



The Secretary of Energy
Washington, DC 20585

APR 13 2006

April 6, 2006

The Honorable John D. Dingell
U.S. House of Representatives
Washington, D.C. 20515-6115

Dear Congressman Dingell:

Thank you for your February 8, 2006, letter regarding the President's Advanced Energy Initiative (AEI).

At the outset, you should know that we believe that the Advanced Energy Initiative does not require new statutory authorities, and the President's Fiscal Year 2007 Budget proposal reflects the Administration's priorities taking into account spending opportunities presented by EPACT 2005. In formulating the FY 2007 Budget, the Administration has proposed funding levels to advance its energy policy priorities and objectives and successfully implement EPACT 2005. The Administration will continue to plan for efficient implementation of EPACT 2005 through budget requests in future years.

The Administration identified \$2.1 billion in energy programs funded in the FY 2007 Budget as part of the AEI. This includes funding for research, development, and deployment activities in energy efficiency and renewable energy, fossil energy, and nuclear energy. The AEI also provides funding for energy related research in the Department's Science programs. In total, the FY 2007 budget request for these programs and related administrative costs is an increase of \$381 million (22 percent) compared with the FY 2006 level (see enclosed chart).

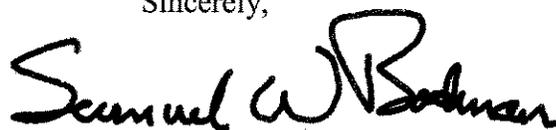
With respect to your question concerning the difference between the EPACT 2005 authorization and the FY 2007 funding request for the weatherization, wind, and biomass programs, the Administration made very difficult choices in developing its FY 2007 budget request. We concluded that developing clean energy technologies and reducing America's growing dependence on oil are the highest priorities for the Office of Energy Efficiency and Renewable Energy. We are evaluating the personnel-related impacts of this conclusion.

This change in our funding requests from previous years is part of our shift to advance research and development to promote more fundamental and substantial breakthroughs that can benefit all Americans.



If you have any questions, please feel free to contact me or Ms. Jill L. Sigal, Assistant Secretary for Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

A handwritten signature in black ink that reads "Samuel W. Bodman". The signature is written in a cursive style with a large, prominent initial "S".

Samuel W. Bodman

Enclosure

Advanced Energy Initiative

Department of Energy

(\$ in millions)

Program	FY 2006 Enacted	FY 2007 Budget	FY 2007 vs. FY 2006 (\$)	(%)
Energy Efficiency and Renewable Energy (EERE) Programs				
Hydrogen Technology	80	114	34	43%
Fuel Cell Technology	75	82	7	9%
Vehicle Technology	182	166	-16	-9%
Biomass	91	150	59	65%
Solar	83	148	65	78%
Wind	39	44	5	13%
Geothermal	23	0	-23	-100%
Program Management (pro-rata)	58	67	9	16%
Subtotal, EERE	631	771	140	22%
Fossil Energy (FE) Programs				
Clean Coal - Fossil Energy R&D (Coal Research Initiative)	314	281	-33	-11%
Other Power Generation/Stationary Fuel Cells	62	64	2	3%
Program Management (pro-rata)	86	99	13	15%
Subtotal, FE Programs	462	444	-18	-4%
Nuclear Energy (NE) Programs				
Global Nuclear Energy Partnership/Advanced Fuel Cycle Init.	79	243	164	208%
Generation IV	54	31	-23	-43%
Nuclear Power 2010	65	54	-11	-17%
Nuclear Hydrogen Initiative	25	19	-6	-24%
Program Management (pro-rata)	28	45	17	61%
Subtotal, NE Programs	251	392	141	56%
Science (SC) Programs				
ITER Fusion Project	25	60	35	140%
Fusion Energy (not including ITER)	263	259	-4	-2%
Solar	28	62	34	121%
Biomass	28	35	7	25%
Hydrogen	58	101	43	74%
Program Management (pro-rata)	19	22	3	16%
Subtotal, SC Programs	421	539	118	28%
Total, Advanced Energy Initiative	1,765	2,146	381	22%

Primarily helps generate cleaner electricity

Primarily helps reduce oil use