



United States Department of Energy
Office of Public Affairs
Washington, DC 20585

NEWS MEDIA CONTACT:
Megan Barnett, (202) 586-4940

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President Bush Requests \$25 Billion for U.S. Department of Energy's FY 2009 Budget

Budget Furthers the Administration's Initiatives Aimed at Expanding and Diversifying Clean, Affordable, Reliable Energy Supplies, Fostering Scientific Breakthroughs, and Preserving our National Security

WASHINGTON, DC – U.S. Secretary of Energy Samuel W. Bodman today announced President Bush's \$25 billion Fiscal Year (FY) 2009 budget request for the Department of Energy (DOE), an increase of \$1.073 billion over the FY 2008 appropriation. This request will continue investments to meet growing energy demand with clean, safe, affordable, reliable and diverse supplies of energy; support the development of climate change technologies; advance environmental cleanup; and ensure the reliability of our nuclear weapons stockpile. The President's budget for DOE directly supports the development of cutting-edge carbon capture and storage technologies (CCS); begins to transform the weapons complex to address 21st century challenges; and accelerates technological breakthroughs to further the President's Advanced Energy Initiative (AEI), and scientific leadership through the American Competitiveness Initiative (ACI).

"This budget furthers President Bush's comprehensive strategy to increase energy, economic, and national security by focusing on accelerating technological breakthroughs, expanding traditional and renewable sources of energy, and increasing investment in scientific discovery and development," Secretary Bodman said. "From transforming the weapons complex to maintain the utmost safety and reliability of our nuclear weapons stockpile, to issuing solicitations for loan guarantees to spur innovation in advanced energy technologies, this budget enables the Department to continue to lay the foundation for a clean, safe, secure and reliable energy future for all Americans."

Among the President's priorities funded in the FY 2009 budget request includes \$1.4 billion to promote the expansion of safe, emissions free nuclear power. DOE continues to actively work with industry partners to promote the near-term licensing and deployment of America's first new nuclear plants in more than 30 years. This budget also requests \$648 million, the largest budget request in over 25 years, for increased research in clean coal technology and demonstration of carbon capture and storage for coal-fired power plants, an important component of the Administration's Climate Change Technology Program.

Another key priority in the Department's budget includes support of its Loan Guarantee program, which requests \$19.9 million for administrative expenses, and would be offset by collections in the same amount as authorized under the Energy Policy Act of 2005 (EPAAct). In addition, DOE requests an extension of its authorization to issue loan guarantees through FY 2010 and FY 2011, enabling commitments to guarantee loans under Title XVII of EPAAct to total more than \$38 billion from FY 2008 through FY 2011. These efforts, combined with plans to further expand the Strategic Petroleum Reserve to an ultimate capacity of 1.5 billion barrels by 2029, will help achieve a more secure and reliable energy future for the nation.

The budget also continues to significantly invest in the President's Advanced Energy Initiative (AEI) and the American Competitiveness Initiative (ACI), both unveiled in President Bush's 2006 State of the Union Address.

Advancing the American Competitiveness Initiative (\$4.7 billion)

The Department's FY 2009 budget request of \$4.7 billion for the President's ACI, approximately \$748.8 million above the FY 2008 appropriation, will increase basic research in the physical sciences that will have broad impacts on future energy technologies and environmental solutions. ACI funding will also continue to support the construction and operation of world-class scientific facilities and will support thousands of scientists and students, which are essential for the U.S. to maintain its world class, scientific leadership and global competitiveness.

Accelerating the Advanced Energy Initiative (\$3.2 billion)

At a request of \$3.2 billion, \$623 million above the FY 2008 enacted appropriation of \$2.5 billion, the President's AEI will continue to improve the nation's energy security and aims to reduce our dependence on foreign sources of energy. AEI supports a diverse energy portfolio designed to meet the energy challenges of the 21st century by promoting the licensing of new nuclear power plants and conducting research on an advanced nuclear fuel cycle; furthering a robust vehicle technology program by developing lithium-ion batteries, plug-in hybrids, and drive-train electrification; and investing to make solar power cost-competitive with conventional sources of electricity by 2015.

