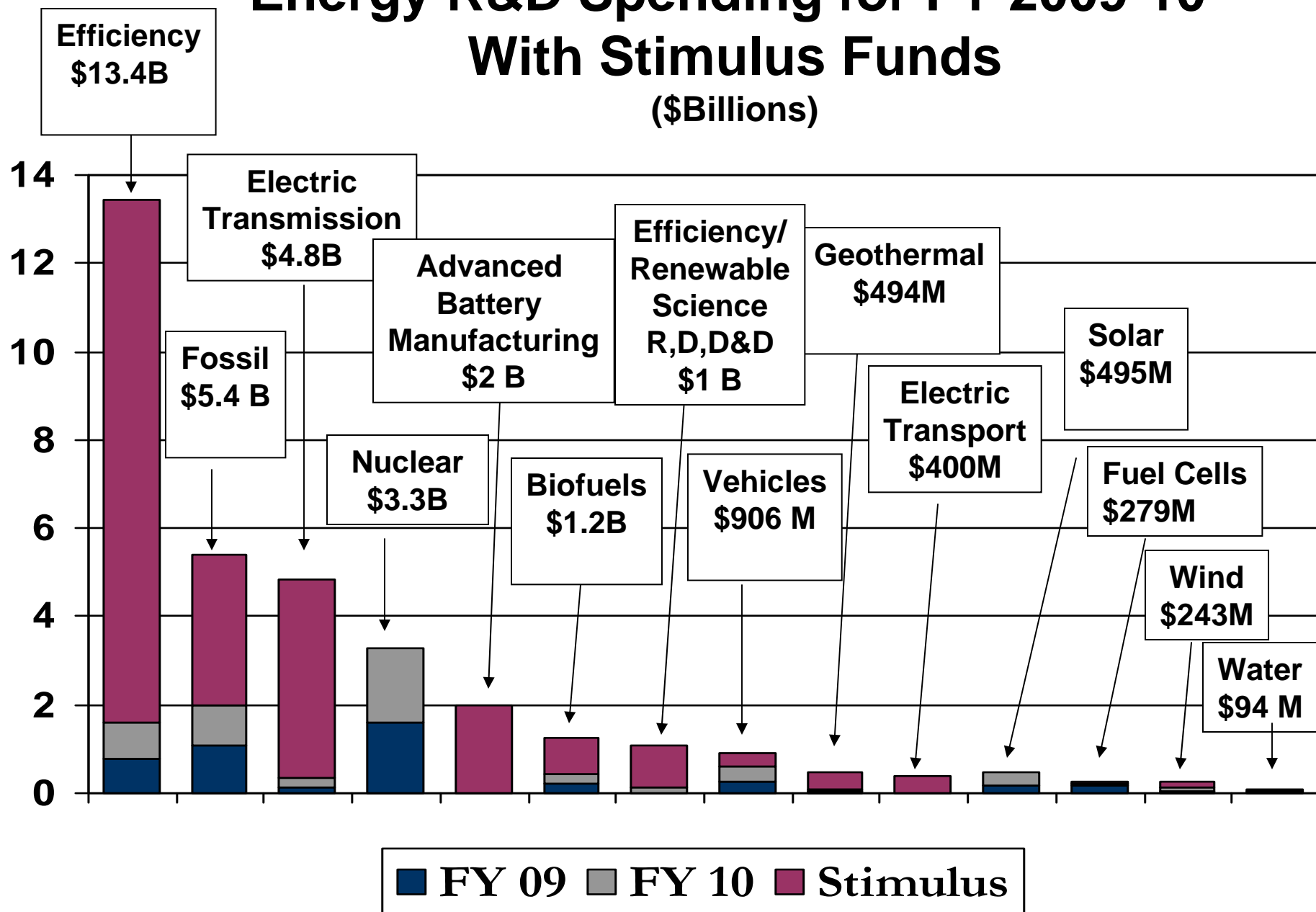
Energy Department Stimulus Spending for FY 09-10

Weatherization and Intergovernmental Activities	\$11.6 billion
Nuclear Site Cleanup	\$ 6.0 billion
Innovative Technology Loan Guarantee Subsidy Costs	\$ 5.99 billion
Electricity Delivery and Reliability	\$ 4.5 billion
Fossil Energy	\$ 3.4 billion
Advanced Battery Manufacturing	\$ 2.0 billion
Science	\$ 1.6
Energy Efficiency, Renewable Energy Research, Development and Demonstration	\$ 951.4 million
Biomass and Biorefinery Systems R&D	\$ 786 million

