Margot,

Cheers,
Paula

--- Original Message ---
From: Anderson, Margot
Sent: Friday, March 09, 2001 11:58 AM
To: Scalingi, Paula
Subject: RE: NEP goals

Paula,

Sent out earlier. No big deal on the deadline - would like to have your policy ideas by Monday (we have a WH deadline by Wednesday). I'll edit the goals using the input I got from you this a.m. Don't feel you have to dot every i - a solid paragraph for each program or policy idea will be enough for this first round. I'll compile what I get and send around in advance of a Monday afternoon meeting. I have a feeling this could go on for a week or two until WH decides what they want to go forward with.
Margot

All,

Sorry this took so long. Got jammed up. Here is where we are. I got comments on template and goals and tried to accommodate

Who can meet on Friday afternoon?

Margot

---

---Original Message---
From: Scalling, Paula
Sent: Friday, March 09, 2001 11:54 AM
To: Anderson, Margot
Subject: RE: NEP goals

Margot,

Hi. I'm back.

Paula

---Original Message---
From: Anderson, Margot
Sent: Friday, March 09, 2001 11:43 AM
To: Rogers, Cecelia
Cc: Scalling, Paula
Subject: RE: NEP goals

Cecelia,

What I really need from Paula are her Policy ideas. Due yesterday COB but repreive granted until today. See e-mail a few days ago which explained this. Thanks! Call if questions. See new e-mail today about meeting on Monday to discuss.

Margot

---Original Message---
From: Rogers, Cecelia
Margot,
Here are Paula's notes:

Ceil

---Original Message---
From: Anderson, Margot
Sent: Tuesday, March 06, 2001 4:24 PM
To: Scalingi, Paula
Subject: NEP goals

Paula,

I lost my notes from yesterday and want to recreate your infrastructure goal. Can you provide some language on the primary goal and sub-goals that support it. Thanks.

Margot
Margot,

Margot.
Margot,
Thanks for your help!

- Kevin
Got it. Thanks.

>From: "Anderson, Margot" <Margot.Anderson@hq.doe.gov>
>To: "kmodonovan@hotmail.com" <kmodonovan@hotmail.com>
>Subject: FW: NEP news
>Date: Fri, 9 Mar 2001 11:49:12 -0500
>
>from yesterday
>
>---Original Message---
>From: Anderson, Margot
>Sent: Thursday, March 08, 2001 1:59 PM
>To: Whalley, Michael; O'Donovan, Kevin@hq.doe.gov
>Subject: FW: NEP news
>
>Kevin,

Nice to meet you and I look forward to working with you. Some NE-

-- Original Message--
>From: Anderson, Margot
>Sent: Wednesday, March 07, 2001 6:22 PM
>To: Kelliher, Joseph; Kolevar, Kevin
>Subject: NEP news
>
>Joe and Kevin,
Get your FREE download of MSN Explorer at http://explorer.msn.com
Williams, Ronald L

From: Kelliher, Joseph
Sent: Monday, March 12, 2001 11:56 AM
To: Anderson, Margot
Subject: RE: NEP Policy Options

My level of detail is a sentence describing the action.

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 9:29 AM
To: Kelliher, Joseph
Subject: RE: NEP Policy Options

Joe,

It would be nice to have your 7t; as well so we could put a complete list together. I have two-pagers (following our template) on all 60. What level of detail do you have on yours? We will likely get a few more in from DOE staff today.

Margot

---Original Message---
From: Kelliher, Joseph
Sent: Monday, March 12, 2001 9:20 AM
To: Anderson, Margot
Subject: RE: NEP Policy Options

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 9:12 AM
To: Kelliher, Joseph
Subject: RE: NEP Policy Options

We provide our options on Wednesday (3/14). We will need to whittle down the proposals to date. Did you get my earlier e-mail with the list of options?

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 8:56 AM
To: Kelliher, Joseph
Subject: RE: NEP Policy Options

---Original Message---
From: Kelliher, Joseph
Sent: Monday, March 12, 2001 8:43 AM
To: Anderson, Margot
Subject: RE: NEP Policy Options

When do we provide our options to the Task Force? I can't remember. This week?

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 8:43 AM
To: Haspel, Abe; Zimmerman, MaryBeth; Lockwood, Andrea; Breed, William; KYDES, ANDY; Whatley, Michael; Carter, Douglas; Braitsch, Jay; Helchert, Elena; Cook, Trevor; "justicer@opa.gov"; O'Donovan, Kevin; Kolevar, Kevin; Scaloni, Paula
Cc: Kelliher, Joseph
Subject: NEP Policy Options

9957

DOE015-0606
All,

<< File: Short titles.doc >>
Margot,

Your titles. I have amended the options I sent you to provide a title plus I indicated, as did others, what goal these refer to. Hope this fits the bill.

Paula
Margot:

Ellen
Margot,
Margot:

here are two files; one from Barry's work, and one from Peter & Ed (that I have modified slightly) -- I will look at other of my ideas and see if anything else can be useful, but wanted to get these to you ASAP --

Bill

William Breed
Acting Director, Office of Energy Efficiency, Alternative Fuels, and Oil Analysis (PO-22)
202-586-4763

-----Original Message-----
From: Anderson, Margot
Sent: Friday, April 13, 2001 8:31 AM
To: Conti, John; Breed, William
Subject: energy tax proposals
Importance: High

Bill and John.

Margot

-----Original Message-----
From: Kelliher, Joseph
Sent: Thursday, April 12, 2001 8:37 PM
To: Anderson, Margot; Kripowicz, Robert; Haspel, Abe; Magwood, William
Cc: Kolevar, Kevin
Subject: energy tax proposals
Importance: High
Infrastructure.

Cheers,
Paula

---Original Message---
From: Anderson, Margot
Sent: Friday, March 09, 2001 11:58 AM
To: Scalingi, Paula
Subject: RE: NEP goals

Paula,

Sent out earlier.

Margot
--- Original Message ---
From: Scalingi, Paula
Sent: Friday, March 09, 2001 11:54 AM
To: Anderson, Margot
Subject: RE: NEP goals

Margot

Hi. I'm back.

Paula
From: Anderson, Margot  
Sent: Friday, March 09, 2001 11:43 AM  
To: Rogers, Cecellia  
Cc: Scalingi, Paula  
Subject: RE: NEP goals  

Cecellia,

What I really need from Paula are her Policy ideas. Due yesterday COB but reprieve granted until today. See e-mail a few days ago which explained this. Thanks! Call if questions. See new e-mail today about meeting on Monday to discuss.

Margot

---Original Message---  
From: Rogers, Cecellia  
Sent: Thursday, March 08, 2001 5:24 PM  
To: Anderson, Margot  
Cc: Scalingi, Paula; Kellner, Joseph  
Subject: RE: NEP goals  
Importance: High  

Margot,  
Here are Paula's notes:

She will be back in the office tomorrow.
Ceil

---Original Message---  
From: Anderson, Margot  
Sent: Tuesday, March 06, 2001 4:24 PM  
To: Scalingi, Paula  
Subject: NEP goals  

Paul,

Margot
<table>
<thead>
<tr>
<th>From:</th>
<th>Kelliher, Joseph</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Friday, April 13, 2001 1:33 PM</td>
</tr>
<tr>
<td>To:</td>
<td>Anderson, Margot</td>
</tr>
<tr>
<td>Subject:</td>
<td>SPR</td>
</tr>
</tbody>
</table>
Williams, Ronald L

From: Kelllher, Joseph
Sent: Monday, March 12, 2001 12:07 PM
To: Anderson, Margot
Subject: RE: NEP Policy Options

Will you be around?

