



May 1, 2025

The Honorable John Kennedy
Chair
Energy and Water Development
Subcommittee
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Chuck Fleischmann
Chair
Energy and Water Development
Subcommittee
House Committee on Appropriations
Washington, DC 20515

The Honorable Patty Murray
Ranking Member
Energy and Water Development
Subcommittee
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Marcy Kaptur
Ranking Member
Energy and Water Development
Subcommittee
House Committee on Appropriations
Washington, DC 20510

Dear Chairs Kennedy and Fleischmann and Ranking Members Murray and Kaptur:

On behalf of the Bipartisan Policy Center and its (c)(4) affiliate, Bipartisan Policy Center Action, we are pleased to share our priorities for the Senate and House Energy and Water Appropriations subcommittees for fiscal year (FY) 2026 appropriations bill. These federally funded programs at the Department of Energy (DOE) are vital for U.S. energy innovation to leverage its competitive advantages in global markets, secure domestic supply chains, reduce emissions, and create economic opportunities.

Rapidly rising debt and interest payments are slowing growth and making it more expensive for Americans to buy cars and homes, attend college, or pay off credit cards. To achieve fiscal sustainability, BPC recommends a continuation of the 2023 discretionary caps, enactment of program integrity reforms, and—outside the appropriations process—legislation to reduce the growth of mandatory program spending and increase federal revenue.

At the same time, BPC believes it is achievable to prudently invest in agencies and programs that expand opportunities for American families and businesses. With these principles in mind, BPC Action respectfully recommends:

Carbon Dioxide Removal (CDR) RD&D

BPC Action requests \$240 million for CDR RD&D efforts at the Office of Fossil Energy and Carbon Management (FECM). CDR encompasses a broad suite of technological and natural methods—including direct air capture, enhanced weathering, active land management, biomass energy, and carbon capture and sequestration—that are important in driving

economic growth and reducing emissions. There are more than 200 companies in the United States working on advancing CDR. Legislative progress over the past several years has helped advance this broad suite of solutions; however, federal appropriations funding for research, development, and demonstration (RD&D) efforts is still significantly needed to ensure long-term success.

- Requested Report Language:

The Committee provides not less than \$240,000,000 to the Office of Fossil Energy and Carbon Management for research, development, and demonstration of diverse carbon dioxide removal technologies and approaches. Within the amount provided, the Committee provides not less than \$60,000,000 for purchasing efforts started by the Carbon Dioxide Removal Purchase Pilot Prize that the Secretary was directed to establish in the fiscal year 2023 Energy and Water joint explanatory statement, consistent with Division D of Public Law 117-328. In carrying out this section, the Committee supports the Secretary's prioritization of multiple carbon removal technology pathways and emphasizes methods that minimize removal reversibility and maximize storage duration. The Committee also provides not less than \$10,000,000 to improve measurement, monitoring, reporting, and verification, including to inform the pilot prize, offtake agreements, and other Federal incentives.

Foundation for Energy Security and Innovation (FESI)

BPC Action requests \$3 million for FESI. Support for commercialization and technology transfer is central to the future success of new clean energy technologies and emissions reduction. FESI enhances America's energy security by channeling private resources and philanthropic contributions toward the invention, development, and commercialization of innovative technologies. Funding for FESI will ensure the program can successfully strengthen public-private partnerships to advance DOE's mission.

Critical Minerals

BPC Action requests \$80 million for critical minerals in DOE's Office of Fossil Energy and Carbon Management. DOE's FECM is needed to bolster R&D and commercialization of new critical mineral recovery techniques that offer enormous potential to increase U.S. sourcing capacity and boost economic opportunity in mining regions. We can unlock promising domestic and sustainable critical mineral sources by harnessing resources such as copper, nickel, cobalt, rare earth elements, and others found in mine waste. Additionally, these projects could increase investment in regions impacted by mining closures, offering economic growth and employment opportunities. Financial backing from FECM is crucial to bringing new critical mineral technologies online, including catalyzing the development of mine tailing recovery.