Advanced Research Projects Agency – Energy	\$ 400 million
Geothermal Energy	\$ 400 million
Transportation Electrification	\$ 400 million
Alternative Fuel Vehicles	\$ 300 million
Wind Energy	\$ 118 million
Facilities and Infrastructure	\$ 101 million
Industrial Technologies	\$ 50 million
Fuel Cell Technologies	\$ 43.4 million
Program Direction	\$61 million
TOTAL	\$38.7 billion

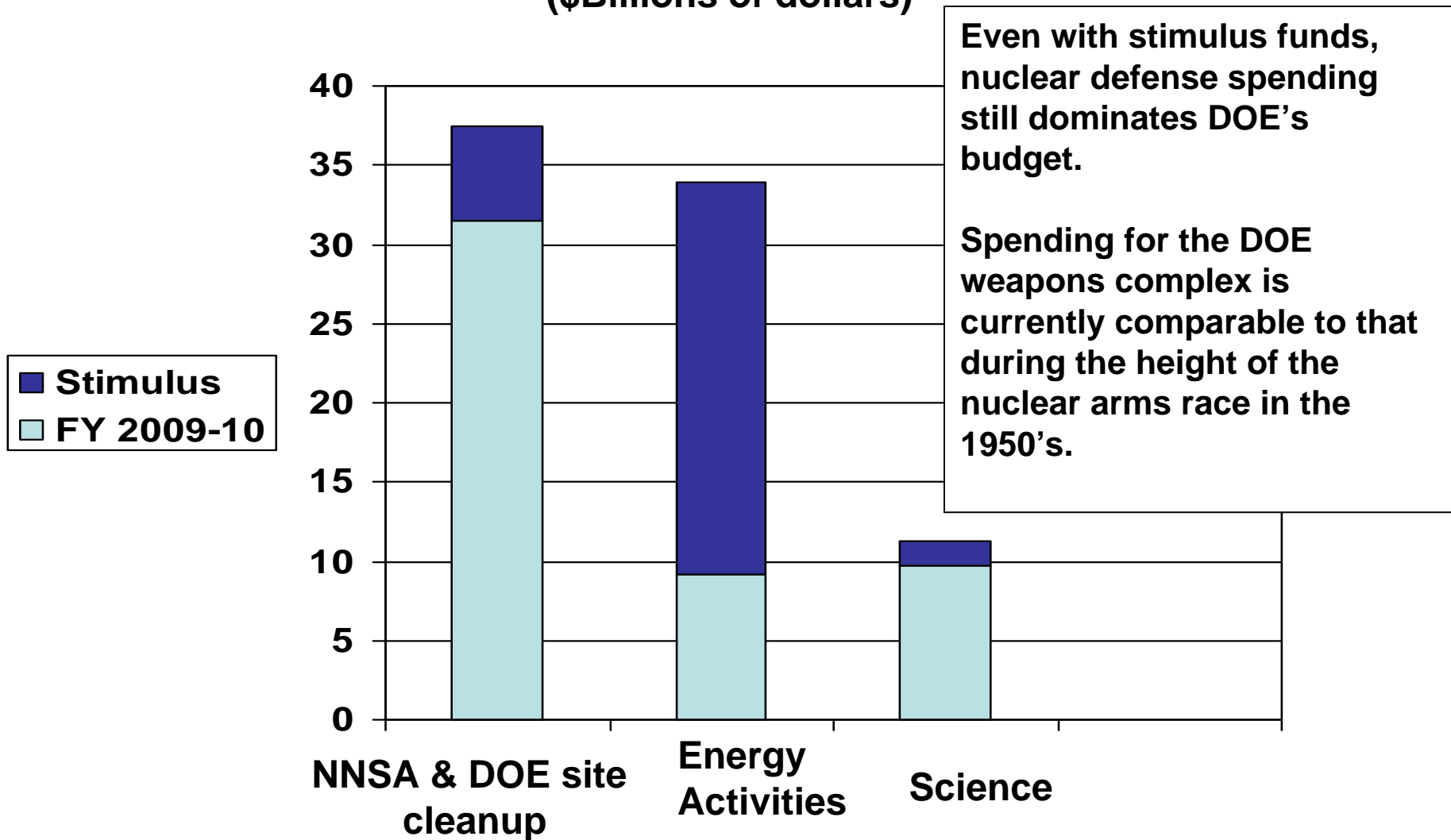
Energy R&D Spending for FY 2009-10 With Stimulus Funds

(\$Billions)



