

Bush Energy Budget Seeks More For Nuclear Power, Coal

By Dina Cappiello, CQ Staff

President Bush proposed a \$22.3 billion fiscal 2009 budget for the Energy Department that would boost investment in nuclear power and “clean” coal technologies, while cutting funding for solar power and energy efficiency improvement.

In contrast to fiscal 2008 — when an initiative to cut gasoline consumption by 20 percent in 10 years was a centerpiece of the president’s budget — the spending plan unveiled Monday advances many priorities of past years.

“It’s safe to say that the goals of the coming year’s budget remain largely unchanged from those that existed over the past few years,” Energy Secretary Samuel W. Bodman said Monday at a briefing.

Overall, the Energy Department’s budget would boost discretionary spending to \$25 billion, 4.7 percent more than the fiscal 2008 appropriation of \$23.9 billion (PL 110-161).

Funding for a public-private partnership to develop advanced nuclear power plants would jump 76 percent, to \$241.5 million, under the plan, which also would give nuclear power companies two extra years, through fiscal 2011, to apply for federal loans.

The president’s request of \$302 million for the Global Nuclear Energy Partnership (GNEP) — a program to develop nuclear fuel recycling technologies to expand atomic power worldwide — is more than \$100 million less than the fiscal 2008 proposal. Congress appropriated just \$179 million of the White House’s \$405 million GNEP request in fiscal 2008.

The coal industry also would be a big winner under the administration’s plan.

The president proposes \$818 million in research and development of technologies to burn coal more cleanly, a 41 percent jump over the current appropriation.

The budget includes \$241 million for the recently restructured FutureGen project and other research and development methods for capturing and storing carbon from modern coal-burning power plants. Last week, the administration announced it was scrapping a plan to team with an industry coalition to build a \$1.8 billion test plant in Illinois in favor of smaller test projects at multiple coal-fired power plants.

The administration is requesting \$9.1 billion to consolidate and reduce the nation’s nuclear weapons stockpile, lessen the threat of nuclear proliferation and complete deliveries of highly enriched uranium from Russia by the end of 2010. The nuclear security proposal is a \$287 million increase over fiscal year 2008.

Bush’s budget would reduce overall funding for energy efficiency and renewable energy programs by 27 percent, to \$1.25 billion, cutting support for solar energy but funneling more money towards biomass and geothermal technology.

The president’s proposal to zero out a weatherization assistance program, renewable energy production incentives, and research into oil and gas development, drew criticism on Capitol Hill.

“It’s hard to fathom why this program is being terminated,” Senate Energy and Natural Resources Chairman Jeff Bingaman, D-N.M., said, referring to the program that helps low-income families reduce energy costs by better insulating their homes. “A lot of households need help reducing their energy bills.”

While the administration proposes reducing the weatherization and renewable energy incentives program by 79 percent to \$59 million in fiscal 2009, Bingaman is trying to add funding for weatherization to the economic stimulus bill (HR 5140).

Bingaman did express satisfaction with the overall Energy Department spending recommendation, and in particular with the proposal to bolster funding for basic science research by 18.9 percent.

Several lawmakers said the cuts signaled a wrong direction on energy policy, which they argue should be cleaner and less dependent on foreign sources of oil to reduce environmental and security risks.

“Faced with a climate and energy crisis, \$100 oil, and an American public eager for change, President Bush instead proposed to invest in the dirty fuels of the past, cut low-income assistance, and refuses to invest in cleaner, greener fuels that can rescue our economy and environment from dire straits,” said Rep. Edward J. Markey, D-Mass., chairman of the House Select Committee on Energy Independence and Global Warming.

The budget recommends spending \$344 million to double the size of the Strategic Petroleum Reserve, which can be tapped during oil supply disruptions. Congress rejected a proposal to spend \$322 million in fiscal 2008 to double the reserve.

Another tough sell in Congress will be a proposal to spend \$495 million to prepare an application for high-level radioactive storage at Yucca Mountain. The plan to deposit radioactive waste at the Nevada site is opposed by the state’s senior senator, Democratic Majority Leader Harry Reid, over the potential risks.

First posted Feb. 4, 2008 1:05 p.m.

Correction

Correct to say the administration proposes reducing the weatherization and renewable energy incentives program to \$59 million.

Source: **CQ Today Print Edition**
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