



# Fact Sheet

## Obama Administration FY 2012 Budget Proposal

February 2011

The Obama administration released its budget proposal for fiscal year (FY) 2012 on February 14, 2011, and many of the energy goals contained in President Obama's State of the Union speech a month earlier were reflected in the proposal. In his speech, Obama stressed the need to make investments in science, research, and innovation as a way to create jobs, grow the economy and position the country to lead in clean technology development. Key program areas in the budget that embody the administration's goals are the Energy Efficiency and Renewable Energy Office in the Department of Energy (DOE), the Department of Agriculture (USDA) bioenergy programs, sustainable and energy-efficient housing programs within the Department of Housing and Urban Development (HUD), rail and transit programs within the Department of Transportation (DOT), and various climate protection and greenhouse gas programs in the Environmental Protection Agency (EPA).

Meanwhile, the U.S. Congress has yet to resolve funding levels for FY 2011, which ends on September 30, 2011. After adjourning before the November mid-term elections without completing action on individual program funding (appropriations), the 111<sup>th</sup> Congress returned for a lame duck session in late 2010 and approved a short-term "Continuing Resolution" to fund the government at FY 2010 levels through March 4, 2011. In February 2011, the House Appropriations Committee released a budget plan (H.R. 1) for the remainder of FY 2011, which would dramatically reduce funding for DOE's Science, Energy Efficiency and Renewable Energy (EERE), and loan guarantee programs. House Appropriations Committee Chairman Hal Rogers (R-KY) said this proposed FY 2011 Continuing Resolution "represents the largest reduction in non-security discretionary spending in the history of the nation." If passed, this legislation could significantly affect current levels of energy efficiency and renewable energy program activity.

This fact sheet outlines the Obama administration's FY 2012 budget request for several key energy programs and compares them to the administration's *estimated* funding levels for FY 2011 as well as actual appropriations for FY 2010.

### DEPARTMENT OF ENERGY

The President's FY 2012 budget request for the Department of Energy's (DOE) Energy Efficiency and Renewable Energy (EE/RE) programs is **\$3.2 billion** (approximately 10.8 percent of the total DOE budget), **an increase of \$983 million** (44 percent above the FY 2010 appropriations). Nuclear Energy programs received a **decrease of \$5.4 million** (0.6 percent below FY 2010 appropriations) and Electricity Delivery and Energy Reliability programs **increased by \$69 million** (41 percent above FY 2010 appropriations). The budget request for fossil energy **decreased by \$417 million** (44 percent below FY 2010 appropriations), primarily through cuts to Fossil Energy Research and Development (decrease of \$206 million, 31 percent below FY 2010 appropriations) and the Strategic Petroleum Reserve (decrease of \$122 million, 50

percent below FY 2010 appropriations). The Advanced Research Projects Agency – Energy (ARPA-E) program was authorized in the *America COMPETES Act of 2007* (P.L. 110-69), and is responsible for funding specific “high-risk, high-payoff, game-changing research and development projects to meet the nation’s long-term energy challenges.” The FY 2012 budget includes a request of \$650 million for this program, following its initial FY 2009 funds of approximately \$389 million.

<b>DOE Overall Energy Budget</b>			
<b>(Dollars in thousands)</b>			
<b>Organization</b>	<b>FY 2010 Appropriations</b>	<b>FY 2011 Estimate</b>	<b>FY 2012 Budget Request</b>
Nuclear Energy	857,936	869,995	852,528
Fossil Energy	938,520	951,133	520,707
<b>Energy Efficiency and Renewable Energy</b>	<b>2,216,392</b>	<b>2,242,500</b>	<b>3,200,053</b>
Electric Delivery and Energy Reliability	168,484	171,982	237,717
Advanced Research Projects Agency – Energy (ARPA-E)*	--	--	650,011
<b>Total</b>	<b>4,181,332</b>	<b>4,235,610</b>	<b>5,461,016</b>

*\*The last appropriation for ARPA-E was in FY 2009 at \$389 million.*

The President’s FY 2012 energy efficiency and renewable energy budget request for DOE includes:

