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## Congress of the United States House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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May 5, 2023

The Honorable Jennifer Granholm Secretary U.S. Department of Energy 1000 Independence Ave, SW Washington, D.C. 20585

## Dear Secretary Granholm:

Energy demonstration projects are a critical bridge between lab discoveries and the commercial application of new clean energy technologies. As you are aware, advanced nuclear, carbon capture, enhanced geothermal energy, and hydrogen fuels are all examples of emerging technology areas that depend on this important connection. In 2021, the Infrastructure Investment and Jobs Act (IIJA) authorized the Department to establish the Office of Clean Energy Demonstrations (OCED) to oversee a number of these demonstration activities. In addition, the IIJA and the Inflation Reduction Act of 2022 (IRA) appropriated more than \$27 billion dollars for this office in the coming fiscal years. To implement these laws, the Department instituted a major reorganization, placing OCED under the authority of the Under Secretary for Infrastructure – a position that has yet to be filled – while keeping most of the Department's other demonstration activities and core R&D programs under the authority of the Under Secretary for Science and Innovation. This massive influx of funding for an entirely new office under an untested and siloed management structure raises serious concerns about DOE's ability to administer and coordinate these projects appropriately. We are concerned that without robust guidelines and procedures in place to ensure coordination of these activities, longstanding Department initiatives and taxpayer dollars will be at risk. In an effort to alleviate these concerns, we ask that you answer the attached questions.

Although almost a year and a half has passed since the IIJA was enacted, key questions about OCED and its specific role in DOE's R&D portfolio remain unanswered. On November 29, 2022, the Committee sent a letter to the Department requesting information related to its progress

<sup>&</sup>lt;sup>1</sup>"PN2449 - Nomination of David Crane for Department of Energy, 117th Congress (2021-2022)." *Congress.gov*, Library of Congress, 3 January 2023, https://www.congress.gov/nomination/117th-congress/2449.

in standing up OCED.<sup>2</sup> More specifically, in one line of questioning, the Committee requested information on Department plans to ensure coordination between the DOE Under Secretary for Infrastructure and the DOE Under Secretary for Science and Innovation on shared program activities like energy demonstration projects managed by OCED.

While the Department's response to this letter included some substantive answers to the Committee's questions, it addressed this important area of concern by stating simply that OCED collaborates with relevant program offices through various methods like working groups, integrated program teams, and informal information sharing. This vague assurance does not address the nature of our question regarding plans for coordination under this new structure. Given the complexity and importance of these program activities, as well as the significant increase in taxpayer dollars at stake, the Committee requires more specific and updated information related to these efforts.

Open lanes of communication between the management of demonstration projects and core research and development programs are essential to the long-term success of these investments. Additionally, the nature and scale of these projects can make administering them difficult, as we have seen in the Department's recent past. The Administration's choice to separate out IIJA and IRA demonstration activities from similar research, development, and demonstration programs has the potential to stifle interdepartmental coordination on these often costly and complex initiatives, resulting in the duplication of efforts that limit taxpayer return on investment. In short, there is a high likelihood that the Department's organizational structure could create bureaucratic hurdles that will delay progress in developing and deploying critical energy technologies.

For example, according to DOE, OCED's project portfolio includes managing demonstration projects under the Advanced Reactor Demonstration Program (ARDP), but the ARDP is still primarily carried out through the Department's Office of Nuclear Energy (NE).<sup>5,6</sup> Similarly, OCED's portfolio includes carbon capture demonstration projects and regional direct air capture hubs, activities which are also supported by the Department's Office of Fossil Energy and Carbon Management (FECM).<sup>7</sup> Both NE and FECM are managed by the Under Secretary of Science and Innovation, while OCED is managed by the Under Secretary for Infrastructure.

<sup>&</sup>lt;sup>2</sup> Lucas, Frank, and Randy Weber. Received by Secretary Jennifer Granholm, *Republicans-Science.house.gov*, 29 Nov. 2022, https://republicans-science.house.gov/\_cache/files/9/2/92eb7173-22c7-43bf-acb9-5957cbf9bcbb/654FA95DBD0DFC0B208DC1D5E746A914.11.29.2022-sst-to-doe---oced-info-request.pdf. Accessed 5 May 2023.

