



**FROM:** Kountoupes Denham Carr & Reid

**DATE:** Tuesday, April 21, 2026

**RE:** Senate Energy and Natural Resources Full Committee Hearing to Examine the President's Budget Request for the Department of Energy for Fiscal Year 2027

---

### **Topline Summary**

- On Tuesday, April 21, 2026, the Senate Energy and Natural Resources full committee convened for a hearing to examine the Department of Energy's Fiscal Year of 2027 budget.
- Republicans broadly supported Secretary Wright's approach praising the administration's focus on grid reliability, dispatchable energy, and domestic production across all sources, pointing to Winter Storm Fern as proof that coal, gas, and nuclear are essential. They pressed Sec. Wright on home-state priorities like nuclear innovation, enhanced oil recovery, rare earth mining, and Alaska LNG as the path to long-term energy security and affordability.
- Democrats continuously challenged Secretary Wright on both legal and affordability grounds, arguing the administration is unlawfully canceling projects in blue states, defying congressional appropriations, and actively raising costs for families by gutting weatherization, home energy rebates, clean energy research, and wind and solar programs. All while repeatedly mentioning that gas tops \$4 a gallon, diesel exceeds \$5 and the war with Iran keeps energy markets volatile.

**Senators Attending:** Chairman Mike Lee (R-UT), Ranking Member Martin Heinrich (D-NM), Sen. James Risch (R-ID), Sen. Lisa Murkowski (R-AK), Sen. Angus King (I-ME), Sen. John Hoeven (R-ND), Sen. Bill Cassidy (R-LA), Sen. Tom Cotton (R-AR), Sen. Ron Wyden (D-OR), Sen. Alex Padilla (D-CA), Sen. John Hickenlooper (D-CO), Sen. John Barrasso (R-WY), Sen. Maria Cantwell (D-WA), Sen. Lisa Murkowski (R-AK) Sen. Mazie Hirono (D-HI), Sen. Dave McCormick (R-PA), & Sen. Ruben Gallego (D-AZ)

### **[Live Hearing Link](#)**

*Hearing called to order by Chairman Mike Lee*

### **Opening Statements**



**Chairman Mike Lee (R-UT):** Good morning. The committee will come to order. We'll hear from Secretary Chris Wright today as we discuss fiscal year 2027 budget for the U.S. Department of Energy. So welcome, Mr. Secretary.

There are few policy areas where reality asserts itself faster than it does in the field of energy. You can dress it up with slogans. You can paper over it with subsidies. And sooner or later, when demand rises, the system will ask whether supply can answer the call of demand.

During the Biden administration, energy policy shifted away from reliability and toward favored sources, toward favored outcomes and long, brittle supply chains that begin overseas. They assumed that the system would hold together anyway, and it didn't. In the final months of the Biden administration, nearly \$90 billion in loans, that's billion with a B, were pushed out the door in just a matter of a few weeks, along with a significant volume of grant funding. In one of its final actions, the department earmarked billions of dollars in green energy loans to utility companies based in then Secretary of Energy Jennifer Granholm's home state of Michigan. Despite warnings from the department's very own inspector general who had called for the program to be paused over conflict of interest concerns. That Mr. Secretary was the status of the department that you inherited, and I applaud your decision to review those projects. Under your leadership, the U.S. Department of Energy has made significant progress in getting our country back in the right direction when it comes to energy, tightening oversight, refocusing on research and development, prioritizing energy sources that can deliver energy reliably, predictably, immediately when demand is high, and not just when conditions are most favorable. That shift is welcome, and it was very necessary.

The recent winter storm gave us a reminder of what's at stake, because when demand spikes, There's no margin for error, either the system performs and it provides the energy at the moment it's needed to the degree that it's needed or it does not. I'm looking forward to hearing from you today on what has worked and on what doesn't work. And also on what changes are necessary before the next big test arrives, because we never know when that next big test might occur. But there will be a next test, and another one after that, and an endless succession of other tests following that.

The coming demand that people often speak of has, in fact, arrived, and it won't wait for us to get comfortable. Data centers, advanced manufacturing, and the push for electrification are all factors that are driving demand even higher. If we're serious about competing in the global AI arms race and other energy-intensive endeavors, We're going to need a lot more dependable power, not intermittently, not when conditions are ideal or when they happen to cooperate, but when it's actually needed at the moment it's needed. That brings me to the Energy Dominance Financing Authority, authorized in the Working Family Tax Cuts Act Republicans passed last year.