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 12:04 PM
To: Kelliher, Joseph
Subject: RE: NEP Policy Options

Okay, no problem. I won't bug you. We (DOE staff) will meet anyway at 3:00 to see if we can make sense of the 70+ proposals I have. DO you need anything for the testimony? I just finished a natural gas 1 and a for Whatley to use.

---Original Message---
From: Kelliher, Joseph
Sent: Monday, March 12, 2001 11:56 AM
To: Anderson, Margot
Subject: RE: NEP Policy Options

My level of detail is a sentence describing the action:

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 9:29 AM
To: Kelliher, Joseph
Subject: RE: NEP Policy Options

Joe,

It would be nice to have your 70 as well so we could put a complete list together. I have two-pagers (following our template) on all 60. What level of detail do you have on yours? We will likely get a few more in from DOE staff today.

Margot

---Original Message---
From: Kelliher, Joseph
Sent: Monday, March 12, 2001 9:20 AM
To: Anderson, Margot
Subject: RE: NEP Policy Options

Yes.

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 9:12 AM

9970

DOE015-0619
To: Keliher, Joseph
Subject: RE: NEP Policy Options

We provide our options on Wednesday (3/14). We will need to whittle down the proposals to date. Did you get my earlier e-mail with the list of options?

---Original Message---
From: Keliher, Joseph
Sent: Monday, March 12, 2001 8:56 AM
To: Anderson, Margot
Subject: RE: NEP Policy Options

When do we provide our options to the Task Force? I can't remember. This week?

---Original Message---
From: Anderson, Margot
Sent: Monday, March 12, 2001 8:43 AM
To: Haspel, Abe; Zimmerman, MaryBeth; Lodwood, Anrea; Breed, William; KYDES, ANDY; Whitsel, Michael; Carter, Douglas; Bratsch, Jay; Meltzer, Elena; Cook, Trevor; 'jstier@bpa.gov'; O'Donovan, Kevin; Koevar, Kevin; Scalig, Paula
Cc: Keliher, Joseph
Subject: NEP Policy Options

All,

<< File: Short titles.doc >>
Attached please find Tracy and my comments on the CEC document.

<< File: review CEC forecast.doc >>

John J. Conti
Acting Director,
Office of Economic, Electricity,
and Natural Gas Analysis
(202) 586-4767
From: Kelliher, Joseph
Sent: Friday, April 13, 2001 2:12 PM
To: Anderson, Margot; Carrier, Paul; O'Donovan, Kevin
Subject: hydro potential
What were average spot market prices in Dec, Jan, Feb in CA? I want to contrast the Duke Energy offer – $55/megawatt-hour for 5 years – with spot market prices.
Thanks.

---Original Message---
From: Conti, John
Sent: Monday, March 12, 2001 2:53 PM
To: Anderson, Margot; Kelliher, Joseph
Cc: Terry, Tracy
Subject: RE: CEC CA Summer 2001 Forecasted Peak Demand - Resource Balance

Attached please find Tracy and my comments on the CEC document.

<< File: review CEC forecast.doc >>

John J. Conti
Acting Director,
Office of Economic, Electricity,
and Natural Gas Analysis
(202) 586-4767
I need percentages -
1/00 to 1/01 or 12/99 to 12/00?

---Original Message---
From: Conti, John
Sent: Monday, March 12, 2001 3:17 PM
To: Kelliher, Joseph
Cc: Anderson, Margot; Terry, Tracy
Subject: FW: CA prices

Joe,

Attached please find some information on wholesale electricity prices in California. We will try to find some information for February. Is this what you need?

---Original Message---
From: Terry, Tracy
Sent: Monday, March 12, 2001 3:06 PM
To: Conti, John
Subject: CA prices

I'll start looking around for more detailed info if anyone needs it, but here are some summary tables that might be helpful. Also, I'll try to get some info on Feb prices. Just wanted to send you this ASAP.

<< File: CA prices.doc >>
Williams, Ronald L

From: Kelliher, Joseph
Sent: Monday, March 12, 2001 4:21 PM
To: Conti, John
Cc: Anderson, Margot; Terry, Tracy
Subject: RE: CA prices

Importance: High

--- Original Message ---
From: Conti, John
Sent: Monday, March 12, 2001 3:17 PM
To: Kelliher, Joseph
Cc: Anderson, Margot; Terry, Tracy
Subject: F'V: CA prices

Joe,

--- Original Message ---
From: Terry, Tracy
Sent: Monday, March 12, 2001 3:06 PM
To: Conti, John
Subject: CA prices

<< File: CA prices.doc >>
From: MaryBeth Zimmerman
Sent: Monday, March 12, 2001 6:34 PM
To: Kelliher, Joseph
Cc: Anderson, Margot; Haspel, Abe; Dixon, Robert
Subject: Re: distributed generation demonstration project
From: MaryBeth Zimmerman
Sent: Monday, March 12, 2001 6:34 PM
To: Kelliher, Joseph
Cc: Anderson, Margot; Haspel, Abe; Dixon, Robert
Subject: Re: distributed generation demonstration project
Attached, for your information, are Treasury's comments on DOE's chapters.

Charlie
Got it. Thanks.

>From: "Anderson, Margot" <Margot.Anderson@hq.doe.gov>
>To: "kmodonovan@hotmail.com" <kmodonovan@hotmail.com>
>Subject: FW: NEP news
>Date: Fri, 9 Mar 2001 11:49:12 -0500
>
>from yesterday
>
>> ——Original Message——
>> From: Anderson, Margot
>> Sent: Thursday, March 08, 2001 1:59 PM
>> To: Whatley, Michael; 'O'Donovan,Kevin@hq.doe.gov'
>> Subject: FW: NEP news
>>
>> Kevin O.
>>
>> Nice to meet you and I look forward to working with you. Some NEP
>> information. The Kevin in the body of the note refers to Kolevar.
>>
>> Margot
>>
>> ——Original Message——
>> From: Anderson, Margot
>> Sent: Wednesday, March 07, 2001 6:22 PM
>> To: Kelliher, Joseph; Kolevar, Kevin
>> Subject: NEP news
>>
>> Joe and Kevin.
Get your FREE download of MSN Explorer at http://explorer.msn.com
Margot, I just got these but they seem helpful so I am passing them on.
Margot, I just got these but they seem helpful so I am passing them on. Ellen
From: Kelliher, Joseph  
Sent: Tuesday, March 13, 2001 9:16 AM  
To: Anderson, Margot  
Subject: RE: NEP activities

---Original Message---  
From: Anderson, Margot  
Sent: Tuesday, March 13, 2001 8:28 AM  
To: Kelliher, Joseph  
Subject: NEP activities

Joe,

Do you want to meet at 10:00 to go over various NEP activities and meetings? I'll come down if you will be around.

Margot
——Original Message——
From: Anderson, Margot
Sent: Tuesday, March 13, 2001 9:53 AM
To: Cook, Trevor; Person, George
Subject: Reminder

Please don't forget to send e-versions of your policy proposals.