- **\$283 million increase** in Vehicle Technologies program (93 percent increase from FY 2010 appropriations)
- **\$251 million increase** in the Building Technologies program (115 percent increase from the FY 2010 appropriations); for more details, see “Energy-Efficient / Sustainable Buildings Programs” section below
- **\$225 million increase** in the Industrial Technologies program (239 percent increase from FY 2010 appropriations)
- **\$213 million increase** in the Solar Energy program (88 percent increase from FY 2010 appropriations)
- **\$124 million increase** in the Biomass and Biorefinery R&D program (57 percent increase in FY 2010 appropriations)
- **\$123 million increase** in the Weatherization and Intergovernmental Activities program (46 percent increase from FY 2010 appropriations)
- **\$58 million increase** in the Geothermal program (136 percent increase from FY 2010 appropriations)
- **\$47 million increase** in the Wind Energy program (61 percent increase from FY 2010 appropriations)
- **\$10 million decrease** in the Water Power program (21 percent decrease from FY 2010 appropriations)
- **\$70 million decrease** in the Hydrogen and Fuel Cell Technologies programs (41 percent decrease from FY 2010 appropriations)

<b>DOE Energy Efficiency and Renewable Energy Budget</b>			
<b>(Dollars in thousands)</b>			
<b>Program</b>	<b>FY 2010 Appropriations</b>	<b>FY 2011 Estimate</b>	<b>FY 2012 Budget Request</b>
Hydrogen Technology	170,297	--	0
Hydrogen and Fuel Cell Technologies	0	--	100,450
Biomass and Biorefinery systems R&D	216,225	--	340,500
Solar Energy	243,396	--	457,000
Wind Energy	79,011	--	126,859
Geothermal Technology	43,120	--	101,535
Water Power	48,669	--	38,500
Vehicle Technologies	304,223	--	588,003

Building Technologies	219,046	--	470,700
Industrial Technologies	94,270	--	319,784
<i>New Hub: Critical Materials</i>	--	--	20
Federal Energy Management Program	32,000	--	33,072
Facilities and Infrastructure	19,000	--	26,407
Program Direction	140,000	--	176,605
Program Support	45,000	--	--
Weatherization and Intergovernmental	270,000	--	393,798
<i>Weatherization Assistance Grants</i>	210,000	--	320,000
<i>State Energy Programs</i>	50,000	--	63,798
<i>Tribal Energy Activities</i>	10,000	--	10,000
Congressionally Directed Programs	292,135	--	0
<i>Subtotal, EERE</i>	<i>2,216,392</i>	<i>2,242,500</i>	<i>3,226,417</i>
Adjustments		--	-26,364
<b>Total EERE</b>	<b>2,216,392</b>	<b>2,242,500</b>	<b>3,200,053</b>

Other notable items include a request from the Office of Science to fund a new technology hub on Batteries and Energy Storage (\$34 million), and the Office of Electricity Delivery and Energy Reliability to fund a new hub on Smart Grid Technology and Systems (\$19 million).

## USDA / DOE BIOENERGY PROGRAMS

Total investment in bioenergy research, development, demonstration, and deployment (RDD&D) would **increase by about 16 percent** in the President's FY 2012 budget proposal, compared to estimated investments that will be made in FY 2011. Most of this increase would be in the Department of Energy's Biomass Program, which is proposing to expand its biopower RDD&D efforts, in addition to continuing work on advanced biofuels. The USDA's Biomass Crop Assistance Program (BCAP) would give increased emphasis to payments to support the establishment of new bioenergy crops, while capping matching payments for biomass collection, harvesting, storage and transport at \$70 million.

