

Energy

The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

The President's Budget proposes the Advanced Energy Initiative, which provides for a 22 percent increase in clean-energy research at the Department of Energy. The President has set a goal of replacing more than 75 percent of our oil imports from the Middle East by 2025. The Budget also proposes the American Competitiveness Initiative, which includes a commitment to double over 10 years investment in key Federal agencies that support basic research programs in the physical sciences and engineering.

The President's FY 2007 Budget includes:

- A new Global Nuclear Energy Partnership to support an expansion of nuclear power generation, while addressing nuclear waste and proliferation issues.
- A new biomass technology initiative that promotes energy security and a new solar energy initiative to promote clean electricity production.
- Support for the Nation's energy needs through funding increases for onshore oil and gas permitting; leasing programs for oil shale and renewable energy development; and inspection, enforcement, and monitoring of oil and gas operations.

The President's Budget supports a number of initiatives aimed at maintaining safe, reliable energy sources for years to come, including:

Investing in Long-Term Research

- \$4.1 billion as a part of the American Competitiveness Initiative for the Department of Energy's Office of Science – a \$505 million increase over the 2006 funding level. These funds will enable cutting-edge research across a wide expanse of scientific endeavors, including developing techniques to make cheaper, stronger, and lighter materials for the hydrogen economy and more energy efficient lighting and consumer electronics.
- \$254 million for research and facility support for promising energy-relevant nanotechnology, including a major new targeted effort in solar-related research and completion of the last of five nanoscience research centers.
- \$60 million in equipment research, design, and fabrication activities for the International Thermonuclear Experimental Reactor – the largest and most technologically sophisticated energy research project in the world and the next step toward developing nuclear fusion as a commercially viable and clean source of energy.

Promoting Nuclear Energy

- \$250 million in 2007 for the Global Nuclear Energy Partnership (GNEP), which will:
 - enable an expansion of nuclear power in the U.S. and around the world;
 - promote nuclear nonproliferation goals; and
 - help resolve nuclear waste disposal challenges.
- \$54 million in 2007 for the Nuclear Power 2010 initiative to help make it feasible to build new nuclear power plants in the United States for the first time in three decades.
- \$31 million for research and development (R&D) to support Generation IV nuclear energy systems. Generation IV technology offers the promise of a safe, economic, and proliferation-resistant source of clean nuclear power and possibly hydrogen.
- \$544 million to maintain steady progress toward opening a nuclear waste repository at Yucca Mountain, Nevada, for disposal of spent nuclear fuel and high-level radioactive waste from the Nation's commercial reactors and atomic energy defense activities.

Supporting Energy Security and Cleaner Electricity

- \$150 million for the Biofuels Initiative, which will help lower our dependence on oil in the long-term by accelerating the development of affordable, domestically produced bio-based transportation fuels and other products largely derived from oil today.
- \$148 million for the Solar America Initiative, which will accelerate the development of affordable solar photovoltaics, an emissions-free solution helping to meet the Nation's growing demand for electricity.
- \$43 million for a package of strategic investments in Department of the Interior programs to enhance energy production by:
 - Increasing oil and gas permit processing for onshore Federal lands;
 - Facilitating development in frontier areas by conducting environmental studies of areas under consideration for leasing in the next 5-year offshore leasing plan; and
 - Advancing production of unconventional and renewable energy resources.
- The 2007 Budget also includes funding to prepare for potential oil and gas leasing in the Arctic National Wildlife Refuge (ANWR), should Congress authorize a leasing program.
 - The Administration continues to support authorizing limited and environmentally responsible exploration and development of the coastal plain of ANWR. DOI estimates that this area holds between 5.7 billion and 16 billion barrels of recoverable reserves, or, at peak production, up to 1 million barrels per day of new domestic oil supply.

Developing Cleaner Coal Technologies

- \$281 million for the Coal Research Initiative, nearly completing (total of \$1.9 billion requested from 2002-2007) the President's \$2 billion, ten-year commitment for clean coal R&D four years ahead of schedule. This funding includes:
 - \$54M for the FutureGen plant, a next-generation power plant that would generate electricity and hydrogen from coal with near-zero air emissions; and
 - \$204M of R&D supporting technologies that will be used in FutureGen and similar next generation coal-fueled power plants, including turbines, coal gasification, carbon sequestration, and hydrogen separation.
- An additional \$64 million for fuel cell technology that will be used in FutureGen is provided outside the Coal Research Initiative.

Helping Make Energy Affordable

- \$2.78 billion in total funding for the Low Income Home Energy Assistance Program, which includes \$1 billion provided in the budget reconciliation bill. Total funding reflects an increase of over 27 percent compared with 2006. These funds will provide home energy assistance to low-income households and assist states in meeting unanticipated energy emergencies.