Senate Energy and Water Appropriations Bill and Report

The Senate Appropriations Committee approved a FY2017 Energy and Water Appropriations bill on May 24. The bill includes $43.8 billion overall for the Department of Energy (DOE), U.S. Army Corps of Engineers (USACE), and some programs within the Department of Interior, which is $566 million above the FY2018 enacted level and $7.24 billion above the President’s budget request. More specifically, the bill includes $6.93 billion for the USACE, which is $100 million above the current federal spending on the Corps, and $13.3 billion on Energy Programs, which is $379 million above the FY2018 enacted level and $9.5 billion above the President's budget request.

<table>
<thead>
<tr>
<th>Program (funding levels in millions of dollars)</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19 POTUS Request</th>
<th>FY19 Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Delivery &amp; Energy Reliability</td>
<td>206</td>
<td>230</td>
<td>248</td>
<td>157(^1)</td>
<td>260(^1)</td>
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<tr>
<td>Energy Efficiency &amp; Renewable Energy</td>
<td>2,073</td>
<td>2,090</td>
<td>2,322</td>
<td>1,383</td>
<td>2,322</td>
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<td>Weatherization Assistance Program</td>
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<td>225</td>
<td>248</td>
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<td>Energy Information Administration</td>
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<td>122</td>
<td>125</td>
<td>115</td>
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<td>Advanced Manufacturing Office</td>
<td>228.5</td>
<td>257.5</td>
<td>305</td>
<td>167</td>
<td>311</td>
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<td>Building Technologies Program</td>
<td>200.5</td>
<td>67.5</td>
<td>221</td>
<td>121</td>
<td>225</td>
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<td>Environmental Management Program</td>
<td>19.8</td>
<td>20</td>
<td>33.2</td>
<td>33.2</td>
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<tr>
<td>Upper Mississippi River</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Mississippi River and Tributaries</td>
<td>345</td>
<td>363</td>
<td>425</td>
<td>245</td>
<td>350</td>
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<td>Harbor Maintenance Trust Fund</td>
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<td>1,300</td>
<td>1,400</td>
<td>965</td>
<td>1,528</td>
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<td>Great Lakes and Mississippi River Interbasin Study</td>
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<td>2.6</td>
<td>1.85</td>
<td>.2</td>
<td>.2</td>
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</tbody>
</table>

Other notable funding and provisions:

**Army Corps of Engineers**

**Asian Carp**

The Senate Report includes language instructing the the Secretary of the Army, acting through the Chief of Engineers, to make every effort to submit to Congress the Report of the Chief of Engineers for the Brandon Road feasibility study according to the original published schedule of February 2019. The Corps is encouraged to allocate sufficient funding provided in this act to ensure the Report of the Chief of Engineers for the Brandon Road feasibility study is published in this timeframe. The Corps is also directed to provide quarterly updates to the Committees on Appropriations of both Houses of Congress on the progress and status of efforts to prevent the further spread of Asian carp as well as the location

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\(^1\) The President’s FY19 budget proposes to split the Electricity Delivery and Energy Reliability account into two accounts to increase focus on grid reliability (Electricity Delivery) and cybersecurity (CESER). This number reflects both accounts.
and density of carp populations, including the use of emergency procedures. The Corps shall continue to collaborate with the U.S. Coast Guard, the U.S. Fish and Wildlife Service, the State of Illinois, and members of the Asian Carp Regional Coordinating Committee to identify and evaluate whether navigation protocols would be beneficial or effective in reducing the risk of vessels inadvertently carrying aquatic invasive species, including Asian carp, through the Brandon Road Lock and Dam in Joliet, Illinois. Any findings of such an evaluation shall be included in the quarterly briefings to the Committees. The Corps is further directed to implement navigation protocols shown to be effective at reducing the risk of entrainment without jeopardizing the safety of vessels and crews within 90 days of enactment of this act. The Corps and other Federal and State agencies are conducting ongoing research on potential solutions.

**Army Corps’ Work Plan**

The Senate Report states that within 60 days of passage the Corps shall provide to the Committees on Appropriations of both Houses of Congress a work plan consistent with the following general guidance, as well as the specific direction the Committee provides within each account: (1) a detailed description of the rating system(s) developed and used to evaluate studies and projects; (2) delineation of how these funds are to be allocated; (3) a summary of the work to be accomplished with each allocation, including phase of work and the study or project’s remaining cost to complete (excluding Operation and Maintenance); and (4) a list of all studies and projects that were considered eligible for funding but did not receive funding, including an explanation of whether the study or project could have used funds in fiscal year 2019 and the specific reasons each study or project was considered as being less competitive for an allocation of funds. The work plan shall include a single group of new starts for Investigations and Construction. None of the funds may be used for any item for which the Committee has specifically denied funding. The Committee urges the Corps within its Flood and Coastal Storm Damage Reduction mission to strive for a balance between inland and coastal projects.

