

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
FOSSIL ENERGY R&D			
President's Coal Research Initiative	332,970	315,600	320,500
Other Power Systems	56,678	49,500	47,000
Subtotal, Coal	<u>389,648</u>	<u>365,100</u>	<u>367,500</u>
Gas	44,069	22,590	26,555
Petroleum	56,244	35,400	15,000
Program Direction & Mngt. Spt.	86,000	84,700	92,785
Plant & Capital Equipment	13,450	2,000	3,000
Environmental Restoration	9,900	9,715	9,715
Cooperative Res. & Development	8,023	6,000	6,000
Import/Export Authorization	2,400	2,500	2,750
Advanced Metallurgical Research	5,200	5,300	10,000
Energy Efficiency Science Initiative	6,000	0	0
Subtotal	<u>620,934</u>	<u>533,305</u>	<u>533,305</u>
Transfer from Clean Coal Previous Balances	-33,700	-40,000	-14,000
Rescission for Travel and Administration	-450	0	0
Transfer from SPR Petroleum Account (non-add)	0	0	-5,000
Use of prior year balances	-9,000	-14,000	0
TOTAL FOSSIL ENERGY R&D	<u>577,784</u>	<u>479,305</u>	<u>519,305</u>
CLEAN COAL TECHNOLOGY***	41,990	40,000	0
STRATEGIC PETROLEUM RESERVE			
Facilities Development	170,880	168,856	175,081
NORTHEAST HOME HEATING OIL RESERVE	8,000	8,000	5,000
SPR Petroleum Account			
Oil Acquisition	0	11,000	0
Transfer to Fossil Energy R&D	0	0	-5,000
Total Strategic Petrol. Res.	<u>178,880</u>	<u>187,856</u>	<u>175,081</u>
NAVAL PET. & OIL SHALE RESERVES			
Total NPR & Oil Shale Reserves	17,355	20,831	16,500
ELK HILLS SCHOOL LANDS FUNDS			
	36,000	72,000	36,000
ALTERNATIVE FUELS PRODUCTION (Interest)			
	-2,000	0	0
General Reduction for Motor Vehicles at SPR			
	0	0	0
TOTAL FOSSIL ENERGY PROG.	<u>850,009</u>	<u>799,992</u>	<u>746,886</u>

*** Beginning in FY 2003, all CCT balances will be considered to be part of the total Coal Program.

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
PRESIDENT'S COAL RESEARCH INITIATIVE			
Clean Coal Power Initiative	146,065	150,000	130,000
Central Systems	93,784	84,950	86,000
Sequestration R&D	31,486	44,000	62,000
Fuels	33,814	5,000	5,000
Advanced Research (formerly AR&TD)	27,821	31,650	37,500
Total President's Coal Research Initiative	<u>332,970</u>	<u>315,600</u>	<u>320,500</u>
OTHER POWER SYSTEMS			
Distributed Generation Systems	56,678	49,500	47,000
Total Other Power Systems	<u>56,678</u>	<u>49,500</u>	<u>47,000</u>
TOTAL COAL	<u>389,648</u>	<u>365,100</u>	<u>367,500</u>
GAS			
Natural Gas Technologies	44,069	22,590	26,555
PETROLEUM			
Oil Technology	56,244	35,400	15,000
PROG. DIRECTION & MNGT. SUPPORT			
	86,000	84,700	92,785
PLANT & CAPITAL EQUIPMENT			
Construction	13,450	2,000	3,000
Total Plt. & Capital Equip.	<u>13,450</u>	<u>2,000</u>	<u>3,000</u>
ENVIRONMENTAL RESTORATION			
	9,900	9,715	9,715
COOPERATIVE RES. & DEVELOPMENT			
	8,023	6,000	6,000
IMPORT/EXPORT AUTHORIZATION			
	2,400	2,500	2,750
ADVANCED METALLURGICAL RESEARCH			
	5,200	5,300	10,000
ENERGY EFFICIENCY SCIENCE INITIATIVE			
	6,000	0	0
SUBTOTAL FOSSIL ENERGY R&D			
Operating Expenses	607,484	531,305	530,305
Construction	13,450	2,000	3,000
SUBTOTAL FE R&D NEW BA	<u>620,934</u>	<u>533,305</u>	<u>533,305</u>
Rescission for Travel and Administration	-450	0	0
Transfer from Clean Coal Previous Balances	-33,700	-40,000	-14,000
Transfer from SPR Petroleum Account (non-add)	0	0	(-5,000)
Use of Prior Year Balances	-9,000	-14,000	0
TOTAL FOSSIL ENERGY R&D	<u>577,784</u>	<u>479,305</u>	<u>519,305</u>