The program enables the Department of Energy to finance projects that restart idled infrastructure, increase output at existing facilities, and build new sources of baseload dispatchable power. It can support upgrading plants so that they produce more power, replacing retired infrastructure with new capacity, strengthening transmission so electricity can actually



move from where it's generated to where it's needed in the moment. I want to learn more about your vision for this program and about how you intend to keep it focused on projects that strengthen the grid rather than repeating the same old tired, rushed last-minute decisions that have undermined confidence in the past and have led to grid unreliability. Secretary Wright, the task before us is demanding, to put it mildly, the United States needs an energy grid, and an entire system that can meet rising demand without dependence on others to fill in the gaps. I have utmost confidence in you and your ability to get the job done, and I look forward to your testimony. So again, thank you again for being here,

Mr. Secretary, and I'd like to recognize my friend and colleague, the ranking Democrat out on the committee, Senator Heinrich, for his opening statement.

**Ranking Member Martin Heinrich (D-NM):** Thank you, Chairman Lee. Welcome, Secretary Wright. Over the past year, I have grown increasingly disappointed with the Department of Energy's actions under your leadership. When you came before this committee almost a year ago, I asked you if it was the case that political appointees were on review boards for the cancellation of \$3.7 billion in awards. You responded, well, it's absolutely the case. Those are your words. Since then, it has become abundantly clear that politics are indeed calling the shots in your Department of Energy. Last October, DOE unlawfully canceled \$8 billion in federal investments in 223 energy projects, almost entirely in states with Democratic leadership.

DOE then confirmed in federal court that the cancellations were based on whether a project was in a blue state. Satisfying a president's desire for political revenge or intimidation is not a lawful basis for terminating projects that were on track to help reduce soaring electricity prices. And a federal judge has already said as much ruling that these cancellations were unlawful and that they violated the Fifth Amendment. These cancellations on a political basis are a blatant betrayal of the communities, the workers, and the businesses who are counting on those investments to lower their energy costs.

And now it is those communities, workers, and businesses who will pay the price regardless of their particular politics. Unfortunately, this budget reflects the same lack of concern for the real costs facing hardworking families trying to keep the lights on and their vehicles on the road. For example, this budget eliminates the weatherization assistance program, which saves households on average \$372 every year. It also rescinds \$15.2 billion of infrastructure bill funding, congressionally directed funds that are ready to go out the door to support grid reliability and help reduce electricity prices.

It cuts the Office of Science by 15% and it cuts ARPA-E by 43%, undermining the very innovation pipeline that makes the United States of America so competitive. And it eliminates the wind and solar offices entirely while cutting the Critical Minerals and Energy Innovation Office by 64%. As electricity demand grows, we will not be able to meet the energy needs of new data centers and keep household bills stable if you restrict the growth of the sources of energy that are the cheapest and the fastest to build. This administration is also hurting families by holding back billions of congressionally appropriated funds that would help people save on their electricity bills.



Congress appropriated 8.8 billion dollars for home energy rebates to help families lower their utility bills through more efficient appliances and home upgrades. While 12 states have launched programs and are delivering real savings to their residents, the Department of Energy has stalled implementation for the remaining states, including those with approved applications, for over a year and a half. That's obstruction. And while these cost saving programs are being obstructed, the Department is taking actions that actively raise prices.

Under your leadership, DOE has abused emergency authority under Section 202C of the Federal Power Act to keep uneconomic fossil fuel plants online past their retirement dates. Half of these are not even generating electricity. And according to a recent report, keeping these plants open has cost Americans \$275 million and counting. That is not reliability.

That is waste. And your department's insistence on propping up coal plants doesn't end there. You also are willfully defying congressional direction by redirecting funds for carbon capture towards subsidizing coal plants, raising serious concerns that the department may be violating the law. Secretary Wright, if you want to change the law, run for Congress.

Then you have no right to ignore the direction of Congress. It is your responsibility to execute the law, and right now you are not faithfully executing the law. My concerns come at a moment when DOE's mission is more critical than ever, not just here at home but abroad. From global energy markets affected by the war in Iran to instability in Venezuela, the Department's decisions have real consequences for energy prices and national security, which makes the pattern we've seen over the past year all the more troubling, because instead of lowering costs, strengthening our workforce, and investing in energy infrastructure, too many of these decisions favor garnering cheap political points.

Now, you and I may disagree on the path forward. I'm sure we will. But we ought to agree on this. Americans deserve lower energy costs.

