

OPENING STATEMENT

Chairman Hal Rogers
House Committee on Appropriations
Subcommittee on Energy and Water Development, and Related Agencies
Department of Energy Fiscal Year 2013 Budget Request
February 28, 2012

Mr. Chairman, thank you for yielding. Mr. Secretary, thank you for taking the time to meet with us today.

This week, the national average price for a gallon of gas is already \$3.60—a jump of 20 cents over last month and 40 cents more than this time last year. In the increasingly unstable Middle East, a belligerent Iran threatens to withhold its exports and shutdown the Strait of Hormuz. Meanwhile, China’s rapidly growing economy is driving up oil prices through increased demand, while its state-owned enterprises are securing commodity contracts around the world – monopolizing new foreign sources. Once again, energy security, key to economic prosperity and national defense, is the focus of public debate.

The Congress has sent a strong message that we must balance the expansion of conventional fuels—coal, natural gas, oil, and nuclear—to provide energy today, with investment into renewable energies to power our future. And while the President has repeatedly mentioned his support for a similar “all-of-the-above” energy policy, this budget proposal and the recent denial of the Keystone XL pipeline seem to insinuate that this Administration is not serious about responsibly diversifying our energy portfolio. Instead, this budget request for DOE - coupled with the budgets for Interior and the EPA – seem merely a continuance of this Administration’s political posturing and diversion of scarce federal dollars to favored sectors at the expense of others. In particular, coal, so important to my region of southern and eastern Kentucky and our country’s most abundant energy resource, has remained squarely in the Administration’s crosshairs.

Although your budget tries to hide it, your proposal significantly rolls back investment into carbon capture, carbon storage, and the Advanced Energy Systems programs that would allow our country to more efficiently use the fossil fuels already at its disposal. Instead, these funds have been shuffled around to support the President’s pet projects, including a proposed \$500 million increase for the Energy Efficiency and renewable energy program, which is already funded at \$1.8 billion.

Furthermore, as the EPA rolls out its MACT regulations and fleshes out a proposed greenhouse gas rule, these fossil R&D funds are vital to developing the new technologies necessary to comply with the Administration’s own control standards. Essentially, the Administration has created a Catch-22: demanding that industry invest heavily into new technology in order to meet stricter standards while cutting off the funding for those investments. It is a systematic dismissal of coal, the outcome of which will be thousands of lost jobs and more expensive electricity for American citizens while their tax money is thrown at unviable solutions, like Solyndra’s solar panels. Combined with under-filling the Strategic Petroleum Reserve after last year’s sale in

order to create the appearance of savings, I fear your budget reduces our energy security in real terms.

Obviously, my colleagues and I have serious concerns about the Administration's policies as they relate to our energy security. However, I would like to commend your Department for its efforts, through NNSA, to maintain our strategic arsenal. I would welcome you to expand upon how your request, which includes significant reductions, ensures our nuclear capabilities are secure, thoroughly modernized, and continue to be a sufficient deterrent to our enemies. Thank you.

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