Thanks
From: Charles_M._Smith@ovp.eop.gov
Sent: Thursday, April 05, 2001 12:06 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov
Kmurphy@asec.doc.gov; Dina.Ellis@do.treas.gov; Sue_Ellen_Wooldridge@IOS.DOI.gov; Joel_D._Kaplan@who.eop.gov; Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; McManusmt@State.gov; Michelle.Poche@OST.DOT.Gov; Patricia.Stahlschmidt@FEMA.gov; Brenner.Rob@EPA.gov; Symons_Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov; Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov; Tom_fulton@IOS.DOI.gov; Mieblanc@ceq.eop.gov; Bruce.Baugman@FEMA.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com; WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov; Andrew_D._Lundquist@ovp.eop.gov; Karen_Y._Knutson@ovp.eop.gov; William_bettenberg@IOS.DOI.gov; commcoll@aol.com; WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov; Andrew_D._Lundquist@ovp.eop.gov; Karen_Y._Knutson@ovp.eop.gov
Subject: RE: Reformatted Chapters

--- Original Message ---
From: Charles_M._Smith@ovp.eop.gov
Sent: Monday, April 02, 2001 6:57 PM
To: Joseph.Kelliher@HQ.DOE.gov; Galloglysj@State.gov; McManusmt@State.gov; Poche. Michelle <OST>; Margot.Anderson@HQ.DOE.GOV; commcoll@aol.com; WheelerE@State.gov; Kevin.Kolevar@hq.doe.gov
Cc: Andrew_D._Lundquist@ovp.eop.gov; Karen_Y._Knutson@ovp.eop.gov
Subject: RE: Reformatted Chapters
All right. let's try this again. I believe last Friday, March 30, 2001, I requested the following:

Message follows:

Could you, by Monday noon, send me your Chapter(s) in the format that I requested on 3/26/01. As an example of what I'd like to see, I am attaching Treasury's latest submission.

We've got to start plugging in where graphics and photographs go in the chapters and seeing it laid out like that will help.

One last thing, please date your draft. That too will help.

To say the least, I didn't get an overwhelming response. I know that everybody was pushing to get ready for the Principals Meeting on Tuesday. Now that effort is virtually past, let's get back to business. Send those chapters along please.

Charlie
From: Charles_M._Smith@ovp.eop.gov%internet [Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, April 05, 2001 12:06 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov%internet; Knuphgy@osec.doc.gov%internet; Dina.Ellis@do.treas.gov%internet; Sue_Ellen_Wooldridge@IOS.DOI.gov%internet; Joel_D_Kaplan@who.eop.gov%internet; Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet; Galloglysj@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner, Rob@EPA.gov%internet; Symons, Jeremy@EPA.gov%internet; Beale, John@EPA.gov%internet; MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet; Robert_C._McNally@opd.eop.gov%internet; Jhowardj@ceq.eop.gov%internet; William_bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Mleblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; commcoll@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lon_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet

Subject: RE: Reformatted Chapters

12:06 PM

Record Type: Record

To: Charles M. Smith/ OVP/EOP
cc: Sandra_L._Via@omb.eop.gov%internet; Margot.Anderson@HQ.DOE.GOV; Margot.Anderson@HQ.DOE.GOV; Margot.Anderson@HQ.DOE.GOV

Subject: RE: Reformatted Chapters
All right, let's try this again. I believe last Friday, March 30, 2001, I requested the following:
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To say the least, I didn't get an overwhelming response. I know that everybody was pushing to get ready for the Principals Meeting on Tuesday. Now that effort is virtually past, let's get back to business. Send those chapters along please.

Charlie
Williams, Ronald L

From: Charles_M._Smith@ovp.eop.gov [Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, April 05, 2001 12:06 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov; Kmurray@osec.doc.gov; Dina.Ellis@do.treas.gov; Sue_Ellen_Wooldridge@IOS.DOI.gov; Joel_D._Kaplan@who.eop.gov; Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Gallogly@State.gov; McManusmt@State.gov; Michelle.Poche@OST.DOT.Gov; Patricia.Stahlschmidt@FEMA.gov; Brenner.Rob@EPA.gov; Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov; Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov; Jhowardj@ceq.eop.gov; William_bettenberg@IOS.DOI.gov; Tom_fulton@IOS.DOI.gov; Mieblanc@ceq.eop.gov; Bruce_Baugham@FEMA.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com; Carol_J._Thompson@who.eop.gov; Sandra_L._Via@omb.eop.gov; Megan_D._Moran@ovp.eop.gov; Ronald_L._Silberman@omb.eop.gov; Lori_A._Krauss@omb.eop.gov; WheelerE@State.gov; Mark_J._Sullivan@ovp.eop.gov

Subject: chapter 8

--- Forwarded by Charles M. Smith/OVP/EOP on 04/05/2001 12:05 PM ---

(Embedded image moved Charles_M._Smith@ovp.eop.gov to file: 04/03/2001 04:38:37 PM PIC02554.PCX)

Record Type: Record

To: Charles M. Smith/OVP/EOP

cc:

Subject: chapter 8

(See attached file: ch 8 march 24 doublespaced.doc)
From: Charles_M._Smith@ovp.eop.gov%internet [Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, April 05, 2001 12:04 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov%internet; Knurphy@osec.doc.gov%internet; Dina.Ellis@do.treas.gov%internet; Sue_Ellen_Woolridge@IOS.DOI.gov%internet; Joel_D_Kaplan@who.eop.gov%internet; Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet; Galloglyj@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet; Symons.Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet; MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet; Robert_C._McNally@opd.eop.gov%internet; Jhowardj@ceq.eop.gov%internet; William_Bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Mleblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; commcoll@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; JoelD._Kaplan@who.eop.gov%internet; Keith.Collins@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet; Symons.Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet; MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet; Robert_C._McNally@opd.eop.gov%internet; Jhowardj@ceq.eop.gov%internet; William_Bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Mleblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; commcoll@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet
Subject: FW: LATEST DRAFT of Section 5 - Economic Impact of Energy

NEP sec5 0327.doc NEP.Sec5Charts.doc NEP.Sec5captions.doc PIC13578.PCX

Forced by Charles M. Smith/OVP/EOP on 04/05/2001 12:04 PM

(Embedded image moved Dina.Ellis@do.treas.gov to file: 03/29/2001 06:10:07 PM PIC13578.PCX)

Record Type: Record

To: Charles M. Smith/OVP/EOP, John Fenzel/OVP/EOP

cc:

Subject: FW: LATEST DRAFT of Section 5 - Economic Impact of Energy
Here's the latest version of our chapter. A few things were added to the business and agriculture sections, including a couple of new charts.

(Note that it has been reformatted according to OVP specifications. This entailed removing all the charts but I have included them in a separate document along with the accompanying captions.)