Americans deserve a Department of Energy that follows the law and executes the will of Congress. This budget and the actions that we've seen over the past year fall short of that standard.

### **Witness**

**The Honorable Chris Wright**, Secretary, Department of Energy

*Testimony*

### **Q&A**

**Chairman Mike Lee (R-UT)** discussed the department's inspector general's investigation of the Biden administration's loan office. He continued that although no ethic violations were formally charged the IG did find that the prayer director did give preferential treatment to a friendly company. Chair Lee asked what steps the energy dominance financing office is taking to solicit loan guarantee standards without breaching these standards. Sec. Wright said digging into those details was very alarming to rush out \$90 billion in that way. He highlighted the staff currently



working in the department and stated that while reviewing the loans given out during the four years they have yet to find a single one reference reducing the cost of energy. He continued that all their loans are focused on lowering the cost of energy and increasing the amount of available energy. Chair Lee asked him to talk about their section 202c emergency orders authority to keep critical gas and coal online. Sec. Wright said the previous administration used enormous number of resources for electricity sources that work some of the time. He added that we talk less about them forcing the closure of reliable, dispatchable baseload. He continued that their analysis showed a net reduction in dispatchable power if closures continued, during a time in which AI and the reshoring of manufacturing were arriving and showed that blackouts were 100x more likely.

**Ranking Member Martin Heinrich (D-NM)** asked if he stands by his comments that gas prices may stay above \$3 a gallon into 2027. Sec. Wright said he does not know the future of energy prices and stated that prices peaked about a week or two ago but remained \$1 cheaper than the Biden administration's peak. Ranking Member said average prices are above \$4 a gallon and asked if he thinks that's a reasonable price for people to pay. Sec. Wright said in comparison to the last administration their goal is as low as energy prices and were proud to have as low as \$2 a gallon earlier this year and look forward to getting them back there. Ranking Member Heinrich asked what they are right now. Sec. Wright said they are just above \$4. Ranking Member Heinrich asked about diesel. Sec. Wright said it's \$5. Ranking Member Heinrich discussed the use of their emergency authority to keep thermal coal plants online, despite utilities having already purchasing replacement generation; causing customers to pay for the thermal coal generation and the new generation. Ranking Member Heinrich asked if it is appropriate to pass those costs onto customers and asked if DOE should bare those extra costs. Sec. Wright said it is hard to overstate the cost to businesses and people of blackouts. Ranking Member Heinrich interjected to stating the state of Michigan and the utilities disagree with his conclusion of being at risk. Sec. Wright said days after keeping the Campbell power plant running, it was at maximum capacity and were still at the edge of a blackout. Ranking Member Heinrich asked about the Colorado plant. Sec. Wright said the Colorado plant is in a region that suffers from transmission bottlenecks, and if peak demand comes to that region, they are at risk of blackouts. Ranking Member Heinrich said reliability is not a question but asked again if the costs of maintaining a power plant set to retire should be passed on to the customer. Sec. Wright said the benefits go to the customer too and stated that they have used 202c's for a certain number of gigawatt and stated main chose to stay open because they got the message the department had their back when states were forcing them to close. Ranking Member asked what authority allows them to move the dollars set for carbon capture. Sec. Wright said they continue to look at deploying carbon capture, and when they find ones that make economic sense, they will deploy those funds. He added that you can't deploy carbon capture on coal plants that aren't open and these funds were targeted at enhancing coal plants and they are being used to enhance and keep plants open. Ranking Member Heinrich said if you want to spend those funds to keep plants open, you need funds authorized to keep plants open which does not exist and therefore changing the authority. Sec. Wright said those funds are dedicated to enhancing the operation of coal plants and that's what they are doing.



**Sen. John Hoeven (R-ND)** spoke about the increase in domestic energy production as a result of shale play and emphasized that energy security was national security, so they needed to continue production from all sources including coal, gas, nuclear and renewables. He said that without Enhanced Oil Recovery (EOR) in the shale plays they were starting to decline in production, and one of the key ways to do it was through dispatchable coal-fired electricity by taking CO<sub>2</sub> from coal plants and using it in EOR. He highlighted demonstration projects showing this capability in North Dakota with the participation of DOE. Sen. Hoeven asked Sec. Wright to speak about the authorization of an EOR project in North Dakota. Sec. Wright emphasized the potential of EOR and the shale revolution and the need for the next generation to increase production, and noted that they could figure out CO<sub>2</sub> as a major player in EOR and close the loop economically on carbon capture.