Office of Science (\$4.7 billion)

The Office of Science is the single largest federal supporter of basic research in the physical sciences in the nation, and its \$4.7 billion request will help ensure U.S. leadership across a broad range of scientific disciplines. DOE's Office of Science budget request, an increase of almost 20 percent over the enacted FY 2008 appropriation, includes \$100 million for the Energy Frontiers Research Initiative, a new initiative to leverage intellectual strength across the country by awarding several small competitive grants annually to universities, labs, and leading non-profit organizations to advance energy research projects. This budget request also supports the work of DOE's world class national science laboratories in High Energy Physics (\$805 million); Fusion Energy Sciences (\$493 million), including \$214.5 million for the ITER project; and Basic Energy Science (\$1.6 billion), which supports research and operates facilities to provide the foundation for new and improved energy technologies.

This budget request continues support for three bioenergy research centers in Tennessee, Wisconsin and California announced last year to accelerate the development and commercialization of cellulosic ethanol and other biofuels (\$75 million); \$368.8 million to support the Department's supercomputers, some of the fastest in the world that deliver forefront computational and networking capabilities to scientists nationwide; \$510 million for research in nuclear physics, including operations of the Relativistic Heavy Ion Collider; and \$145.9 million for cutting-edge research through the Climate Change Science Program.

National Nuclear Security Administration (\$9.1 billion)

The FY 2009 National Nuclear Security Administration (NNSA) budget requests \$9.1 billion, an increase of \$287 million above the FY 2008 enacted level, to promote national security by maintaining the nation's nuclear weapons stockpile and promoting nuclear nonproliferation and threat reduction to address the realities of the 21st century. The NNSA budget requests \$6.6 billion, a \$320.6 million increase over the FY 2008 appropriation, for its weapons program to meet the immediate national security requirements of the stockpile, and continue progress toward transforming the nuclear weapons complex to a much smaller size by 2030. The Department's FY 2009 request for nonproliferation activities includes \$1.8 billion for detecting, securing, eliminating, and disposing of dangerous nuclear materials around the world as well as the installation of radiation detection equipment at an additional 49 foreign sites in 14 countries and at 9 additional Megaports locations. This budget also supports implementation of an aggressive schedule to complete all shipments of Russian-originated highly-enriched uranium (HEU) fuel by the end of 2010 and maintains a schedule for completion of the construction of the second of two fossil-fueled power plants located in Zheleznogorsk, Russia in 2010.

Office of Energy Efficiency and Renewable Energy (\$1.25 billion)

The Office of Energy Efficiency and Renewable Energy budget requests \$1.25 billion, \$1 million more than the Administration's FY 2008 request, to support a diverse portfolio of energy options, including fuels and vehicles (\$592.3 million); renewable power (\$241.6 million); and energy efficiency (\$185.9 million) programs. For fuels and vehicles research and development, the budget requests funding for biomass (\$225 million) to achieve President Bush's goal for cost-competitive, commercial scale cellulosic ethanol by 2012 as well as support for plug-in hybrids, lithium-ion batteries, and critical hydrogen fuel cell technology. To advance renewable energy, DOE's budget request includes funding for the President's Solar America Initiative (\$225 million total - \$156 million from EERE and \$69 million from the Office of Science); wind power research and development (\$52.5 million); and geothermal power (\$30 million). This budget request also supports energy efficiency programs, including buildings and industrial technologies (\$185.9 million), to reduce energy consumption and reduce the carbon footprint through zero-energy buildings. DOE's request also includes \$15 million for the Asia Pacific Partnership on Clean Development and Climate that will advance the President's goal of developing and accelerating the deployment of cleaner and more efficient technologies and practices globally.

Office of Nuclear Energy (\$1.4 billion)

The Office of Nuclear Energy FY 2009 budget requests \$1.4 billion, a \$386 million increase over the FY 2008 enacted level, to support the expansion of nuclear power as a safe, economical, emissions-free source of energy capable of powering the nation in the 21st century. This request includes \$301.5 million for one of the key nuclear priorities, the Advanced Fuel Cycle Initiative in support of the Global Nuclear Energy Partnership, which supports research and development activities focused on reducing the volume and toxicity of high-level waste and spent nuclear fuel through recycling. To address the immediate need for nuclear power expansion domestically, the Nuclear Power 2010 program seeks \$241.6 million to support industry cost-shared, near-term technology development and licensing demonstration activities. The FY 2009 budget request includes \$70 million to continue the development of next-generation nuclear energy systems known as "Generation IV" and will focus on long-term research and development of a gas-cooled very-high temperature reactor through the Next Generation Nuclear Plant project. In accordance with the Consolidated Appropriations Act, 2008, the Office of Nuclear Energy is requesting \$487 million for the MOX Fuel Fabrication Facility, a key component of the nation's nuclear nonproliferation efforts.