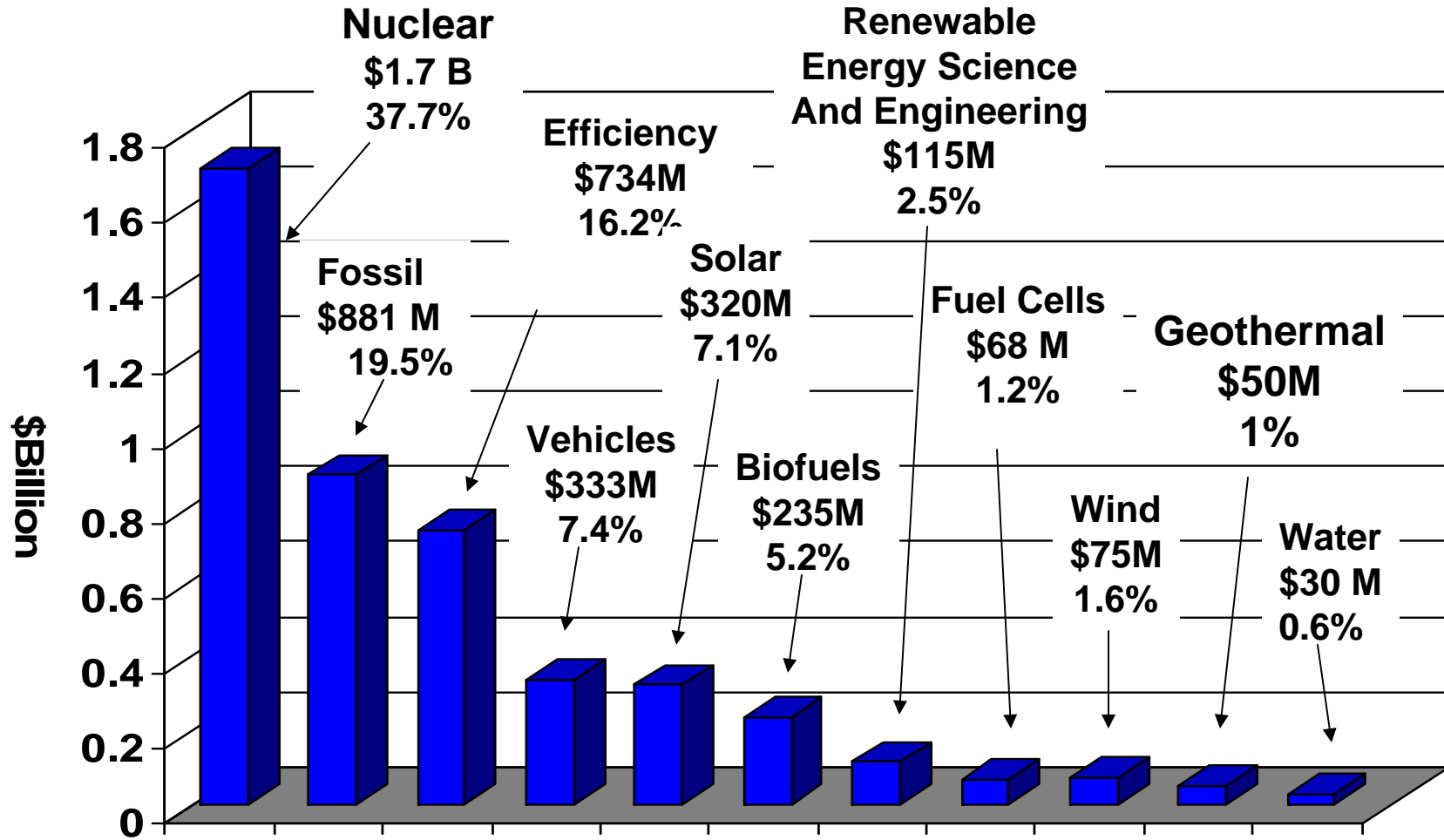
Spending including stimulus funds for the Department of Energy

(\$Billions of dollars)



- **Nuclear energy takes up the largest portion of energy research and development funding for FY 2010 (\$1.7 billion = 37%) , followed by fossil fuels (\$881million= 20%) and conservation (\$ 734 million= 16%).**
- **Despite nuclear proliferation risks, approximately \$250 million is going for nuclear reprocessing and “fast” reactor research and development.**

Proposed Energy R&D Spending for FY 2010 (without stimulus funds)



With few exceptions, energy R&D spending is generally the same as the Bush Administration.

