

Congress passes energy appropriations package including increases for EM, NE, NNSA and Science

Congress approved a package of spending bills that includes Fiscal Year 2020 funding for DOE. Congress reached an agreement that will provide increases to the Office of Environmental Management (EM), Office of Nuclear Energy (NE), Office of Science, and more. President Trump is expected to sign the bill before current federal government funding expires on December 21.

DOE spending will increase nearly \$3 billion for a total of \$38.5 billion in FY 2020. Of that amount, **defense environmental cleanup** funding will be increased \$231 million for a total of \$6.2 billion—the highest level of funding in at least 10 years.

The **National Nuclear Security Administration** will continue to see record budgets, as the appropriations bill provides \$16.7 billion for the agency (a \$1.5 billion increase over the FY 2019 level). The bill increases **Office of Science** spending to \$7 billion and **Office of Nuclear Energy (NE)** spending to \$1.49 billion.

Consistent with the NDAA and spending bills in recent years, Congress did not appropriate any money for **Yucca Mountain** construction or licensing activities.

The bill includes \$75 million for cleanup at the **West Valley Demonstration Project**. After the funding was accepted in the omnibus bill, Sens. Chuck Schumer (D-NY) and Kirsten Gillibrand (D-NY) noted in a press release, “The funding will be used to continue remediating millions of gallons of nuclear waste from the **West Valley Reprocessing Plant**, which presents a massive threat to public health...After years of neglect, this \$75 million federal investment will fully fund this year's cleanup in **West Valley**.”

In the defense appropriations bill, Congress allocated \$60 million for the Defense Community Infrastructure Program, a new program that provides assistance to local governments to improve infrastructure in communities surrounding military bases. The program recognizes that improving off-base infrastructure—such as roads, schools, or utilities—contributes to readiness and quality of life for defense communities. DOE should establish a similar system that could improve infrastructure that benefit both the DOE site and those living in nearby communities.

The passage of the appropriations package comes after Congress had to pass two continuing resolutions to keep the government funded past the fiscal year deadline on September 30 this year.

Congress sends FY 2020 NDAA to President Trump

The National Defense Authorization Act (NDAA) authorizes a total of \$23 billion for the Department of Energy’s national security programs, which is around \$100 below the President’s request.

The bill authorizes a continuously growing **NNSA** budget of \$16.5 billion, which is \$1.3 billion above the FY 2019 enacted level.

The \$5.5 billion authorized for **defense environmental cleanup** would be the lowest level of funding since FY 2017. The bill also authorizes \$162 million for the **Office of Legacy Management**.



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While the President requested \$26 million for **Yucca Mountain** licensing activities, Congress did not include an authorization for those activities in the final NDAA bill.

The final bill also includes several policy measures impacting nuclear security and environmental cleanup efforts. Regarding NNSA's plutonium pit production plan, the NDAA would amend the Atomic Energy Defense Act by "repeal[ing] the requirement for the NNSA to demonstrate for 90 days by 2029 the capability to produce pits at a rate sufficient to produce 80 pits per year, and replace it with a requirement to produce no fewer than 80 pits per year in 2030."

The NDAA would prohibit any FY 2020 funds to be used to apply DOE's interpretation of the definition of high-level waste within the State of Washington, impacting sites such as Hanford. The conference committee's joint explanatory statement added, "The conferees note that the inclusion of the provision does not prejudice how to process high-level waste nor does it discourage the use of the Department of Energy's interpretation of high-level waste in future years or at other locations." This provision originated as an amendment proposed by House Armed Services Committee Chairman Adam Smith (D-WA).

Regarding NNSA's workforce, the NDAA modifies the annual report that is submitted by the NNSA Administrator to include an analysis of how appropriations are supporting NNSA service contracts. The bill also increases the workforce in the Office of the Administrator by 200 employees to a total of 1,890.

Additionally, the bill would require the Secretary of Energy to begin submitting reports to Congress that estimate the costs of meeting defense environmental cleanup milestones required by consent orders. For each defense nuclear facility with consent orders establishing cleanup milestones, the Secretary must explain the cost of meeting those milestones for the current fiscal year and estimate the cost for the upcoming four fiscal years.

The NDAA also includes several provisions related to energy resilience. For example, new reporting requirements by the Secretary of Defense and increased funding are expected to address how federal facilities will improve resilience to climate change and cyber threats. DOD seems to be well ahead of NNSA on focusing on these critical issues at military bases.

