

# Eliminate the Office of Energy Efficiency and Renewable Energy (EERE)

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
\$1,930	\$1,937	\$1,941	\$1,964	\$2,010	\$2,054	\$2,098	\$2,155	\$2,197	\$2,238	\$9,782	\$20,524

## Heritage Recommendation:

Eliminate the Office of Energy Efficiency and Renewable Energy (EERE). This proposal saves \$1.9 billion in 2016, and \$20.5 billion over 10 years.

## Rationale:

EERE funds research and development of what the government deems clean-energy technologies—hydrogen technology, wind energy, solar energy, biofuels and bio-refineries, geothermal power, vehicle technology, and building and weatherization technologies, most of which have been in existence for decades. Promoting these technologies is not an investment in basic research, but mere commercialization. Congress should eliminate EERE.

All of this spending is for activities that the private sector should undertake if companies believe it is in their economic interest to do so. The reality is that the market opportunity for clean-energy investments already exists if it is economically viable. Americans spent \$481 billion on gasoline in 2011. Both the electricity and the transportation-fuels markets are multitrillion-dollar markets. The global market for energy totals \$6 trillion. With such a robust, consistent demand, any clean-energy technology that can capture a part of that market share will make tens, if not hundreds, of billions of dollars annually.

## 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 93 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.