CRS Insights

The Quadrennial Energy Review Michael Ratner, Specialist in Energy Policy (<u>mratner@crs.loc.gov</u>, 7-9529) March 20, 2015 (IN10248)

The first ever installment of the Quadrennial Energy Review (QER) was due to the President January 31, 2015, according to the <u>Presidential Memorandum—Establishing a Quadrennial Energy Review</u>. President Obama established the QER process, which is fashioned on the more well-known Quadrennial Defense Review, on January 9, 2014, in part to develop "a comprehensive and integrated energy strategy resulting from interagency dialogue and active engagement of external stakeholders." The QER is to be based on the Administration's <u>Blueprint for a Secure Energy Future</u> (March 30, 2011) and the <u>Climate Action Plan</u> (June 25, 2013). The concept of the QER was mentioned in the <u>Report to the</u> <u>President on Accelerating the Pace of Change in Energy Technologies Through an Integrated Federal Energy Policy</u> (November 2010) by the President's Council of Advisors on Science and Technology, which included current Secretary of Energy Moniz.

The Department of Energy was singled out in the Presidential Memorandum and directed to "... provide support for the [Quadrennial Energy Review] Task Force, including support for coordination activities related to the preparation of the Quadrennial Energy Review Report, policy analysis and modeling, and stakeholder engagement." However, the QER Task Force is led by the Director of the <u>Office of Science</u> and <u>Technology Policy</u>, and the Deputy Assistant to the President for Energy and Climate Change from the <u>Domestic Policy Council</u>, and includes representatives from 22 federal agencies. As stated in Section 2 of the Presidential Memorandum there are four main points of the QER:

- provides an integrated view of, and recommendations for, federal energy policy in the context of
 economic, environmental, occupational, security, and health and safety priorities, with attention in
 the first report given to the challenges facing the nation's energy infrastructures;
- reviews the adequacy, with respect to energy policy, of existing executive and legislative actions, and recommends additional executive and legislative actions as appropriate;
- assesses and recommends priorities for research, development, and demonstration programs to support key energy-innovation goals; and
- identifies analytical tools and data needed to support further policy development and implementation.

The first QER report is to focus on U.S. energy infrastructure, specifically transmission, storage, and distribution (TS&D), looking out to 2030. The main purpose of TS&D is to connect suppliers of energy with consumers of energy. The increase in domestic energy supplies in recent years, particularly in regions of the country not known for energy production, has raised questions about the adequacy of U.S. energy infrastructure to move the new sources of energy, especially oil and natural gas, to market. Additionally, much U.S. TS&D is relatively old and in need of repair and of upgrade. For example, older natural gas distribution pipelines that are made of cast iron, wrought iron, or bare steel are more vulnerable to accidents than newer pipes.

The QER is supposed to be an actionable document that presents data and analysis on the challenges, requirements, and barriers facing the U.S. energy sector. Some topics that will likely be included in the first QER and may be of interest to Congress are reforming the Strategic Petroleum Reserve, natural gas and crude oil exports, electrical grid reliability, cybersecurity, port congestion, effects of climate change, data requirements, and jobs. In addition to the QER document, the supporting analysis commissioned by DOE as well as stakeholder input will be available.

Despite the delay in releasing the QER, Congress has already expressed an interest in its findings and recommendations. The Senate Energy and Natural Resources Committee has scheduled a <u>hearing on</u> the QER for March 26, 2015.