<b>USDA and DOE Bioenergy Programs</b>			
(Dollars in Thousands)			
Program	FY 2010 Appropriations	FY 2011 Estimate	FY 2012 Budget Request
USDA Farm Bill Sec. 9002: Biobased Markets Program (Mandatory)	---	---	---
USDA Farm Bill Sec. 9003: Biorefinery Assistance (Mandatory)	245,000	0	0
(Discretionary)	0	0	0
USDA Farm Bill Sec. 9004: Repowering Assistance (Mandatory)	---	---	---
USDA Farm Bill Sec. 9005: Bioenergy Program for Advanced Biofuels (Mandatory)	55,000	85,000	105,000
USDA Farm Bill Sec. 9007: Rural Energy for America Program Grants and Loans (Mandatory)	62,000	76,000	70,000
(Discretionary)	39,000	39,000	37,000
USDA Farm Bill Sec. 9008: Biomass Research and Development (Mandatory)	28,000	30,000	40,000
USDA Farm Bill Sec. 9011: Biomass Crop Assistance Program (BCAP) (Mandatory)	246,000	199,000	198,000

USDA Farm Bill Sec. 9012: Forest Biomass for Energy Program (Discretionary)	----	----	----
USDA Farm Bill Sec. 9013: Community Wood Energy Program (Discretionary)	----	----	----
USDA Farm Bill Sec. 6401: Value-Added Agricultural Market Development Program Grants (Mandatory)	15,000	1,000	0
(Discretionary)	7,000	41,000	20,000
DOE EERE Biomass and Biorefinery Systems R&D (Discretionary)	303,000	218,000	341,000
(Recovery Act)	695,000	0	0
DOE Science Bioenergy Research Centers (Discretionary)	75,000	75,000	75,000
<b>Total Bioenergy</b>	<b>1,770,000*</b>	<b>764,000</b>	<b>886,000</b>

\*Includes funding from the American Recovery and Reinvestment Act

## ENERGY-EFFICIENT / SUSTAINABLE BUILDINGS PROGRAMS

A number of federal programs focus on reducing energy use in the building sector (which is responsible for about 40 percent of U.S. energy consumption and greenhouse gas emissions), including the Department of Energy, the National Institute of Science and Technology (NIST) under the Department of Commerce, and the Department of Housing and Urban Development (HUD).

The proposed budget for DOE's commercial buildings programs is \$224 million, which includes \$100 million for competitive loan guarantees for the President's new Better Buildings Initiative, with a goal of improving energy efficiency of commercial buildings 20 percent by 2020. The Tech Validation and Market Intro program, which funds testing and verification of Energy Star products and provides technical assistance on building energy codes, would receive \$20 million, a **9 percent decrease** from FY 2010 appropriations. The total budget request for DOE Building Technologies Programs is \$470.7 million, a **115 percent increase** over FY 2010 appropriations.

<b>DOE Building Technologies Programs</b>			
<b>(Dollars in Thousands)</b>			
<b>Program</b>	<b>FY 2010 Appropriations</b>	<b>FY 2011 Estimate</b>	<b>FY 2012 Budget Request</b>
Residential	39,000	39,000	49,000
Commercial	38,000	39,000	224,000
Emerging Tech	85,000	92,700	102,700
Tech Validation and Market Intro	22,000	20,000	20,000
Equipment Standards/Analysis	35,000	40,000	70,000
<b>Total Building Technologies</b>	<b>219,000</b>	<b>230,700</b>	<b>470,700</b>

Like previous budgets from this administration, this year's proposal recognizes the interconnections among administration priorities and federal programs, such as sustainable buildings, transportation and environmental protection, and emphasizes inter-agency partnerships to break down silos, use resources more efficiently, and improve outcomes. One example is the Sustainable Communities Partnership among HUD, DOT and EPA, which would maintain its FY 2010 funding level at \$150 million. Choice Neighborhoods, a HUD initiative to transform neighborhoods of poverty into functioning, sustainable mixed-income neighborhoods with appropriate services, schools, public assets,

transportation, and access to jobs through coordinated investments from multiple sources, would receive \$250 million, a **285 percent increase** over FY 2010 appropriations (when it was still in the pilot stage).

