



June 13, 2017

The Honorable Thad Cochran
Chairman
Senate Appropriations Committee
113 Dirksen Senate Office Building
Washington, DC 21502

The Honorable Rodney P. Frelinghuysen
Chairman
House Appropriations Committee
2306 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick Leahy
Ranking Member
Senate Appropriations Committee
437 Russell Senate Office Building
Washington, DC 20510

The Honorable Nita M. Lowey
Ranking Member
House Appropriations Committee
2365 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Cochran and Frelinghuysen and Ranking Members Leahy and Lowey,

We write to express the serious concern of the U.S. renewable energy industry regarding proposed cuts to the Department of Energy (DOE)'s budget for Fiscal Year (FY) 2018. The Administration has proposed cutting more than \$1.7 billion from programs supporting energy innovation and deployment, a 66 percent decrease from current annualized funding levels. We believe that such cuts would seriously jeopardize America's leadership in cutting-edge research on clean energy technologies and harm our country's overall competitiveness in a rapidly growing global industry that presents a multi-trillion-dollar business opportunity.

The DOE, through its Office of Energy Efficiency and Renewable Energy (EERE), the National Renewable Energy Laboratory (NREL) and other national labs, and the Advanced Research Programs Agency – Energy (ARPA-E), have been instrumental in the research, development and deployment of many important electric power innovations. Investments made through the Office of EERE and the individual technology programs within it have contributed to increased clean energy output, improved reliability, reductions in deployment barriers, and reduced costs, among other benefits. In addition, NREL has secured more than 100 patents and been the source of technological breakthroughs that have improved productivity and reduced the costs of wind turbines, solar panels, geothermal systems, biofuels, electric vehicles and energy storage systems. NREL's work has helped the renewable energy industry achieve impressive cost reductions and NREL has also been a critical partner for the private sector through hundreds of technology partnerships.

The ARPA-E program, which advances high-potential, high-impact research and development across an array of potentially transformative technologies, has provided critical financial support to the energy sector. ARPA-E invests in early-stage projects that typically are not yet mature enough to attract private sector capital. This model has proven successful – of the 580 ARPA-E projects funded since 2009, 74 have already advanced far enough into development to attract private capital and

have secured more than \$1.8 billion in private sector investment.¹ These projects are across an array of technologies, including energy storage, nuclear energy, wind, solar, and carbon capture and sequestration.

The work done by EERE, NREL, and ARPA-E fills a critical gap in research and development programs. In the energy space, the U.S. is at risk of falling behind other countries that are investing in this area, such as China, as it races to develop the next generation of energy technologies.

NREL is not the only national lab impacted by the proposed cuts. Important research on renewable energy, smart grids, grid reliability, cybersecurity, energy storage and grid resiliency is being conducted at over 14 national labs spread across the nation in states such as California, Idaho, Illinois, Iowa, New Mexico, New York, South Carolina, Tennessee, and Washington. The work performed at these labs is vital to modernizing our electricity system. Unfortunately, the administration's proposed budget for FY 2018 would seriously jeopardize important research by these laboratories, cutting over \$2 billion (58%) from current spending levels. This reduction would significantly slow the research and deployment of new and innovative technologies that enable greater energy production at lower costs, and would jeopardize the United States' dominant technological position in electric power and renewable energy research and development.

This is a particularly poor time to reduce research and development investment in energy, because the nation's aging electricity system requires significant new investment in modern infrastructure. NREL and the other national labs are at the forefront of the development of many of the new technologies and software important to a high-performing and reliable grid system. Further, the need for investment in a modern grid system is a global phenomenon and presents a massive market opportunity for American businesses and entrepreneurs. The global energy market attracted \$1.8 trillion worth of investment in 2015 alone.²

Advanced energy technologies represent a multi-trillion-dollar opportunity for American businesses and workers. We respectfully urge you to oppose the proposed FY 2018 cuts to important programs supporting research and development of clean and innovative energy technologies.

Please feel free to contact us for additional information or if we can be of help in any way.

Sincerely,

American Council On Renewable Energy
American Wind Energy Association
Geothermal Energy Association
National Hydropower Association
Solar Energy Industries Association

¹ ARPA-E Press Release, available at: <https://arpa-e.energy.gov/?q=news-item/arpa-e-projects-receive-more-18-billion-private-follow-funding-transformational-energy>

² International Energy Agency, "World Energy Investment 2016: Executive Summary", September 2016. Available at: <https://www.iea.org/Textbase/npsum/WEI2016SUM.pdf>.