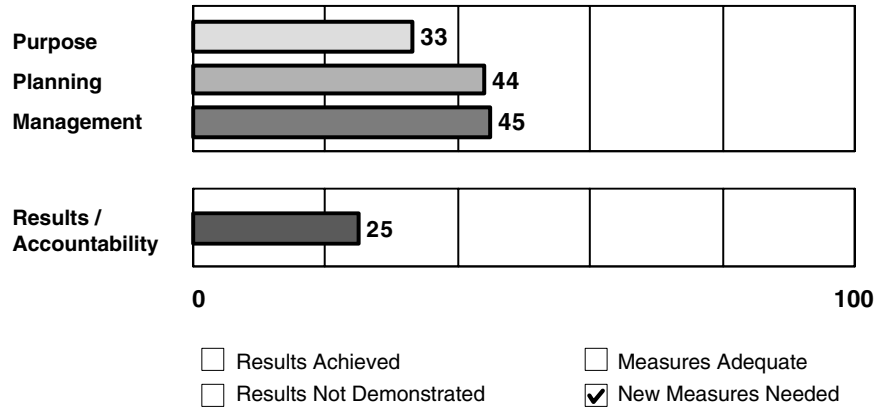


Program: Gas Exploration and Production

Agency: Department of Energy

Bureau: Fossil Energy



Key Performance Measures

	Year	Target	Actual
Long-term and Medium-term Measure: Amount of natural gas in the US that can be made available to the market (Economically Recoverable Resource (ERR), in trillion cubic feet - Tcf. ERR is very sensitive to market price: 2002 Baseline= 740 Tcf at \$2.00/1000 cf and 920 Tcf at \$3.50/1000 cf.)	2002		740
	2008	760	
	2015	860	
Annual measure: Measures under development			

Rating: Ineffective

Program Type: Research and Development

Program Summary:

The Gas Exploration and Technology Program, to promote energy security, researches better ways for commercial companies to explore for, drill, and develop natural gas resources.

The application of the PART found:

- As currently executed much of the program's efforts were found not to be unique, since private industry undertakes similar research.
- A recent National Academy of Sciences study concluded that the actual additional production attributed to the program was relatively small, about 1.5% of natural gas consumption from 1978 -2000. This additional production, along with a similar amount for oil, was achieved at a Federal cost of \$1.4 billion. The NAS committee noted "It is difficult to separate the contributions made by DOE and contributions made by industry and others."
- The program's long-term measures are adequate and the Department has made progress improving annual performance measures to include specific targets with completion dates. However, the Department has not yet completed development of adequate annual performance goals;
- The Department could not document a comprehensive system for tracking the cost, schedule and performance of this research (earned value) and generally does not identify decision points for possible mid-term corrections in the research.
- The National Academy of Sciences study outlined parameters to measure benefits that would provide consistency within and across programs. For example, the Academy's analysis attempted to track where the benefits accrued (private vs. public, and to separate the contribution of the program from advances that would have occurred without federal involvement. The Department, while continuing to refine its own benefits models, has not yet adopted the Academy's uniform measures but is making progress in this area.

As a result of these findings, the Administration will:

- Re-examine project selection to improve outcomes;
- Continue performance measurement improvements, including development of annual measures tied to long-term goals; and
- Support improvements in benefits modeling.

[Note: Due to restructuring of the program 2002 and 2003 budget numbers may not be comparable to 2004.]

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
20	15	14