<b>HUD Programs</b> <b>(Dollars in Thousands)</b>			
<b>Program</b>	<b>FY 2010 Appropriations</b>	<b>FY 2011 Estimate</b>	<b>FY 2012 Budget Request</b>
Choice Neighborhoods	65,000	65,000	250,000
Brownfields Redevelopment	18,000	18,000	0
Sustainable Housing and Communities	150,000	150,000	150,000
Energy Innovation Fund	50,000	50,000	0
Manufactured Housing	12,000	16,000	14,000
<i>Total HUD Budget</i>	<i>45,000,000</i>	<i>50,000,000</i>	<i>47,000,000</i>

The **National Institute of Science and Technology** proposed a total budget of \$1 billion, which included \$13.3 million for the Measurements and Standards to Support Increased Energy Efficiency and Reduced Environmental Impact Initiative. The initiative's goal is to provide "the measurement science required to achieve net-zero energy, high-performance buildings and will address the need for advanced, comprehensive surface-based measurement and modeling of greenhouse gases."

## DEPARTMENT OF TRANSPORTATION

The proposed Department of Transportation (DOT) budget calls for a total of \$129 billion for the entire department, as part of a \$556 billion six-year transportation authorization proposal to improve and enhance the safety of the nation's highways, transit, and rail systems. The proposed DOT budget represents a **66 percent increase** above FY 2010 and includes a \$50 billion "boost" to help address a backlog of maintenance and infrastructure improvement needs across the country. This includes an **85 percent increase** in transit funding compared to FY 2010, up to \$22.4 billion. This funding increase will rely on a transportation authorization bill that has been stalled in Congress, largely because agreement on how to finance transportation investments has proven elusive. The prior authorization, known as SAFETEA-LU, expired in September 2009, but has been extended under a continuing resolution. However, revenues to the Highway Trust Fund which supports a majority of transportation funding have fallen short of authorized spending levels. The administration's FY 2012 budget request provides that all proposed investments will be subject to "PAYGO" provisions, and will be paid for by new revenues. A federal commission established by SAFETEA-LU developed options and recommendations for financing transportation infrastructure.

Equally important, the administration's authorization proposal includes numerous reform mechanisms to improve the performance of federal transportation investments. It would replace 55 highway programs under SAFETEA-LU with five core programs. Federal transit and rail programs would also be streamlined and made more flexible. A total of \$4 billion is proposed for a new Livable Communities and Transit Expansion program. The President's high speed rail initiative would be funded through a new Rail Network Development Program, also at \$4 billion. More funds would be awarded on competitive basis or outcome-based criteria — using metrics for safety, economic return, cost-effectiveness, state-of-repair, and other factors. The proposal also includes a National Infrastructure Bank to provide a mechanism to leverage private capital to finance projects of national significance, as well as other provisions to support innovative financing mechanisms. The Bank would be funded at a total of \$30 billion over the six-year authorization period.

<b>DOT Programs</b> (Dollars in thousands)			
Program / Organization	FY 2010 Appropriations	FY 2011 Estimated	FY 2012 Budget Request
Federal Highway Administration (FHWA)	41,400,000	42,800,000	70,500,000
<i>National Highway Program</i>	--	--	32,400,000
<i>Highway Infrastructure Performance Program</i>	--	--	16,800,000
<i>Flexible Investment Program</i>	--	--	15,600,000
<i>Critical Highway Infrastructure</i>	--	--	25,000,000
<i>Cross-Border Transportation</i>	--	--	2,200,000
<i>Safety Improvement Program</i>	1,400,000	1,300,000	2,500,000
<i>Livable Communities Program</i>	--	--	4,100,000
<i>Transportation Leadership Awards</i>	--	--	1,300,000
<i>Federal Allocation Program</i>	--	--	1,300,000
Federal Transit Administration	12,100,000	10,700,000	22,400,000
<i>Transit Formula Program</i>	9,800,000	8,300,000	7,700,000
<i>Transit State of Good Repair</i>	--	--	10,700,000
<i>Transit Expansion and Livable Communities</i>	--	--	3,500,000
<i>Capital Investment Grants</i>	2,000,000	2,000,000	0
<i>Washington Metropolitan Area Transit Authority</i>	150,000	150,000	150,000
Federal Rail Administration	4,400,000	4,400,000	8,300,000
<i>Rail Network Development / High Speed Rail</i>	2,500,000	1,000,000	4,000,000
<i>Rail System Preservation and Renewal</i>	--	--	4,000,000
<i>Amtrak—Capital and Debt Service Grants</i>	2,500,000	2,500,000	0
<i>Amtrak Operating Grants</i>	1,000,000	1,000,000	0
Federal Aviation Administration	16,000,000	16,000,000	18,700,000
Federal Maritime Administration	413,000	363,000	358,000
National Highway Traffic Safety Administration	610,000	617,000	684,000
National Infrastructure Bank (loans and grants)	--	--	5,000,000
National Infrastructure Investments (grants)	--	--	2,000,000

