U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Opening Statement

Chairwoman Eddie Bernice Johnson (D-TX)

Joint Investigations & Oversight and
Energy Subcommittee Hearing:
Judicious Spending to Enable Success at the Office of Nuclear Energy

October 21, 2021

Good morning and thank you, Chairman Foster and Chairman Bowman, for holding this joint oversight hearing on activities carried out by DOE's Office of Nuclear Energy. I am eager to discuss nuclear energy's importance to achieving a cleaner future, as well as how DOE can help further this goal.

Nuclear energy is a major pillar in U.S. clean energy production today. Generating 20% of our nation's electricity, the civilian nuclear fleet produces about half of the grid's clean energy and is key for decarbonizing our power sector. We must ensure that the Office of Nuclear Energy is set up for success to give the nuclear industry the tools to continue innovating, and usher in the next generation of these technologies.

That is why in my time today, I want to lay out some valuable lessons learned from a soon-to-be released report by the Government Accountability Office regarding DOE's record of project management in advancing new clean energy technologies. This assessment is pursuant to a requirement that our Committee included in the Energy Act of 2020.

Now to be clear, the focus of this particular GAO report is not on the activities of DOE's Nuclear Energy Office, but rather on demonstration projects carried out by its Office of Fossil Energy and Carbon Management over the last 15 years. That said, both the Nuclear and Fossil Energy Offices have overseen some of the largest projects supported by the Department. And these preliminary findings tell us that a decade ago, the Fossil office fell into similar pitfalls that we are seeing with several projects supported by the Office of Nuclear Energy in recent years, particularly regarding its sole-source awards to Centrus, the Carbon Free Power Project, and Exelon.

Out of nine carbon capture, utilization, and storage demonstration projects carried out by the Department over this period, only one was constructed and none remain in operation. There were

many factors that led to these projects' failures, but in GAO's review, three themes that tie in with today's oversight hearing emerged.

First, DOE either waived cost-share requirements from private sector partners entirely, or had the federal government covering far more of its overall costs early in the project schedule. We saw this with both of the recent nuclear energy awards to Centrus and the Carbon Free Power Project.

Second, DOE kept increasing federal taxpayer exposure even though projects were not meeting their milestones. We have seen this with the Office of Nuclear Energy's Carbon Free Power Project and slipping timelines. The project's original commercial operation date was 2027, that has now shifted to the mid-2030s.

And third, DOE awarded FutureGen, a billion-dollar carbon capture demonstration project that failed to come to fruition, on a sole-source basis. The Nuclear Energy office's Centrus and Carbon Free Power Project awards were provided on a sole-source basis, as was the recent Exelon award signed by DOE just a few weeks ago. As we will hear from our witnesses, competition is critical to ensuring that the best projects are selected, as well protecting against fraud and abuse.

These risk-increasing factors can be mitigated by ensuring the awardee pays its fair share throughout the process; by setting – and sticking to – performance milestones; and by competitively awarding these projects.

I would appreciate hearing from our witnesses today about how the Office of Nuclear Energy can avoid the problems encountered by DOE's Fossil Energy office in the future, so that Congress and the American people have complete confidence in these critical projects. We can all agree—we are here to support this office in its efforts to address the climate crisis and enhance our national competitiveness.

Thank you, and I yield back.