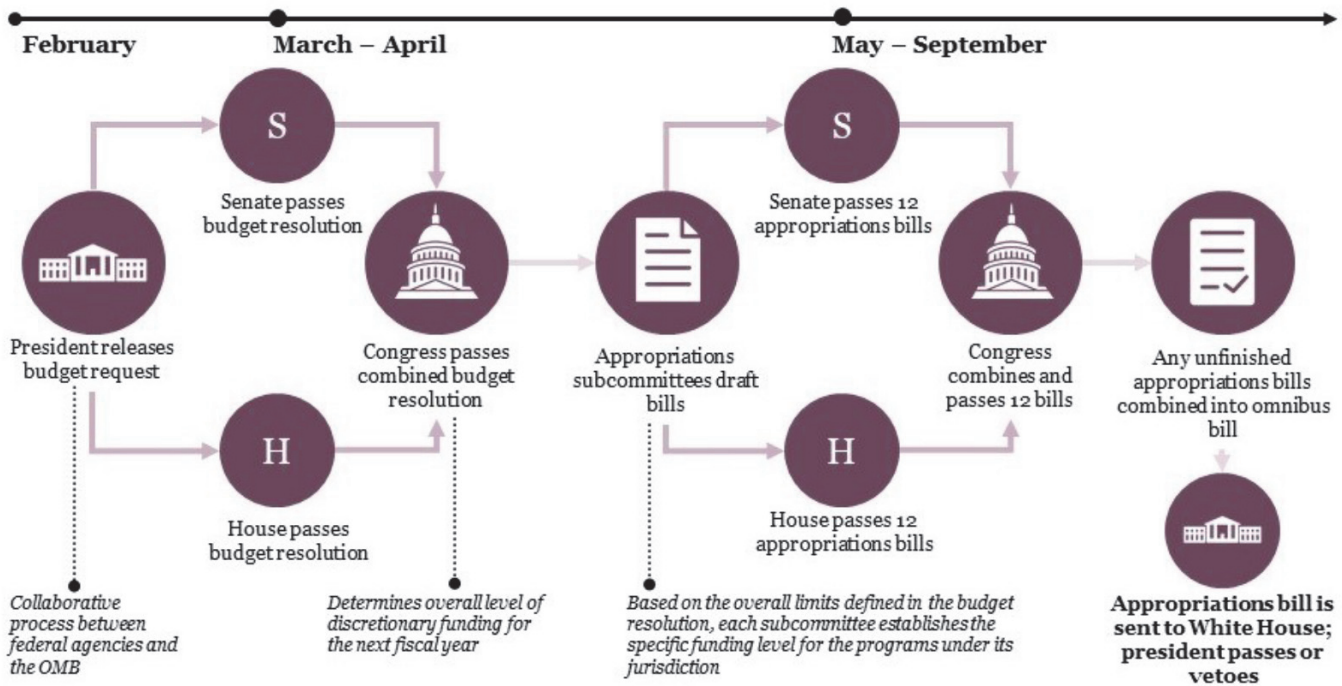
ECA has [closely followed](#) how DOE and the Defense Nuclear Facilities Safety Board (DNFSB) interface after DOE's announcement of Order 140.1 in May 2018. The NDAA would establish several policies to address their interfacing. For example, the bill would require the Secretary of Energy to provide written notification of any denial of a written request for access to information made by the Board and explain to Congress the reasons for such denials. Furthermore, the bill would require DOE "to provide to the Board prompt and unfettered access to facilities within its purview, regardless of hazard or risk category of such facilities."

With the NDAA in the Senate's hands now, House leaders hope to vote on a full-year energy appropriations bill on Tuesday. Since October, the federal government has been operating under the last fiscal year's funding levels through a series of short-term stopgap funding measures.

Stay updated on the latest NDAA and energy appropriations action with ECA's [budget tracker tool](#).

2020 Appropriations Process

Once a program is authorized, it can be funded through an appropriations bill



| Department of Energy Budget & Appropriations Highlights* | | | |
|---|----------------------------|----------------------------|----------------------------|
| (amounts in thousands of dollars) | | | |
| | FY 2019 Enacted | FY 2020 Request | FY 2020 Omnibus |
| DEPARTMENT OF ENERGY | 35,685,317 | 31,702,5298 | 37,087,431 |
| Environmental Management | 7,175,129 | 6,469,093 | 7,455,200 |
| Defense Environmental Cleanup | 6,024,000 | 5,508,501 | 6,255,000 |
| Hanford/Richland | 885,171 | 628,820 | 912,023 |
| Office of River Protection | 1,573,000 | 1,392,480 | 1,616,000 |
| Idaho National Laboratory | 433,200 | 334,854 | 433,500 |
| Lawrence Livermore National Laboratory | 1,704 | 1,727 | 1,727 |
| Separations Process Research Unit | 15,000 | 15,300 | 15,300 |
| Nevada NNSA Sites | 60,136 | 60,737 | 60,737 |
| Sandia National Laboratory | 2,600 | 2,652 | 2,652 |
| Los Alamos National Laboratory | 220,000 | 195,462 | 220,000 |
| Oak Ridge Reservation | 410,000 | 292,781 | 450,000 |
| Savannah River Site | 1,387,657 | 1,463,132 | 1,455,772 |
| Waste Isolation Pilot Plant | 396,907 | 391,642 | 396,907 |
| Non-Defense Environmental Cleanup | 310,000 | 247,480 | 319,200 |
| West Valley Demonstration Project | 75,000 | 75,215 | 75,215 |
| Gaseous Diffusion Plants | 101,304 | 103,073 | 113,085 |
| Small Sites | 131,456 | 66,692 | 127,000 |
| Uranium Enrichment Decontamination & Decommissioning Fund | 841,129 | 715,112 | 881,000 |
| Oak Ridge | 195,000 | 109,439 | 195,693 |
| Paducah | 206,000 | 207,215 | 240,000 |
| Portsmouth | 408,099 | 355,661 | 418,295 |
| Legacy Management | 158,877 | 303,029 | 162,029 |
| National Nuclear Security Administration | 15,228,618 | 16,485,000 | 16,704,592 |
| Weapons Activities | 11,100,000 | 12,408,603 | 12,457,097 |
| Defense Nuclear Nonproliferation | 1,930,000 | 1,993,302 | 2,164,400 |
| Naval Reactors | 1,788,618 | 1,648,396 | 1,648,396 |
| Nuclear Energy | 1,326,090 | 824,000 | 1,493,408 |
| Science | 6,585,000 | 5,545,972 | 7,000,000 |
| Yucca Mountain and Interim Storage | 0 | 116,000 | 0 |
| Nuclear Waste Disposal | 0 | 90,000 | 0 |
| Defense Nuclear Waste Disposal | 0 | 26,000 | 0 |