<<NEP sec5 0327.doc>> <<NEPSec5Charts.doc>> <<NEPSec5captions.doc>>
From: Charles_M._Smith@ovp.eop.gov%internet [Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, April 05, 2001 12:05 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov%internet; Knmurphy@osec.doc.gov%internet; Dina.Ellis@do.treas.gov%internet; Sue_Ellen_Wooldridge@IOS.DOI.gov%internet; Joel_D_Kaplan@who.eop.gov%internet; Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet; Galloglysj@State.gov%internet; McManusml@State.gov%internet; Michelle_Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet; Symons.Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet; MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet; Robert_C_McNally@opd.eop.gov%internet; Jhoward@ceq.eop.gov%internet; William_bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Mleblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; commcoll@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D_Moran@omb.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A_Krauss@omb.eop.gov%internet; WheelefE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet
Subject: chapter 6

(See attached file: ch 6 march 25 doublespaced.doc)
From: Charles_M._Smith@ovp.eop.gov%internet [Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, April 05, 2001 12:04 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov%internet; Knurphy@osec.doc.gov%internet; Dina.Ellis@do.treas.gov%internet; Sue_Ellen_Woolridge@IOS.DOI.gov%internet; Joel_D._Kaplan@who.eop.gov%internet; Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet; Galloglysj@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet; Symons.Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet; MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet; Robert_C._McNally@opd.eop.gov%internet; Jhoward@ceq.eop.gov%internet; William_bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Mieblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; commcol@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet; commcoll@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet; commcoll@aol.com%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet
cc: Symons.Jeremy@epamail.epa.gov, Gibson.Tom@epamail.epa.gov
Subject: Draft Environment Chapter for NEPD

Just in case Jeremy isn’t around to forward this to you, here’s EPA’s draft of the environment chapter.
Lorie Schmidt
564-1681

10430
DOE016-0182
This is the draft chapter.
This is the draft of Graph 1.
This is the draft of Graph 2.
My apologies for not being able to get the graphs in the chapter or to get them all wordperfect.
Please note that the formatting for the boxes in the draft chapter will need to be adjusted.
Just in case Jeremy isn't around to forward this to you, here's EPA's draft of the environment chapter.

Lorie Schmidt
564-1681

To: Jeremy Symons/DC/USEPA/US@EPA
cc: Tom Gibson/DC/USEPA/US@EPA
Subject: Draft Environment Chapter for NEPD

03/09/2001 01:44 PM

This is the draft chapter.
This is the draft of Graph 1.
This is the draft of Graph 2.

My apologies for not being able to get the graphs in the chapter or to get them all wordperfect.

Please note that the formatting for the boxes in the draft chapter will need to be adjusted.
From: Charles_M._Smith@ovp.eop.gov%internet [Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, April 05, 2001 12:03 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov%internet; Kmurray@osec.doc.gov%internet; Dina.Ellis@do.treas.gov%internet; Sue_Ellen_Woolniffe@IOS.DOI.gov%internet; Joel_D._Kaplan@who.eop.gov%internet; Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet; Galloglysj@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet; Symons_Jeremy@EPA.gov%internet; Beale_John@EPA.gov%internet; MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet; Robert_C._McNally@opd.eop.gov%internet; Jhowardj@ceq.eop.gov%internet; William_Bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Mieblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; commcoll@aol.com%internet; Carol_L._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Megan_D._Moran@ovp.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet
Subject: chapter 3

Chapter 3 March 27 doublespace...

PIC08697.PCX

At the request of a number of you, I will be forwarding the latest draft chapters (Chapters 3-10). This is the first of many.

Charlie

Forwarded by Charles M. Smith/OVP/EOP on 04/05/2001 12:00 PM

(See attached file: Chapter 3 March 27 doublespaced.doc)
We are getting to the final stages of production of the report. I want to make sure that, if you had an interest in it, have reviewed the draft chapters and have provided comments.

I would appreciate it if you would give me the status of your review of the chapters. Please fill out the short form below and send it back. Thanks.

Review Completed  Review in Process
Comments Submitted  Comments to be Submitted by

Chapter 3
Chapter 4
Chapter 5
Chapter 6
Chapter 7
Chapter 8
Chapter 9
Chapter 10
Margot:

Please send along hard copy of the transmission graphic. With respect to photographs, EE and FE are pulling together recommendations regarding photographs for inclusion in the chapters. It is DOE's responsibility, however, to recommend/suggest to us which photographs might be used in each chapter.

Charlie
Margot,

I'll be going. I'd appreciate any guidance before I head off. Are the complete final options papers available? P-drive versions appear to be DOE drafts only.

Jean

---Original Message---
From: Anderson, Margot
Sent: Wednesday, April 04, 2001 12:08 PM
To: Vernet, Jean; Terry, Tracy
Cc: Conti, John; Watts, Edward
Subject: FW: Recommendation One-Pagers for 4/3/01 Principals Meeting

Tracy and/or Jean,

Margot

---Original Message---
From: Symons.Jeremy@epamail.epa.gov
Sent: Wednesday, April 04, 2001 10:22 AM
To: Charles_M._Smith@ovp.eop.gov
Cc: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Bruce.Baughman@FEMA.gov; Carol_J._Thompson@who.eop.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com; Dina.Elis@do.treasury.gov; GalloglyJ@State.gov; Jhowardj@ceq.eop.gov; Joel_D._Kaplan@who.eop.gov; Beatie.John@epamail.epa.gov; John_fenzel@ovp.eop.gov; Joseph.Glauber@USDA.gov; Juleanna_R._Glover@epam.gov; Karen_Y._Knutson@epamail.eop.gov; Keith.Collins@USDA.gov; Kjersten_drager@epamail.eop.gov; Kmurphy@ossec.doc.gov; Lori_A._Krauss@omb.eop.gov; Mark_A._Weatherly@omb.eop.gov; Mark_J._Sullivan@epamail.eop.gov; McManusmt@State.gov; Megan_D._Moran@epamail.epa.gov; Michelle.Poche@OST.DOT.Gov; Mleblanc@ceq.eop.gov;
The entrance to the building is at the Federal Triangle metro stop south of Pennsylvania Avenue on 12th street. Take the doors on the north side of the archway that spans the Federal Triangle metro stop (coming out of the metro, you would go to the doorway on the right).

Have the security desk call 564-7400 to be admitted, and use my name to identify the meeting you are attending.

Thank you.

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Any problems, let me know.

Thanks

Charlie
Margot:

got them. they went out. things seem to be working ok.

Re. your voice mail and deadlines for comments. I talked with Karen about
this and she is now talking with Andrew.

Charlie
Charlie,

Three sets of comments for State on Chapter 10. Can you please forward? Let me know if you receive.

<<cht 10 DOE(IA) april 4.doc>> <<EIA comments march 30.doc>> <<ch10 march 27 FE Comments.doc>>

Margot
From: Charles_M._Smith@ovp.eop.gov [Charles_M._Smith@ovp.eop.gov]
Sent: Wednesday, April 04, 2001 2:47 PM
To: Kolevar, Kevin; Galloglysj@State.gov; McManusml@State.gov; WheelerE@State.gov
Cc: Anderson, Margot; Kolevar, Kevin
Subject: more comments on chapter 10

Charlie,
More edits for State's chapter. This set is the set from DOE's Office of International Affairs and includes the addition I sent you earlier. Please forward to State (or do you want me to do this? - Just let me know)
Margot
<<03_29_01_NEPG Study_R41-IA EDITS.doc>>
Is there a more recent version of Chapter 8 beyond March 24? I am looking for photos, and want to make sure I know what I am sticking them in.

——Original Message——
From: Anderson, Margot
Sent: Wednesday, April 04, 2001 12:16 PM
To: Braitsch, Jay; Zimmerman, MaryBeth
Cc: 'Charles_M_Smith@ovp.eop.gov%internet'; Kelliher, Joseph; Kolevar, Kevin; commcoll@aol.com%internet
Subject: RE: Photographs for NEPD Report

Jay and MaryBeth,

Please make sure you coordinate with me on the NEP photographs as I have the most recent copies of the chapters (I edit them every day when I get comments from other agencies.

