



A Look at President Obama's Energy Priorities in the FY 2015 Budget

CATRINA RORKE | MARCH 4, 2014

The president's budget request for 2015 places a great deal of emphasis on the energy sector. Fully supporting predictable White House priorities like greenhouse gas regulation and renewables investment, the budget also sends a muddled signal on fossil fuels, with considerable funding both for continuing the heavy-handed regulation of the sector and for new funding to support exploration and development.

The Environmental Protection Agency would receive a 3.7 percent cut in its budget to \$7.9 billion, which bodes poorly for an agency expecting a tough funding fight in Congress. Funding cuts primarily target the revolving fund programs that support clean water, leaving intact support for White House climate initiatives. With Supreme Court action pending on the EPA's authority to expand its greenhouse gas regulatory program, it appears patently unwise to prioritize this regulation with a shaky legal foundation over EPA programs with a strong track record in materially improving the environment.

The president requested \$27.9 billion for the Department of Energy, a 2.6 percent increase over this year's funding. DOE will continue to roll out [the efficiency standards that](#) AAF experts have found to be damaging, support robust funding for the applied energy programs that have yielded successful technologies for the energy sector, and bolster relatively newer initiatives aimed at manufacturing and advanced transportation technologies. This budget again calls for the elimination of \$4 billion in tax incentives for the oil, gas, and coal industry. This appeal continues to sound punitive outside the scope of comprehensive corporate tax reform and with an ever-growing regulatory burden placed on the fossil fuel industry.

Permitting efforts at the Department of Interior are a bright spot in the budget. While the energy boom has primarily been on private lands, [the federal government holds 72 percent of all oil shale acreage and is due to be a prime target for new development](#). Calling for an 18 percent increase in funding for onshore oil and gas leasing, including \$48 million in new inspection fees, this budget would increase funding for permitting while isolating a significant portion of support from the unpredictable appropriations process. Though new fees will certainly be a tough pill for the industry, improving the stability of the funding stream is an important step toward increasing certainty in permitting. The budget also supports Interior's continued reforms for offshore oil & gas permitting initiated by the 2010 Deepwater Horizon oil spill and a new emphasis on opening Arctic waters to drilling operations with \$375 million for the offshore permitting and oversight bureaus.

The Environmental Protection Agency, the Departments of Energy, and Interior also all receive funding to support the Opportunity, Growth, and Security Initiative, an innovative, if entirely redundant, multi-agency approach to supporting priorities across the government. The initiative will target education, national security, infrastructure, research and development, manufacturing, climate change preparedness, and a host of other initiatives with \$56 billion in collective funding.