Loans and Loan Guarantees

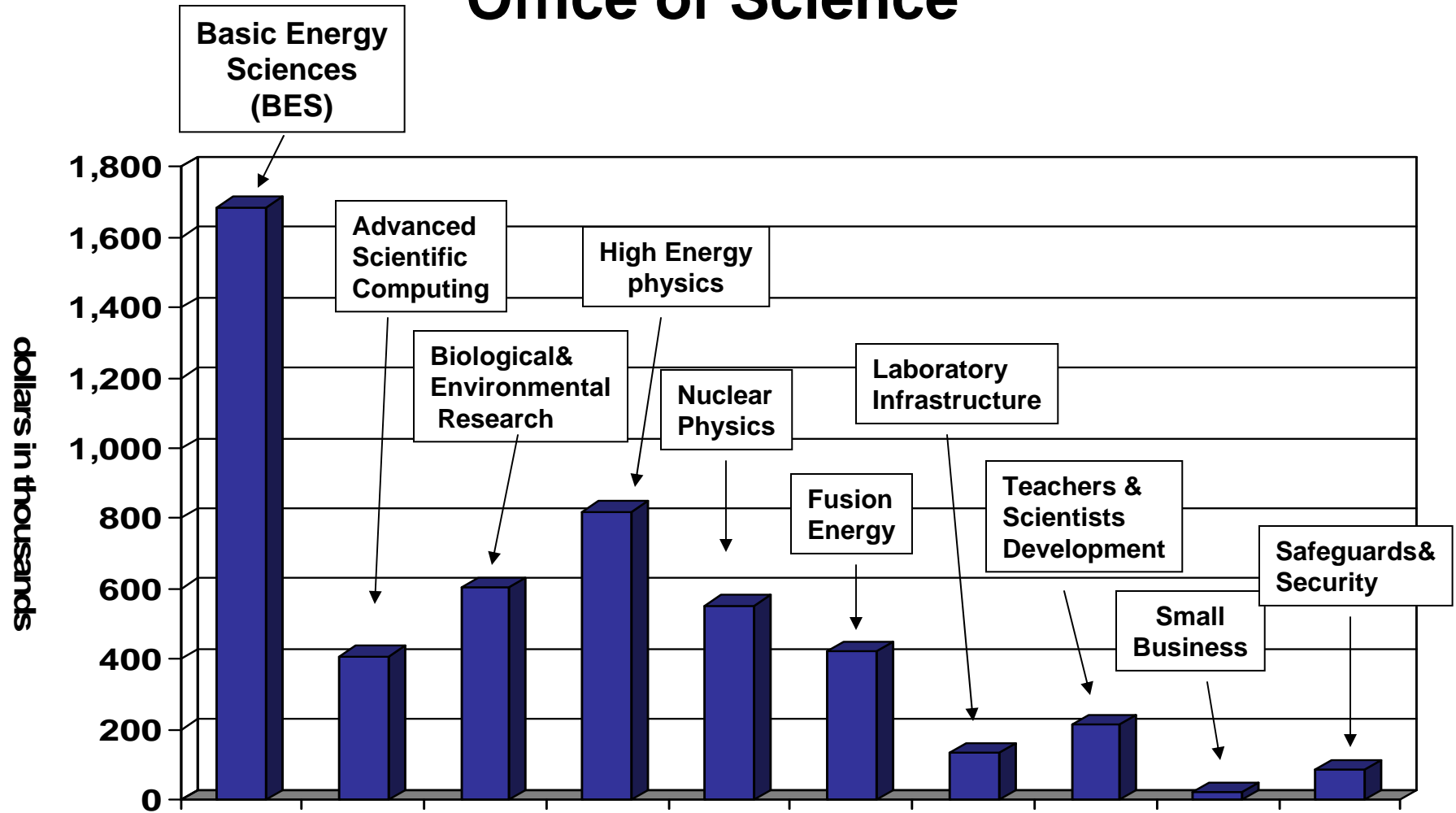


- DOE has the authority to provide \$132 Billion in federal loans and loan guarantees to aid the ailing auto industry, and help finance nuclear, coal, renewable energy projects and to restructure and modernize the nation's electric grid system.

-Loans will come from the Federal Financing Bank that draws from the U.S. Treasury.

- The risk of energy-related loan defaults was estimated last year by the U.S. Government Accountability Office as greater than 50 percent.

Office of Science



Traditional large-scale physics and nuclear energy projects take up more than a third of DOE's Science budget

Summary and Conclusions

- **What's needed is a major restructuring of Energy. The first step is to expeditiously transfer the department's nuclear weapons programs outside of DOE.**
- **Freed from its nuclear weapons millstone, there's much that can be done to make Energy a major player in constituting a sustainable U.S. energy policy**
- **President Obama's positive energy vision can either be sustained by a new, more responsive Energy Department, or risk failing due to the department's dysfunction.**