Charlie

Can you press the other agencies for comments? Otherwise, should we plan on closing the books for substantive comments by Friday? We have more comments for chapter 10, which I will be sending shortly.

Margot

——Original Message——
From: Charles_M_Smith@ovp.eop.gov%internet
[maito:Charles_M_Smith@ovp.eop.gov]
Sent: Wednesday, April 04, 2001 12:01 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; commcoll@aol.com%internet
Cc: Andrew_D_Lundquist@ovp.eop.gov%internet; Karen_Y_Knutson@ovp.eop.gov%internet; John_fenzel@ovp.eop.gov%internet; commcoll@aol.com%internet
Subject: Photographs for NEPD Report

Margot
Joe
Kevin
Margot
Joe
Kevin

Charlie
The entrance to the building is at the Federal Triangle metro stop south of Pennsylvania Avenue on 12th street. Take the doors on the north side of the archway that spans the Federal Triangle metro stop (coming out of the metro, you would go to the doorway on the right).

Have the security desk call 564-7400 to be admitted, and use my name to identify the meeting you are attending.

Thank you.

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Margot:

I think so. We're getting more maps showing more stuff than you can imagine. Sorting it out and making sense of it is another question.

Charlie
Margot:

Wow, this time I got attachments.

Charlie
Please replace your document on CAFE with the attached. As of 11:30 Tuesday morning, this reflects the views of DOT and DOE.

---Original Message---
From: Poche, Michelle
Sent: Monday, April 02, 2001 6:22 PM
To: Poche, Michelle; 'Charles_M._Smith@ovp.eop.gov';
    'Juleanna_R._Glover@ovp.eop.gov'; 'Joseph.Kelliher@HQ.DOE.gov';
    'Kmurlphy@sec.doc.gov'; 'Dina.Ellis@do.treas.gov'; 'Joei(D)_Kaplan(a)
    EPA.gov'; 'Symons.Jeremy@EPA.gov'; 'Beale..John(a)EPA.gov'; 'MPeacock(c)
    omb.eop.gov'; 'Mark(u)A(u)Weatherly@omb.eop.gov'; 'Robert(u)C(u)
    McNally@omb.eop.gov'; 'Jhoward(a)
    ceq.eop.gov'; 'William(u)bettenberg@ios.doi.gov'; 'Tom(u)Fulton(a)
    ios.doi.gov'; 'Kjersten(u)
    drager(a)ovp.eop.gov'; 'Mleblanc(a)ceq.eop.gov'; 'Bruce.Baughman(a)
    FEMA.gov'; 'Charles.m.Hess(a)USACE.army.mil'; 'commcoll(a)com'; 'Carol(u)
    J.(u)Thompson(a)
    who.eop.gov'; 'Sandrai(u)U.S.(u)Via(a)omb.eop.gov'; 'Megan(u)D.
    (u)Moran(a)ovp.eop.gov'; 'Ronald(u)C(u)Silberman(a)ovp.eop.gov'; 'Lon(u)A.
    (u)Krauss(a)omb.eop.gov'; 'WheelerE(a)
    state.gov'; 'Mark(u)J(u)Sullivan(a)ovp.eop.gov'
Cc: 'ndrew(u)D.(u)Lundquist@aol.com'; 'Karen(u)J.(u)Thompson(a)
    who.eop.gov'; 'Sandra L._Via@omb.eop.gov'; 'Megan_D._Moran@ovp.eop.gov';
    'Ronald_l_Silberman@omb.eop.gov'; 'Lon(u)A._Krauss@omb.eop.gov';
    'WheelerE@state.gov'; 'Kevin.Kolevar@hq.doe.gov';
    'Mark_l_Sullivan@omb.eop.gov'
Subject: RE: Recommendation One-Pagers for 4/3/01 Principals Meeting

Final Language from DOT on CAFE.
From: Poche, Michelle
Sent: Monday, April 02, 2001 4:17 PM
To: 'Charles_M._Smith@ovp.eop.gov'; Juleanna_R._Glover@ovp.eop.gov; Joseph.Kelliher@HQ.DOE.gov; Kmurphy@osec.doc.gov; Dina.Ellis@do.treas.gov; Sue_Ellen.Wooldridge@ios.doi.gov; Joel_D._Kaplan@who.eop.gov; Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Galloglysj@state.gov; McManusmt@state.gov; Poche, Michelle; Patricia.Stahlschmidt@Fema.gov; Brenner.Rob@EPA.gov; Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov; Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov; Jhoward@ceq.eop.gov; William_bettenberg@ios.doi.gov; Tom_fulton@ios.doi.gov; Kjersten_drager@ovp.eop.gov; Mieblanc@ceq.eop.gov; Margot.Anderson@HQ.DOE.GOV; Bruce.Baughman@Fema.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com; Carol_J._Thompson@who.eop.gov; Sandra_L._Via@omb.eop.gov; Megan_D._Moran@USACE.army.mil; Ronald_L._Silberman@omb.eop.gov; Lori_A._Krauss@omb.eop.gov; WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov; Mark_J._Sullivan@ovp.eop.gov
Cc: ndrew_D._Lundquist@oa.eop.gov; Karen_Y._Knutson@ovp.eop.gov; John_fenzel@ovp.eop.gov
Subject: RE: Recommendation One-Pagers for 4/3/01 Principals Meeting

--Original Message--
DOT is making some edits to the CAFE document. Will send final copy out shortly.

--Original Message--
From: Charles_M._Smith@ovp.eop.gov [mailto:Charles_M._Smith@ovp.eop.gov]
Sent: Monday, April 02, 2001 1:26 PM
To: Juleanna_R._Glover@ovp.eop.gov; Joseph.Kelliher@HQ.DOE.gov; Kmurphy@osec.doc.gov; Dina.Ellis@do.treas.gov; Sue_Ellen.Wooldridge@ios.doi.gov; Joel_D._Kaplan@who.eop.gov; Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Galloglysj@state.gov; McManusmt@state.gov; Poche, Michelle <OST>; Patricia.Stahlschmidt@Fema.gov; Brenner.Rob@EPA.gov; Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov; Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov; Jhoward@ceq.eop.gov; William_bettenberg@ios.doi.gov; Tom_fulton@ios.doi.gov; Kjersten_drager@ovp.eop.gov; Mieblanc@ceq.eop.gov; Margot.Anderson@HQ.DOE.GOV; Bruce.Baughman@Fema.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com; Carol_J._Thompson@who.eop.gov; Sandra_L._Via@omb.eop.gov; Megan_D._Moran@ovp.eop.gov; Ronald_L._Silberman@omb.eop.gov; Lori_A._Krauss@omb.eop.gov; WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov; Mark_J._Sullivan@ovp.eop.gov
Cc: ndrew_D._Lundquist@oa.eop.gov; Karen_Y._Knutson@ovp.eop.gov; John_fenzel@ovp.eop.gov
Subject: Recommendation One-Pagers for 4/3/01 Principals Meeting

