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Memorandum

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FROM: David K. Garman
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SUBJECT: Summary of Issues Discussed with Under Secretary Steven Koonin related to the upcoming QER/QTR

On March 4, 2011, from approximately 1:00 to 2:00 p.m., I met with Under Secretary of Science Steven Koonin, at his request, for the purpose of sharing thoughts on how the Department should approach a Quadrennial Energy Review (QER) or Quadrennial Technology Review (QTR) pursuant to the recommendations of the President's Council of Advisors on Science and Technology (PCAST). Michael Holland and Asa Hopkins of Dr. Koonin's office joined in the meeting.

During the meeting I made a variety of recommendations related to the QTR/QER and the organizational structure of the Department in general. Although these were my personal views, many of these recommendations have been made by others, and I claim none of them as mine alone. Indeed, it was clear to me that Under Secretary Koonin and his staff had already thought deeply about most or perhaps all of the issues I raised.

Recommendations offered:

- A substantial effort should be made to explain the QTR/QER to Congress on a bipartisan and bicameral basis, seeking their buy-in, and asking for their help.
- A broad group of stakeholders should be invited to comment, even including those who might be hostile to the effort.
- The QER effort will need a way to "ground truth" its analysis with people in the *daily business* of providing fuels and power.
- There should be some kind of "Red Team" established that can review the work underway and challenge the Department's suppositions, as needed. This group should include Republicans as well as Democrats.
- Funding issues will eventually have to be addressed, even if they are not addressed at the outset. Appropriated dollars will be insufficient to meet the Energy Research and Development challenge; they will need to be augmented by some kind of "wires charge." Moreover, if there is to be a "wires charge," there probably needs to be a different governance structure to manage that increment of money. Industry/regulatory/consumer interests are unlikely to tolerate a wires charge to fund DOE activities. This may be workable since large technology demonstrations probably need to occur outside the "federal umbrella" under the supervision of a governance structure that includes industry, regulators, and consumer representatives.

- The DOE Applied Technology Programs should be rebuilt from the bottom up, and there is no need to recreate the current EERE, FE, NE, and OE “stovepipes.” DOE should explore alternative structures. Adding more Assistant Secretaries as PCAST recommended (one for EE and one for RE) is not the answer. In addition, this applied technology work should be consolidated under an Under Secretary for Energy and Science, as recommended by PCAST, as I advocated even while I was at the Department. The DOE Environmental Management (environmental cleanup) functions can be located with other functions under an Under Secretary for Operations, as recommended by PCAST. Such a change would also relieve the Deputy Secretary from a number of direct reports and an untenable span of control.
- The QER effort should consider if there is a role for a group such as the Bipartisan Policy Center, which has an impressive track record in advancing the public debate on issues such as energy, health care, transportation policy, and perhaps most notably, addressing our national debt and budget deficits.
 - The President’s Debt Reduction Commission arguably benefitted from the fact that there was a parallel effort underway at BPC lead by Senator Pete Domenici and Alice Rivlin. While it may create tension to have such a parallel analytical effort underway, it can be a creative tension. In this instance, the “official” and BPC debt commissions met with one another and compared ideas, and the “official” debt commission eventually adopted some of those ideas. It was a way of expanding the reach of the “official” Commission and seeing if similar conclusions could be drawn. DOE should explore the possibility of cooperating at least informally with a similar parallel effort related to national energy policy.

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