**Sen. Ron Wyden (D-OR)** criticized the administration's cancellation of clean energy tax credits and cancelation of solar and wind energy projects. He asked Sec. Wright when energy demand is up, supply is tight, manufacturing is down, and utility costs were going through the roof, why he would continue an ideological crusade against clean energy, that clearly was not working. Sec. Wright said that energy was about humans and math and that was why the administration was following those policies, as states with renewable energy mandates had consistently higher electricity prices than those without mandates. Sec. Wright said there was a role for wind and solar, but when it was mandated forced and subsidized that was an issue. Sen. Wyden asked Sec. Wright what he would do for the role of wind and solar today, as they had a role with the clean energy tax credits, which were technologically neutral and imposed no mandates but were canceled. Sec. Wright said the production tax credit for wind power paid \$0.04 per kilowatt hour of wind production saving only \$0.02 and distorting the energy market. Sen. Wyden refuted Sec. Wright's claims, saying that the natural gas industry publicly supported clean energy. He discussed wildfires being exacerbated by outdated power infrastructure and asked Sec. Wright if he would end the administration's withholding of funds for projects under the Disaster Safe Power Grid law. Sec. Wright said they had worked hard to evaluate grid resilience, improvement and expansion to improve the grid. Sen. Wyden asked if he could have a list of the projects the Secretary would release funding for. Sec. Wright said they released a list of the projects already and would provide the senator a list of projects relevant to the Pacific Northwest.

**Sen. John Barrasso (R-WY)** asked about the Department's efforts to unleash America coal production. Sec. Wright stated that people love to hate coal, and stated that coal has been the largest source of global energy since the data began. He continued that coal is critical in the world, and in the United States for nearly all of America history it was the largest source of energy generation, which has been attacked by politics, states, regulations. He added that he can support some having to do with clean air, but most were trying to strangle the industry. He continued that they are looking at existing coal infrastructure where people are looking to make upgrades to help extend their lifecycle. Sen. Barrasso asked what we are doing to expand rare earth mining in the United States. Sec. Wright said coal seems have significant deposits of rare earth minerals. He highlighted Wyoming as a great state to do business in due to their permitting landscape. He continued through their critical mineral and innovation office they have numerous projects, the Department of War also has projects, and that it is currently a whole of administration effort. He continued they are working on how they can quickly stand up a supply



chain of mining, processing, and manufacturing of magnets. Sen. Barrasso asked what he views as a top priority in permitting reform. Sec. Wright said we have to make it easier to build in America. He continues that he believes businesses need to choose what they want to build and highlighted that the inability to build interstate natural gas pipelines.

**Sen. Angus King (I-ME)** asked how he feels about offshore wind projects that were cancelled despite being fully permitted, and financed, and what does that say about certainty for investment. Sec. Wright said there are complexities with those issues, with national security risk and drones. Sen. King asked Isn't that a risk of the developer. Sec. Wright said it is a risk that they need to manage with the developer, to ensure that we are not introducing a vulnerability to the east coast. He added that we need all the parties to come together, and we need to have a robust conversation about that. Sen. King asked as a developer he would not like to go through getting all the permits and funds to have the project cancelled. Sec. Wright said that's correct. Sen. King noted the private sector, disagreeing with their assessment of wind and solar, and highlighted the EIA who predicted that 51% solar, 28%, battery storage, 11% wind, and 6% natural gas in increased capacity. He continued that without subsidies solar has grown from 2% to 14% and batteries have doubled in Texas. Sec. Wright said there are huge subsidies in place for the building of wind and solar, and anything going into service this year was started during the Biden administration when you could only get permits for wind, solar, and batteries. He continued that if you look at where new capital is going natural gas is leading, with solar and storage playing a large role. Sen. King discussed the cuts in the budget, including basic research, in which fracking came out of, he continued with ARPA-E and suggested that the cuts are in the wrong places. Sec. Wright said in the science budget has no proposed cut, just part of it was broken off into AI and Quantum and stated the science budget is up by 1%. He added that ARPA-E is up from 1% from last year but remains below the enacted and hopes for his help to plus that up.

