



The Secretary of Energy

Washington, DC 20585

March 17, 2023

The Honorable Rosa L. DeLauro
Ranking Member
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Representative DeLauro:

I share the concern expressed in your letter dated January 19, 2023, about potential impacts of proposals that would cap fiscal year (FY) 2024 discretionary spending at the FY 2022 enacted levels. While Congressional Republicans have not released a specific plan, cuts on this scale would have very real and damaging impacts on our families, our communities, our economy, and our competitiveness—undermining a broad range of critical services the American people rely on in their everyday lives.

President Biden's FY 2024 Budget, which he released on March 9, details his plans to invest in America, continue to lower costs for families, protect and strengthen Social Security and Medicare, and reduce the deficit. Meanwhile, Congressional Republicans have reportedly proposed unprecedented cuts in FY 2024 funding for key services, programs, and protections such as education, public safety, research, nutrition and more. Such action would have serious consequences for Department of Energy programs and initiatives at the Federal, state, Tribal, and local levels, and would jeopardize recent bipartisan gains targeted at improving the lives of everyday Americans.

Impacts would be felt across the country and could rise to the level of jeopardizing the Department's ability to do its part in protecting national security interests from energy security and nuclear security threats.

Capping funding at this level would also hamper our ability to cut energy costs for families and businesses across the country, reduce the number of everyday Americans that can access tax breaks for clean energy, and reduce the impact of the Bipartisan Infrastructure Law.

Specific examples of potential impacts are listed below.

Scenario 1: *Across-the-board cap on FY 2024 discretionary spending at FY 2022 levels. Example impacts are listed below.*

- A reduction to FY 2022 funding levels would delay all National Nuclear Security Administration (NNSA) major construction projects of at least one year, increasing operational risks and the likelihood of cost increases. The FY 2022 funding level represents a 1/3 reduction from planned execution in FY 2024.

- The W93 and W87-1 warhead modernization programs would be delayed at least 1-2 years, with significant risks for the aging U.S. stockpile, DoD plans for delivery system modernization, and U.S. support for the United Kingdom's Replacement Warhead.

Hundreds of Energy Efficiency and Renewable Energy research projects and 2-3 large infrastructure projects at national labs would be cancelled or paused, resulting in up to one thousand (1,000) layoffs within the labs, partner organizations, and the local construction and support workforce across the country. This would negatively impact the ability of the national laboratories to continue to advance cutting edge research.

Scenario 2: *Across-the-board 22 percent reduction to current enacted funding levels (FY 2023) for FY 2024. Example impacts of this scenario are listed below. Scenario 1 impacts would also be intensified.*

- At a minimum, research at Office of Science national laboratories and universities would be reduced by about \$700 million, resulting in substantial reduction of nearly 5,200 scientists, students, and technical staff.
 - Many of the Administration research priorities would receive significantly less funding resulting in curtailed research efforts in the areas of Climate Change; Artificial Intelligence; High Performance Computing; emerging technologies in Quantum Information Science, Microelectronics, and Biotechnology; Fusion Energy; and Isotope Production.
- At a minimum, Office of Science facility operations funding would be reduced, resulting in only 68 percent of operational funding and a substantial reduction of over 6,000 users of the over 38,000 annual users at the 28 scientific user facilities across the national laboratories.
 - All facilities would have a significant reduction in force of personnel, with loss of critical expertise. A review would be required to determine which facilities to close to maintain adequate operations at the remaining user facilities. Facilities cannot operate safely at this funding level. This action would result in major economic impact to the United States, both in the short-term and in the long-term as the U.S. will be subject to loss of scientific talent and leadership.
- At a minimum, thousands of low-income households (anywhere from 4,400-8,800) would be deferred from weatherization services, and reductions in state energy programs more broadly would limit efforts to cut energy costs for families and businesses, disproportionately affecting smaller states and US territories.
- Reductions of this magnitude would have significant setbacks of U.S. geopolitical competitiveness to adversarial nations like Russia and China.
 - This would include the reduction of the Idaho National Laboratory operational status to the minimal allowable for safe and secure support of DOE and national security programs and research.

It would also include elimination of all efforts to support the deployment of American nuclear energy technologies as the preferred alternative to Russian and Chinese technologies in countries looking to implement large scale power sources.

These are a few examples of the serious impacts of these scenarios on ongoing efforts by the Department in the areas of national security, safety of critical infrastructure, threats to the Nation's competitive edge, and impacts on consumers and industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Granholm', with a stylized flourish at the end.

Jennifer M. Granholm