



COMMITTEE ON  
**SCIENCE, SPACE, & TECHNOLOGY**  
Lamar Smith, Chairman

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**Statement of Chairman Lamar Smith (R-Texas)**

*Department of Energy Oversight: Office of Fossil Energy*

**Chairman Smith:** Thank you, Mr. Chairman. Today, we will examine the Department of Energy (DOE) Office of Fossil Energy's research and development budget for coal, oil, and natural gas.

The Fossil Energy research and development programs should advance technologies for the "reliable, efficient, affordable, and environmentally sound use of fossil fuels that are important to our nation's security and economic prosperity."

Like many of my colleagues, I share this commitment to the long term use of our nation's most abundant and affordable fuel source.

Unfortunately, the administration's proposed budget for fossil energy research and development appears to be at odds with America's energy resources and needs. As in past budget requests, the Obama administration proposes to cut fossil energy R&D by \$32 million.

DOE apparently counts on Congress to increase funding for fossil energy every year. I'm glad to see the House Appropriations Committee proposed to restore funding for fossil energy R&D again this fiscal year. However, this lack of consistency is no way to manage a robust research and development program.

While the administration pays lip service to the important role of fossil fuels in a clean energy future, there are fundamental concerns with DOE's approach to fossil energy R&D.

DOE refuses to prioritize early stage research and development for innovative fossil energy exploration and production technologies or research to develop and integrate technology to make coal-fired power plants more efficient. Instead, the Fossil Energy R&D program has become singularly focused on carbon dioxide management.

DOE should expand access to America's oil and gas resources, not use limited federal research dollars to help the EPA measure emissions. Unfortunately, fossil energy innovation does not appear to be a priority for this administration.

The FY 2017 budget proposal also lacks transparency. The administration proposes to eliminate funding by fuel type in the fossil R&D budget. It argues that this can streamline research for carbon capture and sequestration (or CCS) by coordinating coal and natural gas programs.

While CCS for coal and natural gas power plants face similar technology challenges, the proposed restructuring masks how federal dollars are being spent.

Congress appropriates funding by fuel type to avoid this problem. Coordination of research when appropriate can be cost-effective and save limited resources for research and development. But coordination cannot come at the expense of transparency.

The budget proposal also lacks transparency regarding the administration's "Mission Innovation" initiative. This is the commitment made during the Paris climate change negotiations to double federal investment in clean energy research and development. According to the budget request, \$564 million of the \$600 million request for fossil energy R&D is for programs that support Mission Innovation.

However, nowhere in the budget does DOE explain the purpose of Mission Innovation or the goals for fossil energy research and development conducted in support of the initiative. It should be clear to stakeholders, researchers and Congress what the Department hopes to accomplish in fossil energy and across DOE.

Finally, the Office of Fossil Energy has significant management challenges. Large demonstration projects have been poorly managed by the Department, with little transparency on project decisions until a public announcement of pulled funds. The Office of Fossil Energy should fairly enforce deadlines and work with companies to ensure projects can be successful. Instead, it appears the Office systematically ignores time and cost limits.

This type of sloppy management doesn't help companies that work with DOE to develop groundbreaking technology – and it certainly doesn't benefit the taxpayer.

I want to thank our witness, Assistant Secretary Smith, for testifying today. I look forward to a discussion about the direction and purpose of the fossil energy research programs at DOE.

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