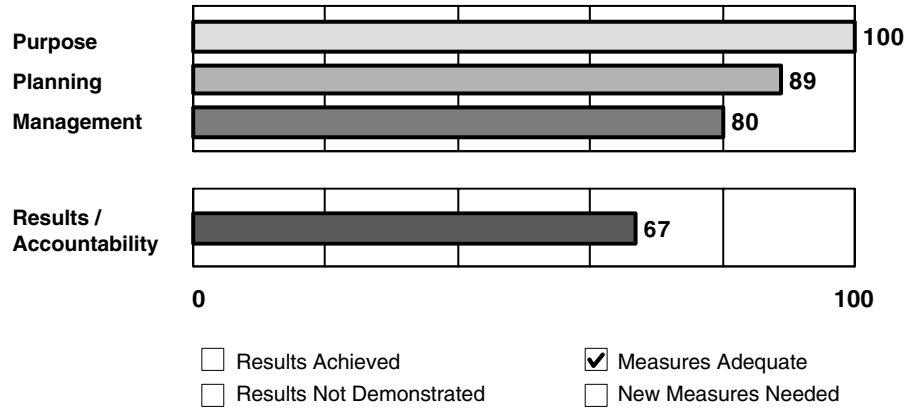


Program: Solar Energy

Agency: Department of Energy

Bureau: Energy Efficiency and Renewable Energy



Key Performance Measures

	Year	Target	Actual
Long-term Measure: Cost of solar water heating (cents per kilowatt-hour)	1998	6	8
	2000	7	8
	2005	4	
Annual Measure: Cost of electricity from photovoltaics (cents per kilowatt-hour)	2000	12-20	25
	2003	22	
	2004	20	
	2006	18	
Long-term Measure: Measures under development			

Rating: Moderately Effective

Program Type: Research and Development

Program Summary:

The Solar Energy program develops solar energy devices and systems that are more efficient, reliable and affordable than those currently available.

The program has a very clear purpose and strong planning and management, but needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy research and development (R&D) programs. Other findings include:

1. In 2000, the National Research Council (NRC) reported that some of the program's activities have been successful, while others, such as its Concentrating Solar Power (CSP) systems activity, have not. The 2003 Budget began to phase out the CSP activity.
2. The program has previously overstated the potential benefits of photovoltaics, and has previously set overly optimistic goals that it did not meet.
3. The program has improved its planning, working closely with industry to identify R&D needs and develop realistic expectations.
4. Congress earmarked \$7 million of program funding in 2002. The earmarked funding was used to establish a "site office" and to install energy systems (most of which was not solar) in certain geographic areas. These activities will not contribute to the performance goals of the program.
5. The program has made progress developing annual performance measures, which is a challenge for many R&D programs.
6. The program is part of a division that completed a major reorganization in 2002, which should further improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:

1. Terminate the CSP activity.
2. Redirect funding from earmarked activities to R&D that better contributes to the program's performance goals.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
88	80	80