**Chicago Sanitary and Ship Canal Dispersal Barrier**

The Senate Report includes $18.92 million in the Operation and Maintenance account to operate the electric fish barrier at the Chicago Sanitary and Ship Canal for FY2019, level with the President’s request. Additionally, the Senate Report includes language in the Construction Account stating that the issue of hydrologic separation should be fully studied by the Corps and vetted by the appropriate congressional authorizing committees and specifically enacted into law. No funds provided in this act may be used for construction of hydrologic separation measures.

**Disposal of Dredged Sediment**

The Senate Bill prohibits the use of funds for open lake placement of dredged materials in Lake Erie.

**New Starts**

The Senate Report recommends seven new study starts and six new construction starts to be distributed across the authorized mission areas of the Corps. Of the new starts in Investigations, two shall be for navigation studies, two shall be for flood and storm damage reduction studies, one shall be for an environmental restoration study, and two shall be for navigation, flood and storm damage reduction, environmental restoration, or multi-purpose studies. Of the new study starts for navigation, one shall be for a Small, Remote, or Subsistence Harbor. Of the new study starts for flood and storm damage reduction, one shall be for a multi-purpose watershed study to assess coastal resiliency. Of the new construction starts, one shall be for a navigation project, one shall be for a flood and storm damage reduction project, one shall be for an additional navigation or flood and storm damage reduction project, two shall be for environmental restoration projects, and one shall be for a navigation, flood and storm damage reduction, environmental restoration, or multi-purpose project.

June 1, 2018
Aquatic Plant Control Program
The Senate Report recommends that out of the $12 million included for Aquatic Plant Control, that $1 million shall be for activities for the control of flowering rush. Of the funding recommended for the Aquatic Plant Control Program, $5 million shall be for nationwide research and development to address invasive aquatic plants; within this funding, the Corps is encouraged to support cost-shared aquatic plant management programs. Of the funding recommended for the Aquatic Plant Control Program, $6 million shall be for watercraft inspection stations.

Continuing Authorities Program (CAP)
The Senate Report recommends $53,817,000 for CAP, an increase of $50,817,000 from the budget request. Within the CAP, the Corps is encouraged to consider projects that enhance coastal and ocean ecosystem resiliency.

Mid-Chesapeake Bay Island, Maryland (Investigations)
The Senate Report includes language stating that the Corps has completed the supplemental chief’s report and is awaiting approval from the administration before budgeting for the Mid-Chesapeake Bay Island Project (James and Barren Islands) and encourages the Corps to provide funding for PED for this project through the annual budget process or with additional funds.

Oyster Reefs
The Senate Report includes language supporting additional research and development of sustainable oyster reefs. The Report recognizes the importance of sustainable oyster reefs for protecting vital navigation channels and coastal infrastructure, supporting commercial fisheries, and maintaining healthy ecosystems. Recent restoration efforts have not achieved the intended success for U.S. oyster populations, and the identification of effective restoration strategies remains a critical gap. The Corps is encouraged to develop partnerships with research universities to leverage expertise and enhance the Engineer Research and Development Center’s mission.

Additionally, the Senate Report includes language focusing on the water quality and salinity impacts on oyster reefs. The Report encourages the Corps, when conducting or reviewing environmental assessments or environmental impact statements for navigation or coastal restoration projects in areas where oyster reefs exist, to consider water quality and salinity impacts on those reefs and, when appropriate, to mitigate any negative impacts. The Committee also looks forward to the Corps’ completion of the Congressionally-required assessment and report on the beneficial use of dredged material as substrate for oyster reef development.

And finally, the Senate Report includes language supporting the Chesapeake Bay Oyster Restoration Program and encourages the Corps to provide sufficient funding in future budget submissions or the fiscal year 2019 work plan.

Upper Mississippi River-Illinois Waterway System (Investigations)
The Senate Report states the Committee is concerned that despite longstanding bipartisan support from Congress for the Navigation Ecosystem Sustainability Program [NESP], the Corps has failed to move forward on this project. The Committee recognizes that an updated economic analysis of the project is necessary to produce a benefit-to-cost ratio [BCR], which will inform how the Corps is able to move forward to construction of the project. The Corps is directed to determine the necessary cost and scope of this analysis and report to the Committees on Appropriations of both Houses of Congress on their
findings within 30 days of enactment of this act. This analysis shall also consider the benefits of potentially re-scoping the project.