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
<u>PRESIDENT'S COAL RESEARCH INITIATIVE</u>			
(A) CLEAN COAL POWER INITIATIVE			
Clean Coal Power Initiative	144,565	148,500	128,700
Program Support	1,500	1,500	1,300
TOTAL CLEAN COAL POWER INITIATIVE	146,065	150,000	130,000
(B) CENTRAL SYSTEMS			
(1) Innovations for Existing Plants (Formerly AR&ET)			
Super Clean Systems	1,450	1,485	1,485
Fine Particulate Control/Air Toxics	14,338	13,860	13,860
In-House Research	3,300	3,663	3,960
Waste Management	1,450	1,980	2,475
Vision 21	2,200	0	0
Program Support	235	212	220
(2) Advanced Systems	70,811	63,750	64,000
Integrated Gasification			
 Combined Cycle			
Gasification Systems Technology	21,700	20,988	29,700
Systems Analysis/Product Integration	3,652	2,921	3,960
Vision 21	16,208	16,334	16,830
Program Support	430	407	510
Pressurized Fluidized Bed			
Gas Stream Cleanup	4,090	5,445	0
Hybrid Combustion	3,110	3,069	0
Vision 21	3,410	495	0
Program Support	110	91	0
Turbines			
Vision 21	2,542	0	0
Next Generation Turbines	15,374	13,860	12,870
Program Support	185	140	130
(3) Power Plant Improvement Initiative	0	0	0
Power Plant Improvement Initiative	0	0	0
Program Support	0	0	0
TOTAL CENTRAL SYSTEMS	93,784	84,950	86,000

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
(C) SEQUESTRATION R&D			
(1) Greenhouse Gas Control	31,486	44,000	62,000
Greenhouse Gas Control	26,164	36,135	41,250
Focus Area for Carbon Sequestration Science	5,000	7,425	6,930
National Climate Change Technology Initiative (Intg. Seq D)	0	0	13,200
Program Support	322	440	620
TOTAL SEQUESTRATION R&D	31,486	44,000	62,000
(D) FUELS			
(1) Transportation Fuels and Chemicals	25,002	5,000	5,000
Reactor/Process Development	1,950	0	0
Systems Engineering	250	0	0
Syngas Membrane Technology	6,413	4,950	0
Ultra Clean Fuels	16,149	0	0
Hydrogen From Coal Research	0	0	4,950
Program Support	240	50	50
(2) Solid Fuels and Feedstocks (formerly Coal Preparation)	4,896	0	0
Tailored Carbon Feedstocks	4,846	0	0
Program Support	50	0	0
(3) Advanced Fuels Research (formerly AR&ET)	3,916	0	0
Advanced Research	3,884	0	0
Program Support	32	0	0
TOTAL FUELS	33,814	5,000	5,000

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
(E) ADVANCED RESEARCH			
(1) Coal Utilization Science	6,354	8,000	9,000
(2) Materials	6,821	9,000	12,000
(3) Technology Crosscut	10,750	9,150	9,500
Coal Technology Export	800	800	1,000
Bioprocessing of Coal	1,350	1,350	1,500
Environmental Activities	1,900	2,000	2,000
Technical & Econ. Analyses	750	1,000	1,000
International Prog. Support	950	1,000	1,000
Focus Area for Computational Energy Science	5,000	3,000	3,000
(4) University Coal Research	2,922	4,000	5,000
(5) HBCUs, Education & Training	974	1,500	2,000
TOTAL ADVANCED RESEARCH (formerly AR&TD)	27,821	31,650	37,500