- Requested Report Language:

The Committee recommends \$80,000,000 for the Department of Energy Office of Fossil Energy and Carbon Management's Mineral Security program to support research, development and commercialization of projects that increase domestic production of critical minerals and materials (CMMs).

Of these, no less than \$35,000,000 should be allocated for the purpose of identifying and commercializing technologies that extract CMMs from unconventional or secondary feedstocks, including but not limited to coal and coal byproducts, and solid and liquid wastes from legacy or active mining or energy exploration.

ARPA-E

BPC Action requests \$500 million for Advanced Research Projects Agency for Energy (ARPA-E).

ARPA-E is innovative in funding transformative, early-stage energy research that supports American energy security and economic competitiveness. In recognition of these goals, an appropriation of \$500 million is requested for ARPA-E to support continued funding solicitations and increased work on scaleup and demonstration projects through the SCALEUP funding opportunity announcement. Every year, ARPA-E is forced to turn away innovative, potentially game-changing energy technologies. Only 5% of applicants receive awards, while roughly 20% are judged through a peer review process to be both scientifically sound and potentially transformative. In its tenure, 258 projects supported by ARPA-E have attracted over \$14.6 billion in private-sector follow-on funding, and 167 projects have gone on to form new companies. Since 2009, 34 companies have exited the program through public listings, mergers, and acquisitions with a total value of \$22.2 billion. Additional funding will ensure that ARPA-E can progress towards fulfilling its mission of revolutionizing the energy sector and continues to positively affect the broader DOE culture.

Class VI Wells

The United States could lead the world in the permanent underground storage of carbon dioxide, boasting potential for thousands of gigatons of onshore storage with possibly more offshore. Regulatory programs for this storage must be designed and implemented to ensure environmental integrity, including adequate demonstration of secure carbon storage. Only 11 Class VI permits have been issued to inject carbon dioxide underground in the U.S., despite over 160 applications pending review at the Environmental Protection Agency (EPA). Tackling this backlog requires greater program efficiency and resource sharing across agencies. While EPA has primary ownership over Class VI well permitting, DOE has expertise in the execution and characterization of Class VI wells through the National Energy Technology Lab and their decades-long Carbon SAFE initiative that supports the creation and development of new wells. The DOE National Laboratories also assist the EPA with Class VI permit reviews by providing technical assistance on geologic modeling.



- Requested Report Language:

The Committee supports the ongoing efforts of the Department of Energy National Laboratories to provide technical assistance to the Environmental Protection Agency to support and expedite the Class VI permit review process.

Nuclear Energy – Advanced Reactor Demonstration Program

BPC Action requests \$350 million for the Advanced Reactor Demonstration Program (ARDP).

ARDP is designed to catalyze the next generation of domestic grid-and micro-scale nuclear reactors. Advancing new nuclear technologies is pivotal to establishing America's presence in the growing domestic and international market for gigawatts of reliable energy and reducing emissions. Successful demonstrations through ARDP will help launch a commercial fuel supply chain, reduce technology risk, and improve regulatory clarity, giving America a leg up in the expanding international nuclear market, which the International Energy Agency projects could grow to over \$100 billion annually by 2030. The funding request is an increase from previous years because the two large demonstration projects have primarily received funding from the Infrastructure Investment and Jobs Act (IIJA) appropriations for FY22 through FY25 and were minimally funded in annual appropriations. Now that IIJA funding has ended, an increase in annual appropriations will help fulfill the obligation to those projects.

- Requested Report Language:

The Committee recommends \$350,000,000 for the Advanced Reactor Demonstration Program (ARDP), of which \$80,000,000 is provided for the National Reactor Innovation Center and \$175,000,000 is provided for demonstrations 1 and 2.

BPC Action commends your long-standing commitments to support programs—including those outlined above—crucial to American prosperity. The DOE offices and programs mentioned are key to boosting the development of new innovative technologies and will be critical to our long-term economic growth and competitiveness.

Thank you for your consideration, and if you have any questions, please reach out to Kim Dean, Director for BPC Action, at kdean@bpcaction.org.

Sincerely,



Michele Stockwell
President, Bipartisan Policy Center Action