Attached are the subject one-pagers

From: Kjersten_S._Drager@ovp.eop.gov%internet [Kjersten_S._Drager@ovp.eop.gov]
Sent: Tuesday, April 03, 2001 9:53 AM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Kmurray@osec.doc.gov%internet; Dina.Ellis@do.treas.gov%internet; Sue.Ellen.Woolridge@IOS.DOI.gov%internet; Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet; Galloglysj@State.gov%internet; McManusml@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet; Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet; Symons_Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet; Marcus_Peacock@omb.eop.gov%internet; Mark_A. _Weatherly@omb.eop.gov%internet; Robert_C._McNally@opd.eop.gov%internet; John_L _Howard_Jr@ceq.eop.gov%internet; William.Bettenberg@IOS.DOI.gov%internet; Tom_fulton@IOS.DOI.gov%internet; Michael_R._LeBlanc@cea.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet; Charles.m.Hess@USACE.army.mil%internet; Carol_J._Thompson@who.eop.gov%internet; Sandra_L._Via@omb.eop.gov%internet; Ronald_L._Silberman@omb.eop.gov%internet; Lori_A._Krauss@omb.eop.gov%internet; WheelerE@State.gov%internet; Mark_J._Sullivan@ovp.eop.gov%internet
Cc: Andrew_D._Lundquist@ovp.eop.gov%internet; Karen_Y._Knutson@ovp.eop.gov%internet; John_Fenzel@ovp.eop.gov%internet; Charles_M._Smith@ovp.eop.gov%internet
Subject: New topic for 4/3/01 Principals Meeting

04/03/2001 09:47 AM

(Embedded
image moved Charles_M._Smith@ovp.eop.gov
to file: 04/02/2001 04:52:20 PM
PIC21176.PCX)

Record Type: Record

To: See the distribution list at the bottom of this message
cc. Andrew D. Lundquist/OVP/EOP; Karen Y. Knutson/OVP/EOP; John _ Fenzel/OVP/EOP; Kjersten S. Drager/OVP/EOP
Subject: New topic for 4/3/01 Principals Meeting

A heads-up regarding the 4/3/01 Principals Meeting
A new agenda item has been added.
Message Sent
To:

Joseph.Kelliher@HQ.DOE.gov
Knurphy@osec.doc.gov
Dina.Ellis@do.treas.gov
Sue_Ellen_Wooldridge@IOS.DOI.gov
Keith.Collins@USDA.gov
Joseph.Glauber@USDA.gov
Galloglysj@State.gov
McManusmt@State.gov
Michelle_Poche@OST.DOT.Gov
Patricia.Stahlschmitt@FEMA.gov
Brenner.Rob@EPA.gov
Symons.Jeremy@EPA.gov
Beate.John@EPA.gov
Marcus_Peacock/OMB/EOP
Mark.A.Weatherly/OMB/EOP
Robert.C.McNally/OPD/EOP
John.L.Howard Jr./CEQ/EOP
William_bettenberg@ios.doi.gov
Tom_fulton@ios.doi.gov
Michael_R.LeBlanc/CEA/EOP
Margot.Anderson@HQ.DOE.GOV
Bruce.Baughman@FEMA.gov
Charles.m.Hess@USACE.army.mil
Carol J. Thompson/WHO/EOP
Sandra_L._Vial/OMB/EOP
Ronald_L.Silberman/OMB/EOP
Lori_A._Krauss/OMB/EOP
WheelerE@state.gov
Kevin.Kolem@hq.doe.gov
Mark.J._Sullivan/OVP/EOP
Margot:

We're still (and probably will forever) having difficulty with attachments. Can you send the chapters along to John Fenzel and/or Kjersten Drager and they can forward them to me.

On another topic, can you start working with chapters 1 & 2 and find appropriate photographs to illustrate salient points. We need to get that material identified soon so that people here can start whacking away at it.

Thanks

Charlie
Margot:

Regardless of not having received another round of comments/suggested changes, I'd appreciate it if you would forward the chapters/graphics in the format requested so that we can begin to lay out where graphics/pictures go.

Thanks

Charlie
All right, let's try this again. I believe last Friday, March 30, 2001, I requested the following:

Message follows:

Could you, by Monday noon, send me your Chapter(s) in the format that I requested on 3/26/01. As an example of what I'd like to see, I am attaching Treasury's latest submission.

We've got to start plugging in where graphics and photographs go in the chapters and seeing it laid out like that will help.

One last thing, please date your draft. That too will help.

To say the least, I didn't get an overwhelming response. I know that everybody was pushing to get ready for the Principals Meeting on Tuesday. Now that effort is virtually past, let's get back to business. Send those chapters along please.

Charlie
Final Language from DOT on CAFE:

DOT is making some edits to the CAFE document. Will send final copy out shortly.

---Original Message---
From: Poche, Michelle [Michelle.Poche@ost.dot.gov]
Sent: Monday, April 02, 2001 4:17 PM
To: 'Charles_M._Smith@ovp.eop.gov'; Juleanna_R._Glover@ovp.eop.gov;
    Joseph.Kelliher@HQ.DOE.gov; Kmury@osec.doc.gov;
    Dina.Ellis@do.treas.gov; Sue_Ellen_Wooldridge@ios.doi.gov;
    Joel_D._Kaplan@who.eop.gov; Keith.Collins@USDA.gov;
    Joseph.Glauber@USDA.gov; Galloglysj@state.gov;
    McManusmi@state.gov; Patricia.Stahlschmidt@Fema.gov;
    Brenner.Rob@EPA.gov; Symons.Jeremy@EPA.gov;
    Beale.John@EPA.gov; MPeacock@omb.eop.gov;
    Mark_A._Weatherly@omb.eop.gov; RobertC._McNally@opd.eop.gov;
    JhowardE@ceq.eop.gov; Williambettenberg@ios.doi.gov;
    Tom_fulton@ios.doi.gov; Kjersten_drager@ovp.eop.gov;
    Mieblanc@ceq.eop.gov; Margot.Anderson@HQ.DOE.GOV;
    Bruce.Baughman@Fema.gov; Charles.m.Hess@USACE.army.mil;
    commcoll@aol.com; Carol_J._Thompson@who.eop.gov;
    SandraL._Via@omb.eop.gov; Megan_D._Moran@ovp.eop.gov;
    Ronald_L._Silberman@omb.eop.gov; Lori_A._Krauss@omb.eop.gov;
    WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov;
    Mark_L._Sullivan@ovp.eop.gov
Cc: ndrew_D._Lundquist@oa.eop.gov; Karen_Y._Knutson@ovp.eop.gov;
    John_fenzel@ovp.eop.gov
Subject: RE: Recommendation One-Pagers for 4/3/01 Principals Meeting

DOT is making some edits to the CAFE document. Will send final copy out shortly.
Attached are the subject one-pagers

DOT is making some edits to the CAFE document. Will send final copy out shortly.

--- Original Message ---
From: Charles_M._Smith@ovp.eop.gov [mailto:Charles_M._Smith@ovp.eop.gov]
Sent: Monday, April 02, 2001 1:26 PM
To: Juleanna_R._Glover@ovp.eop.gov; Joseph.Kelliher@HQ.DOE.gov;
    Kkarmurphy@osec.doc.gov; Dina.Ellis@do.treas.gov;
    Sue_Ellen_Wooldrigea@ios.doi.gov; Joel_D._Kaplan@yahoo.com;
    Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Galloglysj@state.gov;
    McManusmt@state.gov; Poche, Michelle <OST>;
    Patricia.Stahlschmidt@Fema.gov; Brenner.Rob@EPA.gov;
    Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov;
    Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov;
    Jhoward@ceq.eop.gov; William_bettenberg@ios.doi.gov;
    Tom_fulton@ios.doi.gov; Kjersten_drager@ovp.eop.gov;
    Mieblanc@ceq.eop.gov; Bruce.Baughman@Fema.gov;
    Charles.m.Hess@USACE.army.mil; Commcoll@aol.com;
    Carol_J._Thompson@who.eop.gov; Sandra_L._Via@omb.eop.gov;
    Ronald_L._Silberman@omb.eop.gov; Lori_A._Krauss@omb.eop.gov;
    WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov;
    Mark_J._Sullivan@ovp.eop.gov
Cc: ndrew_D._Lundquist@oa.eop.gov; Karen_Y._Knutson@ovp.eop.gov;
    John_fenzel@ovp.eop.gov
Subject: Recommendation One-Pagers for 4/3/01 Principals Meeting

Attached are the subject one-pagers.

