

GAO Highlights

Highlights of [GAO-18-278](#), a report to the Ranking Member, Committee on Science, Space, and Technology, House of Representatives

Why GAO Did This Study

ARPA-E provides funding for research to overcome long-term and high-risk technological barriers in developing energy technologies. Since 2009, ARPA-E has awarded approximately \$1.3 billion to universities, public and private companies, and national laboratories to fund energy research projects. Starting in May 2017, DOE began reviewing its financial assistance department-wide, including ARPA-E's, to determine if it met the administration's priorities.

GAO was asked to examine this review process as it pertained to ARPA-E. This report describes (1) how DOE implemented the financial assistance review process; and (2) the perspectives of ARPA-E selectees on the impacts of the review process.

GAO reviewed documents and interviewed officials at ARPA-E and DOE's Office of Management, which coordinated the review. GAO also interviewed a nonprobability sample of 10 of the 68 ARPA-E award selectees whose financial assistance was evaluated under the review. GAO identified selectees to interview based on representation across ARPA-E's recipient types, including universities, private companies, and national laboratories, among other criteria. While the views of selectees GAO interviewed cannot be generalized to all affected ARPA-E selectees, they provide illustrative examples of the effects of DOE's review.

What GAO Recommends

GAO is not making any recommendations. DOE provided technical comments, which GAO incorporated as appropriate.

View [GAO-18-278](#). For more information, contact John Neumann at (202) 512-3841 or neumannj@gao.gov.

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DEPARTMENT OF ENERGY

New Process to Review Financial Assistance for Research Projects Created Uncertainty

What GAO Found

The Department of Energy (DOE) developed and implemented a new process to review its financial assistance to ensure that all new work funded by the department—including by DOE's Advanced Research Projects Agency-Energy (ARPA-E)—was consistent with the current administration's priorities. The review process covered funding opportunity announcements as well as certain other types of financial assistance. New awards were delayed until the review of the underlying financial assistance opportunity was completed. DOE reviewed and approved ARPA-E's financial assistance on a rolling basis from May through September 2017, and nearly all ARPA-E financial assistance was approved. DOE Office of Management officials met with ARPA-E officials on several occasions to discuss their review of ARPA-E financial assistance. DOE officials GAO interviewed said they wanted to complete the review as quickly as possible to minimize effects on DOE programs. GAO determined that the delay was not reportable under the Impoundment Control Act. The Impoundment Control Act requires the President to notify Congress if an agency wants to withhold the obligation of funds. GAO has separately informed Congress of an impoundment of \$91 million in funds that were not allocated to any financial assistance awards, and was not related to DOE's review process.

According to the 10 ARPA-E project selectees GAO interviewed, DOE's financial assistance review process created uncertainty, which led to a variety of project impacts. The impacts most commonly cited by selectees included potentially delayed project timelines, as well as difficulties in staffing their project teams, among other impacts as shown below.

Examples of Department of Energy Review Process Impacts Cited by Selectees

Examples from selectees	
<ul style="list-style-type: none">• Potentially delaying project timelines• Creating difficulties in hiring and retaining staff• Introducing a potential loss of competitive advantage as the delay in finalizing award negotiations may have caused some selectees' technology development efforts to fall behind potential competitors	<ul style="list-style-type: none">• Delaying equipment purchases needed to conduct selectees' projects• Potentially changing project scope• Creating concerns about impacts on relationships with external project partners, such as the willingness of private investors to contribute to selectees' projects

Source: GAO analysis of information from Advanced Research Projects Agency-Energy financial assistance selectees. | GAO-18-278

DOE officials GAO interviewed said that they are reviewing DOE financial assistance in fiscal year 2018. DOE officials said that a key benefit of the fiscal year 2017 review process was an opportunity to better identify and coordinate future financial assistance department-wide on crosscutting issues. However, DOE plans to review fiscal year 2018 financial assistance prior to issuing funding opportunity announcements to the public, and thus before any recipients apply or are selected. As a result, DOE officials said, the uncertainty that ARPA-E selectees experienced during the fiscal year 2017 review process should be reduced.