*Upper Des Plaines River and Tributaries Project (Investigations)*
The Senate Report confirms that the Committee is aware that the project area was flooded with record high crests overflowing the Des Plaines River last summer, resulting in damage to more than 3,200 residences. The Committee urges the Corps to move forward with design of the flood damage reduction project, while the non-federal sponsor prepares a proposal for advance work on a number of flood features under Section 204 of the Water Resources Development Act of 1986, as amended.

*Cook County Environmental Infrastructure (Construction)*
The Senate Report states that the Committee is aware of the high level of interest in Cook County for additional resources for the Section 219 Cook County Infrastructure Project. Given Cook County’s population of 5.2 million people, the Committee urges the Corps to support the project at a higher funding level to address the wide and expansive range of needs in this County.

*Natural Infrastructure Options (Construction)*
The Senate Report directs the Corps to engage with State and local government and non-profit organizations, where appropriate, on projects in diverse geographic areas to evaluate the effectiveness of a variety of natural infrastructure options, such as shellfish reef and natural vegetation, in order to promote resiliency and reduce damage from coastal erosion, storm surge, and flooding. Such features should be incorporated into approved projects where appropriate and effective.

*Aquatic Nuisance Research Program (Operation and Maintenance)*
The Senate Report includes $675,000 for the USACE’s Aquatic Nuisance Research Program.

*Coastal Inlet Research Program*
The Senate Report includes language that states that communities, infrastructure, commerce, and resources that are tied to the coastal nearshore region are all vulnerable to damage from extreme coastal events and long-term coastal change. The Committee recommends additional funding to establish a multiuniversity-led effort to identify engineering frameworks to address coastal resilience needs, to develop adaptive pathways that lead to coastal resilience, measure the coastal forces that lead to infrastructure damage and erosion during extreme storm events, and to improve coupling of terrestrial and coastal models. Funding in addition to the budget request is also recommended for the Corps to continue work with the National Oceanic and Atmospheric Administration’s National Water Center on protecting the Nation’s water resources.

*WIFIA Planning and Development*
The Senate Report includes language stating that the Environmental Protection Agency’s Water Infrastructure Finance and Innovation Act (WIFIA) program was initiated in fiscal year 2015, but to date, the Corps has not requested funding nor provided requested information on how a corresponding program for the Civil Works program would be implemented. Therefore, the Corps again is directed to provide to the Committees on Appropriations of both Houses of Congress a detailed plan for how WIFIA would be implemented, including an estimated schedule for when funding could be used to provide loans. The Committee recommends an additional $1,000,000 in this account to continue that effort.

June 1, 2018
Department of Energy

Vehicle Technologies
The Senate Report includes $337,500,000 for Vehicle Technologies, of which not less than $163,200,000 for Battery and Electrification Technologies to lower the cost of batteries across light-, medium- and heavy-duty vehicles.

Clean Cities
The Senate Report includes $37,800,000 in the Vehicle Technologies Account for the Clean Cities Program. The Department is encouraged to ensure balance in the award of funds to achieve varied aims in fostering broader adoption of clean vehicles and installation of supporting infrastructure. The Committee further encourages the Department to prioritize projects in States where the transportation sector is responsible for a higher percentage of the State’s total energy consumption and is the largest source of greenhouse gases.

Advanced Manufacturing
The Senate Report includes $311,000,000 for Advanced Manufacturing, of which $80,000,000 is for Advanced Manufacturing Research and Development Projects. This account includes $56,000,000 to support four Clean Energy Manufacturing Institutes (CEMIs), including $14,000,000 each for the Smart Manufacturing Innovation Institute, the Reducing Embodied-energy and Decreasing Emissions (REMADE) Institute, and the Rapid Advancement in Process Intensification Deployment (RAPID) Institute, and a CEMI selection to be announced. Additionally, the Report directs the Department of Energy to develop a national smart manufacturing plan that will identify areas where the Department can facilitate more rapid development, deployment and adoption of smart manufacturing technologies. The Department shall submit a plan to the Committees on Appropriations of both Houses of Congress not later than 180 days after the enactment of this act.

ARPA-E
The Senate Report includes $375 million for the Advanced Research Projects Agency-Energy (ARPA-E). The Report language strongly denounces the Administration’s proposal to eliminate ARPA–E stating that the Committee definitively rejects the short-sighted proposal to terminate ARPA–E, and instead increases investment in this transformational program and directs the Department to continue to spend funds provided on research and development and program direction. The Department shall not use any appropriated funds to plan or execute the termination of ARPA–E.

Northeast Home Heating Oil Reserve
The House Report includes $10 million for the Northeast Home Heating Oil Reserve, which is $3.5 million more than what was requested by the President and appropriated in FY18.

June 1, 2018