**Sen. Bill Cassidy (R-LA)** spoke about manufacturing in his state and compliance with the Clean Air Act's standards for NOx particulate matter and emphasized that China would not comply with those regulations, lower manufacturing costs, take jobs and use that to support their military. He spoke about counties in the United States designated as non-attainment due to foreign-produced pollution. He highlighted his Foreign Emissions Fee Act and asked Sec. Wright if DOE and the National Labs could address this with existing resources or if they required additional investment. Sec. Wright said he believed it could be done with existing resources and were already in conversations and efforts to get this going emphasizing that not considering foreign pollution resulted in overregulation, increased pollution and exporting of jobs. Sen. Cassidy asked that DOE developed methods to measure emissions intensity if they were getting a full picture and to what degree could they be sure it was doing so. Sec. Wright said that it was complicated as pollutions regulations had been turned so low to go after greenhouse gas emissions that it would not change ambient background air, but rather it was done to have a backdoor carbon tax. Sec. Wright said it was complicated to calculate foreign pollution, and they had to follow the supply chain. Sen. Cassidy said they were putting themselves at an economic disadvantage by spending money to regulate emissions when other countries were not. Sec. Wright added that it was also an air quality and national security disadvantage. Sen. Cassidy said that the current foreign emissions fees were used carbon as a



surrogate for other matters and had reduced absolute carbon emissions relative to 1995. He asked Sec. Wright for his thoughts on using what the labs were developing in giving the president power to assess a fee on the emissions from overseas from not using internationally accepted standards of measuring pollution. Sec. Wright emphasized that reshoring manufacturing would have significant economic and environmental benefits.

**Sen. Ruben Gallego (D-AZ)** listed his priorities as affordability for American families, transparency for how tax dollars would be spent and above all, the plan that utilized the full span of resources available to them. He spoke about plans in the budget to restructure DOE and changes to non-defense energy programs, and the importance of transparency in spending during the affordability and energy crisis being exacerbated by the conflict in Iran. He echoed calls to remove political considerations to decisions about wind and solar power that could reduce costs. Sen. Gallego spoke about changes to the DOE's authorization of nuclear reactors meaning to streamline efforts and concerns that the decisions were made without adequate transparency and may pose a risk to public safety. He asked Sec. Wright when DOE would provide a public explanation of what changes have been made, why they have been made, and how they impact the overall safety, to uphold the public trust in nuclear. Sec. Wright offered to hold a briefing for senators who wanted to hear about what they had done and said it was done hand-in-hand with the NRC and was highly technical. Sen. Gallego stated that his understanding was that there was a bipartisan consensus for the permitting and building of nuclear energy in a safe and efficient manner, so if the Secretary could do a hearing or explain the changes through correspondence within the next 90 days, that would be greatly appreciated. He emphasized the need for constituents to understand the thought processes for trust in nuclear. He discussed cuts to the budget of the Office of Indian Energy and asked Sec. Wright if the department was telling tribes what kind of energy they should be focused on, while also cutting funding for tribal energy, that conflicted with the self-determination and sovereignty principals, and why tribes were not able to determine what energy sources worked the best for them. Sec. Wright shared the senators' concerns, spoke about his passion for getting energy to remote and disadvantaged communities, and explained that the efforts with Indian energy had been a significant disappointment and they had not been successful in funding projects. Sen. Gallego said that if they were going to move forward, cutting that funding, especially for technical advice was going to be difficult to build energy in smarter ways.

**Sen. Mazie Hirono (D-HI)** discussed the involvement of Vice President JD Vance, Steve Witkoff, and Jared Kushner in the Iran war negotiations, pointing out their lack of expertise as it comes to nuclear, a focal point of the negotiations. Sen. Hirono asked if anyone from DOE will be in the room while negotiation the new nuclear deal. Sec. Wright said they are in contact with all three of the parties and have been involved since the start. Sen. Hirono asked if he could provide a name. Sec. Wright besides himself, it has been those apart of the non-proliferation team. Sen. Hirono asked if anyone negotiating has similar expertise to former Secretary Ernst Moniz had during the previous negotiations. Sec. Wright said yes. Sen. Hirono asked who. Sec. Wright said their whole non-proliferation team. Sen. Hirono discussed Hawaii already paying the highest electricity and gas prices and noted that they are expecting another 30% increase due to higher oil prices. Sen. Hirono asked if they understood the harmful impact on energy prices for consumers before launching the Iran war. Sec. Wright said yes and Iran has been a threat to



global oil prices for 47 years. Sen. Hirono said a lot of oil goes through the Strait of Hormuz which was opened before and is now closed; she asked if that was something they thought about happening. Sec. Wright said they knew exactly what would happen. Sen. Hirono asked if he is involved in reopening the Strait. Sec. Wright said he is the primary energy advisor and have been talking about the Iran situation since the day he was sworn in. Sen. Hirono asked where the end is? Are oil prices going to go down? Gas prices go down? Noting that people are paying \$50-60 more at the pump. Sec. Wright agreed that energy prices are higher than they were before and reiterated that gas prices are still cheaper than the peak during the Biden administration.