Office of Civilian Radioactive Waste Management (\$494.7 million)

The Office of Civilian Radioactive Waste Management requests \$494.7 million, a \$108 million increase over the FY 2008 appropriation, to further plans for the licensing and construction of a permanent nuclear waste repository at Yucca Mountain. The primary focus of the funding will be for the submission of and support for DOE's license application to the Nuclear Regulatory Commission for authorization to construct and operate the nation's repository for spent nuclear fuel and high level waste. Other activities will include continuing essential interactions with state, local, and tribal governments to support national transportation planning. All of these activities are critical to addressing the Federal government's mounting liability associated with unmet contractual obligations to move spent nuclear fuel from commercial nuclear plant sites in 121 temporary locations in 39 states.

Office of Fossil Energy (\$1.1 billion)

The Office of Fossil Energy's FY 2009 budget requests \$1.1 billion, an increase of \$223 million above the FY 2008 enacted level, to support the Administration's priority of developing and demonstrating advanced clean coal technologies that produce electricity from coal with near-zero atmospheric emissions. Funding priorities include: DOE's restructured FutureGen approach (\$156 million); the Clean Coal Power Initiative (\$85 million), which will issue solicitations this year for its third round of projects focused on carbon capture and storage technologies; and \$407 million for advanced coal research and development activities including Carbon Sequestration Regional Partnerships (\$149 million) for continued work to inject up to one million tons of carbon dioxide into several types of geologic formations. To further protect the nation against oil supply disruptions that could harm our economy, the budget includes \$171.4 million for expanding the Strategic Petroleum Reserve toward an ultimate capacity of 1.5 billion barrels by 2029.

Office of Electricity Delivery and Energy Reliability (\$134 million)

The FY 2009 Office of Electricity Delivery and Energy Reliability budget requests \$134 million, a \$19 million increase over the FY 2008 request, to modernize the electricity transmission and distribution system by making it more reliable, secure, and efficient. The FY 2009 budget request allocates \$100.2 million for research and development activities in superconducting cables and energy storage technologies to strengthen grid stability, reduce frequency and duration of operational disruptions, and increase efficiencies. The budget request also supports implementation of EPCRA requirements in transmission and energy corridor designation and enhancement of DOE's energy emergency response capabilities to advance energy assurance through federal, state, and local coordination.

Office of Health, Safety and Security (\$446.9 million)

The Office of Health, Safety and Security (HSS) FY 2009 budget requests \$446.9 million, \$22.4 million above the FY 2008 enacted appropriation, to support the Department's continued commitment to ensure the safety and health of DOE workers and members of the public and management of DOE facilities across the country in a safe, secure, and environmentally responsible manner. HSS is responsible for policy development and technical assistance; safety analysis; corporate safety and security programs; education and training; complex-wide independent oversight; and enforcement.

Office of Environmental Management (\$5.5 billion)

The FY 2009 Environmental Management (EM) budget requests \$5.5 billion to clean up Cold War era legacy waste at sites across the country. Funding is focused on activities that will yield the greatest risk reductions while achieving environmental cleanup: stabilizing radioactive tank waste in preparation for treatment (about 34 percent of the FY 2009 budget request); storing and safeguarding nuclear materials and spent nuclear fuel (about 20 percent of the FY 2009 request); disposing of transuranic, low-level, and other solid wastes (about 14 percent of FY 2009 budget request; and remediation and decontamination and decommissioning of excess facilities (about 23 percent of the FY 2009 request). The FY 2009 request will also fund the consolidation and disposition of surplus plutonium and other special nuclear materials and the construction and operation of waste treatment and immobilization facilities across the complex. The amount requested would enable the completion of cleanup at DOE's Sandia National Laboratories and Argonne National Laboratory by the end of 2009.

Office of Legacy Management (\$186 million)

The Office of Legacy Management FY 2009 budget requests \$186 million for the Department's long-term stewardship responsibilities at DOE sites where active remediation has been completed. The funding will ensure the sustainability of environmental remedies and continuity of pension and medical benefit payments to former contractor workers at completed cleanup sites.

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