<sup>&</sup>lt;sup>3</sup> Government Accountability Office. "Nuclear Energy Projects: DOE Should Institutionalize Oversight Plans for Demonstrations of New Reactor Types." GAO-22-105394, 2022, pp. 14-19

<sup>&</sup>lt;sup>4</sup> Government Accountability Office. "Carbon Capture and Storage: Actions Needed to Improve DOE Management of Demonstration Projects." GAO-22-105111, 2021, pp. 15-23

<sup>&</sup>lt;sup>5</sup> "Office of Clean Energy Demonstrations." Energy.gov, www.energy.gov/oced/office-clean-energy-demonstrations. Accessed 5 May 2023.

<sup>&</sup>lt;sup>6</sup> Department of Energy. Fiscal Year 2024 Budget Request: Nuclear Energy. Volume 4, March 13, 2023. www.energy.gov/sites/default/files/2023-03/doe-fy-2024-budget-vol-4-ne-v3.pdf

<sup>&</sup>lt;sup>7</sup> Department of Energy. Fiscal Year 2024 Budget Request: Fossil Energy and Carbon Management (FECM). Volume 4, March 13, 2023. www.energy.gov/sites/default/files/2023-03/doe-fy-2024-budget-vol-4-fecm.pdf

This structure limits coordination between key researchers and could create duplication or allow research to fall through the cracks between offices, hindering our progress. We are concerned that without a well-defined and program-level mechanism to ensure coordination and information sharing between the Under Secretary for Science and Innovation and the Under Secretary for Infrastructure, this reorganization could imperil longstanding Department activities. To assist the Committee with our oversight, please provide a briefing for Committee staff as well as written responses to the following questions by May 19, 2023:

- 1. What does the Department believe is the benefit of having OCED and other DOE applied energy programs like NE and FECM under the authority of different undersecretaries?
- 2. In its January 20, 2023 response to the Committee, the Department stated, "OCED collaborates extensively with relevant program offices to ensure OCED's programs are designed for maximum effectiveness, using insights from across DOE. This coordination takes place as working groups, as informal information sharing efforts, and most frequently as integrated program teams (IPT)." The Department further clarified that, "OCED has convened working groups and IPTs with offices under the Under Secretary for Science and Innovation for a variety of purposes, including to inform program design."
  - a. Has DOE formally established these working groups? If so, how many? When were they established?
  - b. Of the established working groups, please provide the names and titles of group participants. How were they selected?
  - c. To whom do these working groups report?
  - d. Within these working groups, what specific efforts have been taken to minimize conflicts and confusion between shared demonstration program activities and objectives?
  - e. How many IPTs have been formed as the result of this collaboration process?
  - f. To whom do these IPTs report?
  - g. Within these IPTs, what specific efforts have been taken to minimize conflicts and confusion between shared demonstration program activities and objectives?
  - h. What does the Department mean by "informal information sharing efforts?" What is the general frequency of these efforts?

- 3. As you know, the IIJA directs OCED to conduct "independent oversight" of covered projects. Are any of these oversight activities coordinated with relevant activities conducted by DOE's applied programs? If so, are working groups, IPTs, and informal information sharing efforts a mechanism by which the Department plans to conduct oversight of demonstration projects?
- 4. How often do the Under Secretary for Science and Innovation and the Under Secretary for Infrastructure meet to discuss and review the efforts described under question two?
- 5. What evidence can the Department provide the Committee to demonstrate that the efforts outlined in your response to questions two through four are adequate?
  - a. What metrics, if any, exist for determining adequate or successful coordination between these activities?

Should you have any questions or concerns please contact Hillary O'Brien of the Committee's Majority staff at (202) 225-6371. Thank you for your time and consideration regarding this important matter.

Sincerely,

Frank Lucas Chairman

House Committee on Science, Space, and Technology

Brandon Williams

Chairman

Subcommittee on Energy

House Committee on Science, Space,

and Technology

cc:

The Honorable Zoe Lofgren Ranking Member House Committee on Science, Space, & Technology