## ENVIRONMENTAL PROTECTION AGENCY

The President's FY 2012 budget request for the Environmental Protection Agency (EPA) is \$8.9 billion, a **decrease of approximately \$1.3 billion** (13 percent decrease from FY 2010 appropriations). The Greenhouse Gas (GHG) Reporting Registry **increased to \$17.6 million**, an increase of approximately \$961,000. The EPA requested \$30 million for GHG Permitting under the Clean Air Act, an area that did not receive FY 2010 appropriations, reflecting EPA's response to the Supreme Court decision calling for regulation of GHGs under the Clean Air Act.

In addition, the President requested \$6 million for GHG Standards for Transportation Sources, \$7.6 million for GHG New Source Performance Standards, and \$19.2 million for increased support implementation of the GHG Reporting Rule. The popular **Energy STAR** program budget aims to spend \$55.6 million, **an increase of \$3 million** from FY 2010 appropriations. To assist states in implementing federal requirements for **carbon capture and sequestration**, the EPA has budgeted \$10.1 million, (an **increase of \$2.2 million** from FY 2010 appropriations).

<b>EPA Climate Protection Program</b>			
<b>(Dollars in thousands)</b>			
<b>Program</b>	<b>FY 2010 Appropriations</b>	<b>FY 2011 Estimate</b>	<b>FY 2012 Budget Request</b>
Climate Protection Program	113,044	113,044	111,419
<i>Energy STAR</i>	52,606	52,606	55,628
<i>Methane to Markets</i>	4,569	4,569	5,616
<i>GHG Reporting Registry</i>	16,685	16,685	17,646
Clean Air Act GHG Permitting	0	--	30,000
GHG Standards for Transportation Sources	0	--	6,000
GHG New Source Performance Standards	0	--	7,600
GHG Reporting Rule	16,700	--	19,200
Carbon Capture and Sequestration	7,900	--	10,100
Total EPA Budget	10,299,864	10,297,864	8,973,000

## OTHER AGENCY HIGHLIGHTS

The **Federal Energy Regulatory Commission (FERC)**, whose mission is to “assist consumers in obtaining reliable, efficient and sustainable energy services at a reasonable cost through appropriate regulatory and market means” requested \$304.6 million for FY 2012, **an increase of \$8.3 million**, or 2.8 percent higher than FY 2010 appropriations.

Out of the \$12.2 billion (overall increase of only \$10 million), requested by the **Department of Interior (DOI)**, \$72.9 million would go to the **New Energy Frontier** strategy, which aims to increase renewable energy capacity on Interior lands by 10,000 megawatts by the end of 2012. This would be **an increase of \$13.9 million** from FY 2010 appropriations.

The **Department of Labor’s** \$12.8 billion budget request included \$60 million for the **Green Jobs Innovation Fund**, a program designed to train workers in emerging green technology fields. The program received \$40 million in FY 2010 appropriations.

**Environmental and Energy Study Institute**  
**1112 16<sup>th</sup> Street, NW, Suite 300**  
**Washington, DC 20036**  
**(202) 628-1400**  
**[www.eesi.org](http://www.eesi.org)**

*The Environmental and Energy Study Institute (EESI) is a non-profit organization founded in 1984 by a bipartisan Congressional caucus dedicated to finding innovative environmental and energy solutions. EESI works to protect the climate and ensure a healthy, secure, and sustainable future for America through policymaker education, coalition building, and policy development in the areas of energy efficiency, renewable energy, agriculture, forestry, transportation, buildings, and urban planning.*