(See attached file: 3-pollutant standard.doc)
(See attached file: Corporate Average Fuel Economy.doc)
(See attached file: Energy Efficiency.doc)
(See attached file: Nuclear Energy.doc)
(See attached file: Outer Continental

10511
DOE016-0263
A heads-up regarding the 4/3/01 Principals Meeting.

A new agenda item has been added.
Hi Margo... do you have anything more detailed than a 1-sentence each list of recommendations. If so, would you mind resending to me? Thanks.

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Hi Margo... do you have anything more detailed than a 1-sentence each list of recommendations. If so, would you mind resending to me? Thanks.

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
From: Charles_M._Smith@ovp.eop.gov [Charles_M._Smith@ovp.eop.gov]
Sent: Monday, April 02, 2001 1:26 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Juleanna_R._Glover@ovp.eop.gov-internet; Knurphy@osec.doc.gov-internet; Dina.Ellis@do.treas.gov-internet; Sue_Ellen_Wooldridge@IOS.DOI.gov-internet; Joel_D_Kaplan@who.eop.gov-internet; Keith.Collins@USDA.gov-internet; Joseph.Glauber@USDA.gov-internet; Gallogly@State.gov-internet; McManusmt@State.gov-internet; Michelle.Poche@OST.DOT.Gov-internet; Patricia.Stahlschmidt@FEMA.gov-internet; Brenner.Rob@EPA.gov-internet; Symons.Jeremy@EPA.gov-internet; Beale.John@EPA.gov-internet; MPeacock@omb.eop.gov-internet; Mark_A._Weatherly@omb.eop.gov-internet; Robert_C._McNally@opd.eop.gov-internet; Jhoward@ceq.eop.gov-internet; William_bettenberg@IOS.DOI.gov-internet; Tom_fulton@IOS.DOI.gov-internet; Kjersten_drager@ovp.eop.gov-internet; Miebian@ceq.eop.gov-internet; Bruce.Baughman@FEMA.gov-internet; Charles.m.Hess@USACE.army.mil-internet; commcoll@aol.com-internet; Carol_J._Thompson@who.eop.gov-internet; Sandra_L_Via@omb.eop.gov-internet; Megan_D._Moran@ovp.eop.gov-internet; Ronald_L._Silberman@omb.eop.gov-internet; Lori_A._Krauss@omb.eop.gov-internet; WheelerE@State.gov-internet; Mark_J._Sullivan@ovp.eop.gov-internet
Cc: Andrew_D._Lundquist@oa.eop.gov-internet; Karen_Y._Knutson@ovp.eop.gov-internet; John_fenzel@ovp.eop.gov-internet
Subject: Recommendation One-Pagers for 4/3/01 Principals Meeting

Attached are the subject one-pagers

Jeremy Symons  
EPA, Office of Air and Radiation  
(202) 564-9301  
Fax: (202) 501-0394
Charlie,

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Kevin,

For hydropower licensing, DOE will be represented by Larry Mansueti and myself, Paul Carrier.

Paul Carrier
202-586-5659
Sorry for the delay, it must be Noon somewhere in the world.

nuclear1.doc
From: KMurphy@doc.gov\%internet [KMurphy@doc.gov]
Sent: Friday, March 30, 2001 6:45 PM
To: Anderson, Margot; Carrier, Paul; william_bettenberg@ios.doi.gov\%internet;
tom_fulton@ios.doi.gov\%internet; keith.collins@usda.gov\%internet;
joseph.glauber@usda.gov\%internet; symons.jeremy@epa.gov\%internet;
charles.m.hess@usace.army.mil\%internet
Cc: andrew_d._lundquist@ovp.eop.gov\%internet; karen_y._knutson@ovp.eop.gov\%internet
Subject: Hydropower Licensing & CZMA meetings
From: Charles_M_Smith@ovp.eop.gov%internet [Charles_M_Smith@ovp.eop.gov]
Sent: Friday, March 30, 2001 4:41 PM
To: Anderson, Margot
Subject: graphics

Thanks

I got the new and better graphics for Chapter 8, first time through for Chapter 7, and possible adders for Chapter 9.

One day we're going to look back at this and smile.

Charlie
Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Incorporates DOE comments.

-----------------------------
Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Williams, Ronald L

From: Johnson, Nancy
Sent: Friday, March 30, 2001 3:26 PM
To: 'Symons.Jeremy@epamail.epa.gov\internet'
Cc: Anderson, Margot; Braitsch, Jay
Subject: FW: Hydraulic Fracturing: Status and Background Information

Am available to meet on Tuesday. Tell me where and when is convenient for you.

Nancy Johnson, DOE Fossil Energy, 202-586-6458

---Original Message---
From: Braitsch, Jay
Sent: Friday, March 30, 2001 3:15 PM
To: Anderson, Margot
Cc: Johnson, Nancy; DeHoralis, Guido
Subject: RE: Hydraulic Fracturing: Status and Background Information

Nancy Johnson, 6-6458, unless she tells otherwise.

---Original Message---
From: Anderson, Margot
Sent Friday, March 30, 2001 3:13 PM
To: Braitsch, Jay
Subject: RE: Hydraulic Fracturing: Status and Background Information

Jay,

I reading Jeremy's note, it does look like he intends to hold a meeting next week. So yes, send him a name. Muchas.

Margot

---Original Message---
From: Braitsch, Jay
Sent: Friday, March 30, 2001 3:13 PM
To: Anderson, Margot
Subject: RE: Hydraulic Fracturing: Status and Background Information

We didn't. Do you still want a FE POC on this?

---Original Message---
From: Anderson, Margot
Sent: Friday, March 30, 2001 3:03 PM
To: Braitsch, Jay
Subject: FW: Hydraulic Fracturing: Status and Background Information

Jay. Not sure you or your FE guys got this.

Margot

---Original Message---
From: Symons.Jeremy@epamail.epa.gov\internet
[mailto:Symons.Jeremy@epamail.epa.gov]
Sent: Friday, March 30, 2001 2:41 PM
To: Anderson, Margot; Terry, Tracy;
Karen_Y._Knutson@OVP.EOP.Gov%internet;
Gibson.Tom@epamail.epa.gov%internet;
Brenner.Rob@epamail.epa.gov%internet;
Osinski.Michael@epamail.epa.gov%internet
Subject: Hydraulic Fracturing: Status and Background Information

--------------------------------------
Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
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---Original Message---
From: Braitsch, Jay
Sent: Friday, March 30, 2001 3:13 PM
To: Anderson, Margot
Subject: RE: Hydraulic Fracturing: Status and Background Information

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---Original Message---
From: Anderson, Margot
Sent: Friday, March 30, 2001 3:03 PM
To: Braitsch, Jay
Subject: FW: Hydraulic Fracturing: Status and Background Information

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Margot

---Original Message---
From: Symons.Jeremy@epamail.epa.gov@gmail.com
Sent: Friday, March 30, 2001 2:41 PM
To: Anderson, Margot; Terry, Tracy; Karen.Y.Knutson@OVP.EOP.Gov@gmail.com; Gibson.Tom@epamail.epa.gov@gmail.com; Brenner.Rob@epamail.epa.gov@gmail.com; Osinski.Michael@epamail.epa.gov@gmail.com
Subject: Hydraulic Fracturing: Status and Background Information
We didn't. Do you still want a FE POC on this?

