

Eliminate the Office of Electricity Deliverability and Energy Reliability (OE)

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
\$150	\$150	\$150	\$152	\$156	\$159	\$163	\$167	\$170	\$173	\$758	\$1,590

Heritage Recommendation:

Eliminate the Office of Electricity Deliverability and Energy Reliability (OE). This proposal saves \$150 million in 2016, and \$1.6 billion over 10 years.

Rationale:

The OE pursues activities to modernize the nation's grid; it is evident that much of the funding advances the Administration's goals of promoting electric vehicles and renewable energy. In fact, the Administration recognizes, "Without development and deployment of 'next generation' electric transmission, distribution and customer technologies, the grid could become a barrier to the adoption of cleaner energy supplies and more energy-efficient demand-side measures."³⁹

Upgrading the nation's electricity grid has merit, but it should not be a government-centric approach, nor should it be used as a subsidy to advance renewable energy sources, especially by focusing on building new transmission lines to remote areas. Furthermore, smart-grid technology should be developed and driven by the private sector. Any money allocated for cybersecurity, and for a cooperative public-private role for grid protection, could very well fall under the Department of Homeland Security's purview.

Additional Reading:

- Nicolas Loris, "Department of Energy Budget Cuts: Time to End the Hidden Green Stimulus," Heritage Foundation *Backgrounder* No. 2668, March 23, 2012, <http://www.Heritage.org/research/reports/2012/03/departments-of-energy-budget-cuts-time-to-end-the-hidden-green-stimulus>.

Calculations:

Savings are expressed as budget authority and were calculated by using the FY 2014 enacted spending levels as found on page 101 of House of Representatives, 113th Congress, 2nd Session, "Energy and Water Development Appropriations Bill, 2015," <http://appropriations.house.gov/uploadedfiles/hrpt-113-hr-fy2015-energywater.pdf>. The FY 2014 enacted spending was increased at the same rate as discretionary spending for 2016-2025, according to the CBO's most recent August 2014 baseline spending projections.