**Sen. Alex Padilla (D-CA)** discussed the big game, and big claims this administration has made about entering the golden era of energy dominance, while at the same time proposing a budget that seemingly undermines that. Sen. Padilla continued by noting Sec. Wright previous comments calling our national labs the “gemstone” of the department and asked if he still believes that. Sec. Wright said yes and said that is a reason why their science budget is up slightly this year compared to last year. Sen. Padilla listed the areas that the budget cuts, and questioned how affordable, reliable energy can be a priority given all the cuts. Sec. Wright said there is a separate line item in the Office of Science budget that is called AIQ which is all lab funding and stated he wants to grow that category as much as he can. Sen. Padilla continued to list cuts that are critical to cybersecurity, transmission, resilient grid systems and asked how this makes us feel better about the reliability and security of the grid. Sec. Wright said a lot of them are more efficient operations within the grid, and that they are not reducing efforts in the things mentioned. He noted that AI allows them to do more work faster, and just because they are spending less money doesn’t mean they are reducing their efforts. Sen. Padilla assumed no laws were violated in the review of the DOE projects. Sec. Wright said that is a good assumption. Sen. Padilla asked that in final determination all applicable laws were followed. Sec. Wright said yes. Sen. Padilla said because of the review the department is moving forward with 5 of the 7 hydrogen hubs; not including California’s Arches Hydrogen hub. He continued that according to the law at least one regional clean hydrogen hub should demonstrate the production of clean hydrogen for renewable energy. He added that the five chosen to advance do not satisfy that requirement, and stated the determination was partisan and violates the law. Sen. Padilla asked if he will reverse this decision and fund all the hydrogen projects. Sec. Wright said they review all the projects from a bottom-up basis and said all the projects are cross-state endeavors. He added the west coast projects have cost problems and lack pipeline infrastructure

**Sen. Tom Cotton (R-AR)** spoke about the importance of DOE safeguarding and expanding the nuclear weapons stockpile and the requested increase of the National Nuclear Security Administration budget (NNSA). He asked Sec. Wright to elaborate on how the budget increase improved DOE’s ability to keep nuclear modernization on schedule. Sec. Wright said they had seven simultaneous weapons modernization programs going on and wanted to accelerate those projects to deliver on the program as previous efforts had been behind schedule and over budget, noting that required attitude, people, and management practices. Sec. Wright also noted they had some facilities that needed to be upgraded. Sen. Cotton reiterated the Secretary’s statement that mindset and management were important to the mission of the NNSA and highlighted the new Rapid Capabilities Office. He asked Sec. Wright to describe more of his thinking on that front and why NNSA was moving towards a quicker and more novel approach to get weapons in the



hands of their combatant commanders. Sec. Wright said they were trying to move it more like a business as it had gotten stuck in its ways and set out schedules and timelines to review if they were on track and keep them on track. Sen. Cotton addressed critics of the weapons, noting it was a very small percentage of the overall budget, and they use nuclear weapons as a deterrence for international conflicts. He spoke about lithium reserves in southern Arkansas that had received a \$225 million grant under the previous administration to advance lithium extraction and the Trump administration's designation of the project as a priority critical mineral project granting it special FAS-41 designation. He asked Sec. Wright what steps DOE could take as they built out their critical minerals strategy to ensure products have continued permitting support, Technical assistance and access to financing tools. Sec. Wright said that they needed to make government move at the speed of business, and they were working as quickly as they could to reverse the offshoring of critical minerals and move things back into the United States, emphasizing the importance of lithium specifically.