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
<u>OTHER POWER SYSTEMS</u>			
(A) DISTRIBUTED GENERATION SYSTEMS			
(1) Fuel Cells	56,678	47,000	44,500
Advanced Research	3,895	3,000	10,000
Advanced Research	3,855	2,970	9,900
Program Support	40	30	100
Fuel Cell Systems	13,147	10,000	6,000
Fuel Cell Systems Development	13,012	9,900	5,940
Program Support	135	100	60
Vision 21 Hybrids	13,152	11,500	5,000
Vision 21 Hybrids	13,017	11,385	4,950
Program Support	135	115	50
Innovative Systems Concepts	26,484	22,500	23,500
Innovative Systems Concepts/SECA	26,213	22,275	23,265
Program Support	271	225	235
(2) Novel Generation	0	2,500	2,500
Supporting Technologies	0	2,475	2,475
Program Support	0	25	25
(3) Distributed Generation Engines	0	0	0
TOTAL DISTRIBUTED GENERATION SYSTEMS	56,678	49,500	47,000

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
NATURAL GAS TECHNOLOGIES			
Exploration and Production	19,964	15,450	14,000
Sustainable Supply	0	0	13,860
Adv. Drilling, Completion, and Stimulation	5,309	8,515	0
Adv. Diagnostics and Imaging Systems	5,013	4,580	0
Multi NL/Industry Partnership	2,800	0	0
Secondary Gas Recovery Program	693	500	0
Stripper Wells Revitalization	748	1,200	0
Technology Transfer	599	500	0
Deep Trek	3,400	0	0
Coal Bed Methane Water Filtration Research	950	0	0
Arctic Research	247	0	0
Program Support	205	155	140
Gas Hydrates	9,568	4,500	3,500
Gas Hydrates	9,470	4,455	3,465
Program Support	98	45	35
Infrastructure	9,809	0	0
Storage Technology	2,420	0	0
Delivery Reliability	7,289	0	0
Program Support	100	0	0
Emerging Processing Technology	2,191	0	6,555
Hydrogen from Gas	0	0	6,490
International Center for Gas Technologies	247	0	0
Coal Mine Methane	1,921	0	0
Program Support	23	0	65
Effective Environmental Protection	2,537	2,640	2,500
Environmental Science	0	0	2,475
Program Planning Data and Analysis	424	426	0
Technology Development	1,711	1,000	0
Outreach and Technology Transfer	376	1,188	0
Program Support	26	26	25
TOTAL NATURAL GAS TECHNOLOGIES	44,069	22,590	26,555

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
OIL TECHNOLOGY			
Exploration and Production	33,207	16,400	2,000
EOR/CO2 Injection	0	0	1,980
Adv. Drilling, Completion, and Stimulation	2,500	1,500	0
Adv. Diagnostics and Imaging Systems	6,284	4,500	0
Multi NL/Ind. Partnership & NL Sptg. R&D	5,850	0	0
Reservoir Efficiency Processes	7,627	4,236	0
Analysis and Planning	3,080	2,500	0
Fundamental Research - PRIME	3,900	3,500	0
Arctic Research	3,642	0	0
Program Support	324	164	20
Reservoir Life Extension/Management	12,611	9,500	5,000
Domestic Resource Conservation	12,482	9,405	4,950
Program Support	129	95	50
Effective Environmental Protection	10,426	9,500	8,000
Environmental Science	0	0	7,920
Program Planning and Analysis	823	900	0
Streamline State/Tribal/Federal Regulations	1,515	2,705	0
Risk Assessment	3,618	1,800	0
Technology Development	4,363	4,000	0
Program Support	107	95	80
TOTAL OIL TECHNOLOGY	56,244	35,400	15,000