* These figures are compiled from different sources: the Office of Management and Budget, Congressional Appropriations Committee reports, DOE budget justifications, and various press releases. There are some discrepancies in how each source calculates government spending.

EM Moving Forward with Contractor Selections

DOE awards Hanford Mission Essential Services Contract



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On December 5, DOE [announced](#) that Hanford Mission Integration Solutions (HMIS), LLC was awarded the Hanford Mission Essential Services Contract (HMESC). HMIS LLC is made up of Leidos Integrated Technology, LLC; Centerra Group, LLC; and Parsons Government Services, Inc.

The \$4 billion award has a 5-year base period of performance and a 120-day transition period. There is a potential 3-year option period and an additional 2-year option period.

According to DOE, "HMIS will provide site services, security and emergency services, land management services, and information technology services; manage the Hazardous Material Management and Emergency Response (HAMMER) Federal Training Center; maintain vital infrastructure; and perform infrastructure upgrades (e.g., electric, water, roads), as well as build future infrastructure to support operation of the Waste Treatment and Immobilization Plant. This contract includes a new concept where the contractor provides assistance to DOE in the solicitation and administration of DOE's small business prime contracts."

ECA's [November bulletin](#) included an analysis of 31 major active EM contracts, 14 of which will expire in 2020. The upcoming expiring contracts include:

- **Environmental Program Services in Nevada** (expiring 1/31/2020) (Navarro, Inc.)
- **Security Services at Savannah River Site** (expiring 2/7/2020) (Centerra Group, LLC)
- **West Valley Demonstration Project Interim End State** (completion contract, expiring 3/9/2020) (CH2MHill-Babcock and Wilcox West Valley, LLC)
- **NRC Licensed Facilities Management Contract in Idaho** (expiring 3/31/2020) (Spectra Tech, LLC)
- **Decontamination & Decommissioning Project for the East Tennessee Technology Park** (expiring 7/31/2020) (URS/CH2M Hill Oak Ridge UCOR, LLC)
- **Hanford 222-S Laboratory Analysis and Testing Services** (expiring 9/20/2020) (Wastren Advantage, Inc.)
- **Waste Isolation Pilot Plant Management and Operating Contract** (expiring 9/30/2020) (Nuclear Waste Partnership, LLC)
- **Tank Operations Contract at Hanford** (expiring 9/30/2020) (Washington River Protection Solutions, LLC)
- **Paducah Infrastructure Services** (expiring 9/30/2020) (Swift and Staley, Inc.)
- **Design, Construction and Commissioning of the Salt Waste Processing Facility at Savannah River Site** (completion contract, expiring 9/30/2020) (Parsons Government Services, Inc.)
- **Savannah River Liquid Waste Program** (expiring 9/30/2020) (Savannah River Remediation, LLC)
- **Management and Operation (M&O) of the Savannah River Site** (expiring 9/30/2020) (Savannah River Nuclear Solutions, LLC)
- **Transuranic Waste Processing at Oak Ridge** (expiring 10/26/2020) (North Wind Solutions, LLC)
- **Carlsbad Technical Assistance Contract** (expiring 12/3/2020) (Portage, Inc.)



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According to DOE, anticipated evaluations or awards to be completed in March-May 2020 include the cleanup contract at Oak Ridge Reservation; Nationwide Deactivation, Decommissioning & Removal (DD&R); and the Idaho Cleanup Project contract.

Additional information about the Hanford Mission Essential Services Contract is available via the procurement website [here](#).