**Sen. Maria Cantwell (D-WA)** expressed her disappointment that the Secretary was not on the same page related to the Hanford clean up following his visit, and the budget's cut to the project, which is less than required to meet the triparty agreements. She asked Sec. Wright if DOE was seeking modification to the triparty agreement and how he could expect to meet those legal requirements with those cuts to the timeline. Sec. Wright said the cuts were modest and about efficiency improving, and they were not planning to revisit the agreement or not meet any of the targets, rather they planned to exceed the targets. Sen. Cantwell rhetorically asked where the savings were coming from as many previous Energy Secretaries had made similar claims and failed to deliver. She spoke about increasing jet fuel prices, cuts to programs like the hydrogen program and sustainable tax credit, that would help alleviate the costs and the isolated nature of Washington's fuel market. She asked Sec. Wright if he believed in the actions that were crippling things or if he believed that continued diversification as a nation would lead them to lower the cost of jet fuel and help grow airlines. Sec. Wright said he also wanted a strong aviation sector and said that prices were still lower than in the middle of the Biden administration. Sen. Cantwell refuted that claim, saying no one in the northwest thought that what was going on was okay, especially not when airline flights were being canceled due to high fuel costs. Sec. Wright clarified that he did not say they were okay, rather they were cheaper than they had been under the Biden administration and that they would continue to come down. Sen. Cantwell said they wanted to get out in front of diversifying their fuel source so they were not so dependent on middle East oil but cutting hydrogen hubs would not help that. She asked Sec. Wright if he was supportive of the cut to the Sustainable Aviation tax credit in the OBBBA. Sec. Wright said Sustainable Aviation Fuels to date were meaningful drivers of upward prices for jet fuel and they wanted better choices for fuel options but there was a lack of infrastructure to move fuel on the west coast. Sen. Cantwell pointed out the difference between early tax credits for project development and long-term stable companies that no longer need credits because the market was well established and asked the Secretary to provide her an answer in writing about whether he supported the cut to the Sustainable Aviation Fuel tax credit.

**Sen. James Risch (R-ID)** made note that many of our lab and other facilities where the government does some of its more important work could use some help. He pivoted into talking about the Idaho National Lab and nuclear, and discussed July 4<sup>th</sup> goal of going critical with three



micro reactors. He continued that the American people don't understand what it means to put a micro reactor online and asked for a short summary about how this is going to change the world. Sec. Wright said he has had a lifelong passion for nuclear energy, and a lot of innovation, capital, and a president who signed four nuclear executive orders. He continued in the next few weeks we will have multiple SMRs running the entire nuclear systems. He added that they have NRC employees detailed to DOE working with them on the permitting processes so they get early insight on the process so we can move quickly to licensing them and selling them commercially. Sen. Risch asked for his thoughts on the ARC Act. Sec. Wright said he thinks its critical that enshrine this attitude and infrastructure that enables the growth of nuclear.

**Sen. John Hickenlooper (D-CO)** asked how DOE plans to utilize the full capabilities and personnel at the National Laboratory for the Rockies to maintain U.S. global leadership in energy innovation given the proposed budget cuts. Sec. Wright said the National Lab for the Rockies is fantastic and strong across grid stability, defense communications, new materials, and energy technologies for space, and clarified that DOE is not proposing a reduction to the Office of Science budget but rather separating out AI and quantum into a distinct line item, making it appear as an 18-19% cut when it is actually roughly 1% growth, and said he would be happy to work with the Senator to increase investments in science, AI, and quantum. Sen. Hickenlooper raised the issue of climate change, citing snowpack data from Fremont Pass in Colorado where readings over 100 years show an average of 240 inches, a historical low of 182 inches, and a reading of just 60 inches this past March, and said this statistical aberration is difficult to explain outside of global climate change. Sec. Wright said global climate change is a slow-moving, gradual phenomenon and attributed the dramatic single-year drop to the path of the jet stream, cited the Colorado Snow tail Database going back to 1936 showing statewide snowpack is flat to slightly increasing, and pointed to the 1981-82 ski season at Breckenridge which was open for only four days as an example of historic anomalous years, maintaining the long-term trend in Colorado snowpack is essentially flat. Sen. Hickenlooper noted he had three remaining questions and would submit them in writing.

**Sen. King** said he agreed with Sen. Risch on the importance of small modular reactor (SMR) development, noting that following an industry seminar, the conclusion was that the first ten SMRs would be too expensive and that federal support, similar to the Chips and Science Act, would be needed to de-risk initial construction. He asked Sec. Wright whether DOE was thinking along those lines, expressing concern that the development would not happen through market forces alone. Sec. Wright said DOE was working to get over that hump through a program in which DOE would serve as lead lender while securing equity capital from large hyperscalers and spreading risk across ten reactors built together with long lead-time supply chain orders. Sec. Wright acknowledged the first reactors would still be more expensive than subsequent ones and that no shovels were in the ground yet, but expressed confidence the approach could get the effort moving.