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<u>PROG. DIRECTION & MANAGEMENT SPT.</u>			
Hdqtrs. Program Direction	18,700	19,820	22,700
Salaries & Benefits	11,900	11,480	13,650
Travel	538	660	770
Contract Services	6,262	7,680	8,280
Technical and Management Support Services	1,845	3,180	3,780
Computer Systems and Support	800	1,000	1,000
Working Capital Fund	3,617	3,500	3,500
Field Program Direction	67,300	64,880	70,085
Salaries & Benefits	33,498	34,305	37,464
Travel	1,520	1,434	1,450
Contract Services			
Technical and Management Support Services	32,282	29,141	31,171
TOTAL PROGRAM DIRECTION	86,000	84,700	92,785
<u>PLANT AND CAPITAL EQUIPMENT</u>			
Construction	13,450	2,000	3,000
GPP at NETL and ARC	2,450	2,000	3,000
NETL Office/Lab Building	11,000	0	0
TOTAL PLANT AND CAPITAL EQUIPMENT	13,450	2,000	3,000

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
<u>ENVIRONMENTAL RESTORATION</u>			
CERCLA Remedial Actions	2,449	2,000	1,910
Rock Springs Sites	800	800	600
Hoe Creek Site	300	300	310
Hannah Sites Revegation	70	70	25
NETL Preliminary Site Investigations	200	300	445
NETL Site Remediation	30	30	30
CERCLA PRP Response Activities	1,049	500	500
RCRA Remedial Actions	2,125	2,300	2,052
NETL On-Site Remediation	1,355	1,550	1,407
Albany Research Center RCRA	770	750	645
Other ES&H Actions	5,326	5,415	5,753
Other ES&H Actions	4,300	4,310	4,535
ES&H Corrective Action at NPTO	15	15	15
ES&H Corrective Action at ARC	911	990	1,103
Program Support	100	100	100
TOTAL ENVIRONMENTAL RESTORATION	9,900	9,715	9,715
<u>COOPERATIVE RES. & DEVELOPMENT</u>	8,023	6,000	6,000
<u>IMPORT/EXPORT AUTHORIZATION</u>	2,400	2,500	2,750
<u>ADVANCED METALLURGICAL RESEARCH</u>	5,200	5,300	10,000
<u>ENERGY EFFICIENCY SCIENCE INITIATIVE</u>	6,000	0	0

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CLEAN COAL TECHNOLOGY			
Advance Appropriation	82,000	40,000	0
Transfer to Fossil R&D (non-add)	(-33,700)	(-40,000)	(-14,000)
Rescission for Travel and Administration	-10	0	0
Deferral of unobligated balances	-40,000	0	0
TOTAL CLEAN COAL TECH.	41,990	40,000	0

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
STRATEGIC PETROLEUM RESERVE			
Storage Facil. Dev. & Oper.			
Non-Phase Specific	154,009	154,856	159,000
Management	17,000	14,000	16,102
General Reduction for Motor Vehicle Savings	0	0	-21
Rescission for Travel and Administration	-129	0	0
Total Strategic Pet. Reserve	<u>170,880</u>	<u>168,856</u>	<u>175,081</u>
 NORTHEAST HOME HEATING OIL RESERVE	 8,000	 8,000	 5,000
 SPR PETROLEUM ACCOUNT			
Oil Acquisition	0	11,000	0
Transfer to Fossil Energy R&D	0	0	-5,000
	<u>0</u>	<u>11,000</u>	<u>-5,000</u>
TOTAL SPR PROGRAM (New B/A)	<u>178,880</u>	<u>187,856</u>	<u>175,081</u>

(\$ in thousands)	FY 2002 Adjusted B/A	FY 2003 Amended Request	FY 2004 Cong. Request
NAVAL PETROLEUM RESERVES			
Production and Operations	8,029	8,370	9,101
Management	14,342	12,461	7,399
Rescission for Travel and Administration	-16	0	0
Use of Prior Year Balances	-5,000	0	0
TOTAL NP&OSR	<u>17,355</u>	<u>20,831</u>	<u>16,500</u>
ELK HILLS SCHOOL LANDS FUNDS			
California teachers' pension fund payment	0	36,000	36,000
Advance Appropriation	36,000	36,000	0
TOTAL ELK HILLS SCHOOL LANDS FUNDS	<u>36,000</u>	<u>72,000</u>	<u>36,000</u>