



DEPARTMENT OF ENERGY

Budget Trends and Oversight

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What GAO Found

Recent GAO work found that funding increases have expanded or created Department of Energy (DOE) programs with varying results. For example:

- Advanced Research Projects Agency-Energy (ARPA-E) awards grants to projects that help develop high-risk energy technologies. Since fiscal year 2009 the program has received \$855 million to fund energy projects that industry by itself was not likely to undertake. GAO found that ARPA-E uses several selection criteria in awarding funds, but its requirements for information on private funding could be improved.
- The Loan Guarantee Program provides loan guarantees for innovative energy technologies. DOE has made about \$15 billion in loan guarantees and is authorized to make up to \$34 billion in additional loan guarantees. GAO found that the program does not have sufficient data to facilitate oversight, and its actual process for reviewing applications has differed from the established process.
- The Weatherization Assistance Program helps low-income families reduce their energy bills by making long-term energy efficiency improvements to their homes. The American Recovery and Reinvestment Act of 2009 (Recovery Act) provided \$5 billion to enhance the program's ability to make energy efficiency improvements to low-income family homes. GAO made recommendations to DOE to clarify the program's production targets (e.g., the number of homes weatherized) and guidance.
- The Advanced Technology Vehicles Manufacturing Loan Program provides loans for projects to produce more fuel-efficient passenger vehicles and their components. DOE can make up to \$25 billion in loans for fuel-efficient vehicles; at the time of GAO's review, DOE could not be assured that projects would be delivered as agreed.

GAO also reported that improvements at DOE may provide opportunities for increasing savings and enhancing revenue. For example:

- Contractor support costs. DOE's management of contractors, who operate DOE sites and represent 90 percent of DOE's budget, has historically been decentralized, or fragmented. This adds to inefficiencies in support functions. Since 2007, DOE and contractors at some DOE sites have had efforts to streamline these functions. GAO recommended that DOE assess whether further opportunities could be taken to streamline such functions.
- Diesel emissions. DOE, the Department of Transportation, and the Environmental Protection Agency receive federal funding to reduce diesel emissions from mobile sources—14 programs in all, which also overlap on certain activities. DOE received \$572 million for its 3 programs. GAO recommended that the three agencies establish a strategy for collaboration to reduce diesel emissions from mobile sources.

- Excess uranium inventories. Uranium is used in fuel for nuclear power plants. GAO reported DOE's excess uranium inventories could be worth billions of dollars in additional revenue as fuel for commercial nuclear power plants.

Why GAO Did This Study

Understanding the impact of budget-related considerations has become particularly important as Congress and the administration seek to decrease the cost of government while improving its performance. In recent years, Congress has authorized large increases in funding for DOE. For example, the Recovery Act, which Congress enacted to, among other things, preserve and create jobs and promote economic recovery, provided DOE with more than \$41.7 billion in areas such as energy efficiency, renewable energy, and environmental cleanup.

This testimony focuses on several key programs and related budget issues at DOE, including (1) the management of selected programs expanded or created by recent funding increases and (2) potential opportunities to achieve savings or enhance revenue. This testimony is based on prior GAO reports from February 2011 to March 2012, and updated with readily available data from DOE.

What GAO Recommends

GAO is making no new recommendations in this testimony but continues to believe that implementing the recent recommendations made in the reports discussed should improve DOE program management, achieve savings, and enhance revenue. DOE has generally agreed with most of our recommendations, but disagreed on certain points related to the timing of implementing our recommendations.

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