**Sen. David McCormick (R-PA)** praised Sec. Wright and noted Pennsylvania's standing as the second largest natural gas producer, third largest electricity producer, and second largest nuclear power producer in the country. He asked Sec. Wright to commit to ensuring two Pennsylvania hydrogen hubs, Mach 2 and Arc 2, received their funding in a timely manner, noting the two



projects were projected to create 41,000 jobs and drive \$11 billion in public-private investment. Sec. Wright confirmed both hubs were approved and moving forward, noting DOE would fund them in phases tied to milestones and progress toward commercial viability. Sen. McCormick asked Sec. Wright to speak about the administration's prioritization of permitting reform, noting an estimated \$1.5 trillion in capital was sitting on the sidelines that could be unlocked with reform. Sec. Wright said the administration was firmly behind it, citing the weaponization of NEPA as one example of how building large projects in America had become unnecessarily difficult, and noted that newly appointed DOE official Alan Armstrong had been brought in with the goal of getting permitting reform across the finish line on a bipartisan basis. Sen. McCormick asked how the budget proposal would support nuclear workforce development and address the skills gap, given the hundreds of thousands of additional workers that would be needed to quadruple United States nuclear capacity. Sec. Wright said the workforce shortage was a constant topic with hyperscalers and that part of the ratepayer protection pledge involved getting developers to invest in community workforce training, including trade skills such as electricians, pipefitters, and plumbers. He said wages for those workers were rising but that millions of workers with skills they did not currently have would be needed.

**Sen. Lisa Murkowski (R-AK)** raised hydropower as an underappreciated but critical energy source in Alaska, noting that the budget showed a 78% reduction in hydropower funding and flagging specific already-awarded projects, Sand Creek, Cooper Lake, Green Lake, and SIPA grid resiliency, that have been waiting 18 months for funds to be released, and asked both broadly about hydropower's place in DOE's priorities and specifically what is causing the funding holdup. Sec. Wright said the cut is not as dramatic as it appears and is largely a recategorization, with hydro now sitting under a new "base load power" line item alongside gas, coal, and nuclear that contains hundreds of millions of dollars for hydro, and emphasized that the department's base load funding is really focused on hydro, coal, and nuclear since those are areas where DOE can move the needle. Sen. Murkowski expressed concern that hydro could get eclipsed by oil and gas within that category. Sec. Wright said he agreed, noted that oil and gas are largely commercially developed and do not need much DOE funding, said the department is passionate about hydro, and discussed opportunities to repower and upgrade existing hydro infrastructure and the need to address permitting challenges, and committed to following up on the specific projects she mentioned. Sen. Murkowski asked for a clear timeline on when the funds can be released so projects do not miss the upcoming construction season. Sec. Wright agreed to follow up. Sen. Murkowski then asked about Alaska LNG and where it stands as a domestic priority given growing global demand. Sec. Wright called it the number one energy infrastructure priority, saying it would transform Alaska, solve South Central Alaska's energy problem, and benefit U.S. allies in Asia without any choke points, but acknowledged the project has proven difficult to finance because the pipeline must be built first and cannot be financed independently of the LNG export terminal, and stated the department will not rest until the project is completed.

**Sen. King** noting his background as a former hydro developer, asked why DOE considers hydro base load but not wind, given that run-of-the-river hydro has a capacity factor of 35-50% while wind is 40-55% and offshore wind is 55-60%. Sec. Wright said the distinction is that roughly half of hydro resources have storage and are dispatchable, while acknowledging that run-of-the-



river hydro is not base load. Sen. King clarified whether Sec. Wright was referring only to storage hydro projects as base load. Sec. Wright said he was referring to both but emphasized the significant dispatchable component of hydro and noted DOE wants to see better storage development to help firm wind and solar. Sen. King agreed that storage is broadly important for grid stabilization, demand response, and avoiding the expense of new transmission lines, and asked if Sec. Wright agreed. Sec. Wright said absolutely, that storage needs to grow, but that it is nowhere near the scale today to effectively firm wind and solar, though it plays a grid management role and the more cost-effective and scalable storage becomes, the broader role it can play. Sen. King pointed to the large-scale storage buildout in Texas and California as examples of storage firming up solar and wind. Sec. Wright pushed back slightly, saying he would not characterize it as effectively firming up but acknowledged storage can shift solar demand to meet peak demand later in the day and help address the duck curve.

*Chairman Lee brought the hearing to a close*