—Original Message—
From: Anderson, Margot
Sent: Friday, March 30, 2001 3:03 PM
To: Braitsch, Jay
Subject: FW: Hydraulic Fracturing: Status and Background Information

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Margot

—Original Message—
From: Symons.Jeremy@epamail.epa.gov%internet
Sent: Friday, March 30, 2001 2:41 PM
To: Anderson, Margot; Terry, Tracy; Karen_Y_Knutson@OVP.EOP.Gov%internet; Gibson.Tom@epamail.epa.gov%internet; Brenner.Rob@epamail.epa.gov%internet; Osinski.Michael@epamail.epa.gov%internet
Subject: Hydraulic Fracturing: Status and Background Information

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Let me know.

Thanks

Charlie
Could you, by Monday noon, send me your Chapter(s) in the format that I requested on 3/26/01. As an example of what I'd like to see, I am attaching Treasury's latest submission.

We've got to start plugging in where graphics and photographs go in the chapters and seeing it laid out like that will help.

One last thing, please date your draft. That too will help.

Thanks

Charlie
Williams, Ronald L

From: Charles_M._Smith@ovp.eop.gov\%internet [Charles_M._Smith@ovp.eop.gov]
Sent: Friday, March 30, 2001 2:43 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Dina.Ellis@do.treas.gov\%internet; Galloglysj@State.gov\%internet; McManusml@State.gov\%internet; Michelle.Poche@OST.DOT.Gov\%internet; Brenner.Rob@EPA.gov\%internet; Symons.Jeremy@EPA.gov\%internet; Beale.John@EPA.gov\%internet; commcoll@aol.com\%internet; WheelerE@State.gov\%internet
Cc: Andrew_D._Lundquist@ovp.eop.gov\%internet; Karen_Y._Knutson@ovp.eop.gov\%internet; John_fenzel@ovp.eop.gov\%internet; Kjersten_drager@ovp.eop.gov\%internet

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Thanks

Charlie
Hydraulic Fracturing: Status and Background Information

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Margot, FYI see attached file and my (FE-30) corrections/edits in red font and strike through for the electricity section. In addition, I've suggest the inclusion of the above jpg graphics for the pipeline section. I hope this is helpful.

Sincerely,

Christopher J. Freitas
Program Manager, Natural Gas Infrastructure
(202) 586-1657

---Original Message---
From: Anderson, Margot
Sent: Thursday, March 29, 2001 8:53 AM
To: Conti, John; Haspel, Abe; Zimmerman, MaryBeth; Lockwood, Andrea; Breed, William; KYDES, ANDY; Whatley, Michael; Carter, Douglas; Braitsch, Jay; Meichentre, Elena; Cook, Trevor; Breed, William; Jkster@bpa.gov; York, Michael; Freitas, Christopher; Friedricks, Mark; Pumphrey, David; Koelver, Kevin; Pumphrey, David; Scalini, Paula
Cc: Kellner, Joseph
Subject: chapter 9

All,

Chapter 9 is back from DOT. I just got it and haven't seen how many of the edits you provided made it in (Recall that FE, SO, PO, BPA provided significant input along the way). Please review. Unfortunately, there is an interagency peer review of this paper scheduled for 5:00 this afternoon. I would much like your comments by then, if possible.

Crystal - still no luck getting through to Jeff but we much need a BPA review. Can you help?

Thanks,

Margot

<< File: Ch9.03.28.doc >> << File: Silicon Valley.doc >> << File: transmissionprobmap.doc >>
Attached is the summary of the Agency Recommendations. DOT's recommendations have not been incorporated as yet.
FYI - Below is the latest draft of Chapter 5 from Treasury.

> Here's the latest version of our chapter. A few things were added to the
> business and agriculture sections, including a couple of new charts.
> (Note
> that it has been reformatted according to OVP specifications. This
> entailed removing all the charts but I have included them in a separate
> document along with the accompanying captions.)
Attached is the CAFE piece from DOE for your information
I must have been having a bad day yesterday. EPA, not DOE, has the lead on the Hydraulic Fracturing/Safe Drinking Water Act one-pager. Sorry about that.
many thanks

Charlie
Message Sent
To:

Charles M. Smith/OVP/EOP
"Kelliher, Joseph" <Joseph.Kelliher@hq.doe.gov>
"Kolevar, Kevin" <Kevin.Kolevar@hq.doe.gov>
Juleanna R. Glover/OVP/EOP
"Kmurphy@osec.doc.gov%internet" <Kmurphy@osec.doc.gov>
"Dina.Ellis@do.treas.gov%internet" <Dina.Ellis@do.treas.gov>
"Sue_Ellen_Wooldridge@IOS.DOI.gov%internet" <Sue_Ellen_Wooldridge@IOS.DOI.gov>
Joel D. Kaplan/WHO/EOP
"Keith.Collins@USDA.gov%internet" <Keith.Collins@USDA.gov>
"Joseph.Glauber@USDA.gov%internet" <Joseph.Glauber@USDA.gov>
"Galgoglysj@State.gov%internet" <Galgoglysj@State.gov>
"McManusmt@State.gov%internet" <McManusmt@State.gov>
"Michelle.Poche@OST.DOT.Gov%internet" <Michelle.Poche@OST.DOT.Gov>
"Patricia.Stahlschmidt@FEMA.gov%internet" <Patricia.Stahlschmidt@FEMA.gov>
"Brenner.Rob@EPA.gov%internet" <Brenner.Rob@EPA.gov>
"Symons.Jeremy@EPA.gov%internet" <Symons.Jeremy@EPA.gov>
"Beale.John@EPA.gov%internet" <Beale.John@EPA.gov>
Marcus Peacock/OMB/EOP
Mark A. Weatherly/OMB/EOP
Robert C. McNally/OPD/EOP
John L. Howard Jr./CEQ/EOP
"William_bettenberg@IOS.DOI.gov%internet" <William_bettenberg@IOS.DOI.gov>
"Tom_fulton@IOS.DOI.gov%internet" <Tom_fulton@IOS.DOI.gov>
Kjersten S. Drager/OVP/EOP
Michael R. LeBlanc/CEA/EOP
"Bruce.Baughman@FEMA.gov%internet" <Bruce.Baughman@FEMA.gov>
Williams, Ronald L

From: Wheeler, Evelyn [WheelerE@state.gov]
Sent: Thursday, March 29, 2001 5:03 PM
To: Anderson, Margot
Subject: RE: Summary of Recommendations

Of course!!

Evelyn Wheeler
EB/ESC/IEC/EPC - Room 3535
Phone: (202) 647-4557
Fax: (202) 647-4037
This message is unclassified under precepts of EO 12958.

---Original Message---
From: Anderson, Margot [mailto:Margot.Anderson@hq.doe.gov]
Sent: Thursday, March 29, 2001 4:30 PM
To: 'Wheeler, