

STATEMENT OF
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U.S. DEPARTMENT OF ENERGY

BEFORE THE
COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

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Chairman Dorgan, Vice Chairman Murkowski, and Members of the Committee, I am Steve Morello, Deputy Assistant Secretary for Intergovernmental and External Affairs, Director of the Office of Indian Energy Policy and Programs, and a proud citizen of the Sault Ste Marie Tribe of Chippewa Indians. I would like to thank you for the opportunity to discuss the Department of Energy's implementation of the tribal provisions in the Energy Policy Act of 2005.

The Department has long recognized the important role that American Indian and Alaskan and Hawaiian Natives play in the development of environmentally sound energy technology and renewable energy production. We look forward to continued successful relationships with tribal governments as we work together to meet the growing demand for affordable, clean and reliable energy.

The Department of Energy has taken several steps to implement the tribal provisions of Title V of the Energy Policy Act of 2005 ("EPACT"). In September 2007, Secretary Bodman named me to be the first Director of the Office of Indian Energy Policy and Programs. This Office was created in Title V of EPACT, Pub. L. 109-58, August 5, 2005.

The Office is part of the Office of Congressional and Intergovernmental Affairs. In addition, the Department has requested other funding that supports preexisting tribal programs that continue the important mission of promoting opportunities for tribes to participate in the work of DOE's program offices.

One tribal energy assistance program at the Department is the Tribal Energy Program within the Office of Energy Efficiency and Renewable Energy ("EERE"). This Program offers financial and technical assistance to tribes through government-to-government partnerships that enable tribal leaders to power Indian reservations with clean, renewable energy; enhance education and training for tribal nations on various energy options; and improve local tribal economies and the environment.

To support this mission, DOE has issued two funding opportunity announcements for the deployment of renewable energy and energy efficiency in Indian Country. The hope is through

the resulting projects DOE's investment of \$4.5 million in FY2008 will reduce tribes' use of fossil fuel and enable economic development within these Native communities.

In FY 2009 the EERE tribal program will continue critical energy assessment and technical assistance activities. Also, the activities will include ongoing project/program management, training, internships, and technical assistance through DOE laboratories.

Another initiative is a Tribal Electrification study to support tribal acquisitions of energy, as contemplated by Title V. DOE is commissioning this study in the Office of Electricity Delivery and Energy Reliability. This study is being conducted by the Chickasaw Nation with the goal of determining where the greatest needs for electrification exist on the reservation. Upon completion of this study, it will provide a road map of next steps in this important matter.

Section 503 of EPACT, which added new provisions to Title XXVI of the Energy Policy Act of 1992, mandated a report on "the use by Indian tribes of Federal power allocations of the power marketing administration (or power sold by the Southwestern Power Administration) to or for the benefit of Indian tribes in a service area of the power marketing administration." (EPACT used the singular "power marketing administration" although there are four such administrations.) This report was submitted to Congress in December 2007.

Another provision of interest to tribal governments is the tribal loan guarantees authorized under Title V of EPACT. While DOE isn't implementing Title V loan guarantees at this time, tribal governments and entities are permitted to participate in Title XVII solicitations issued by the Department's Loan Guarantee Office. The Title XVII program is designed for projects that employ advanced technologies that avoid, reduce, or sequester air pollutants or anthropogenic (manmade) emissions of greenhouse gases. Under the Consolidated Appropriations Act for 2008, DOE has authority until September 30, 2009 to issue loan guarantees for qualified projects such as Uranium Enrichment, Coal Based Power, Advanced Coal Gasification, Renewables, and Electricity Delivery. It is anticipated that future solicitations will be forthcoming in the near future announcing the availability and methods of applying for loan guarantees.

Last month, DOE announced plans to issue solicitations this summer for up to \$38.5 billion for the most promising nuclear projects; efficiency, renewable energy and electricity infrastructure projects; and advanced fossil energy projects that avoid, reduce or sequester greenhouse gas emissions. This will mark the second and third rounds of solicitations for DOE's Loan Guarantee program, which encourages the development of advanced energy technologies and is an important step in spurring investment in clean energy projects.

In my time as Director, I have focused on working with tribal governments and entities to create appropriate partnerships in energy development, and have traveled extensively throughout Indian country to do so.

An example occurred last fall during the Department's Solar Decathlon in Washington, DC. This event drew over 100,000 people to the National Mall where zero-emissions solar powered homes showcased the ingenuity of college students who incorporated energy efficient measures and available technology. My office hosted a delegation of tribal leaders, Tribal College and

Universities' ("TCUs") administrators, and federal agency personnel, and together we toured the homes. We were able to highlight available clean energy technologies and demonstrate the energy saving potential and economic development opportunities. We hope that a TCU will compete for selection as a future Solar Decathlon team.

My office has not only reached out to Indian Country and others, but we have worked internally as well through the DOE senior-level Tribal Steering Committee. The committee meets monthly to coordinate between and among the program offices about tribal energy issues that affect DOE. Through this committee, we can harness the resources of various program offices and successfully collaborate on issues of importance to Indian Country. As Director, I chair these meetings, and I find this group to be an important component in maximizing opportunities for the Indian Country.

Additionally, my office supports an important initiative started by the White House Indian Affairs Executive Working Group. Working with several federal agencies, we created an "Indian 101" online training program to educate federal government employees on the unique status of Indian tribes, and how their historical relationship with the federal government affects government programs, responsibilities, and initiatives. My office aims to promote this training for DOE employees at headquarters and across the complex as well as at other federal agencies.

We are confident that our current and future activities with tribes will assist us in delivering a balanced and diverse portfolio of solutions to address the urgent energy and environmental challenges facing our country today. We hope that more tribes will become our partners in accelerating the development of clean and renewable energy technologies to dramatically increase the amount of clean energy produced in the United States.

This concludes my prepared statement and I would be pleased to answer any questions the Committee may have.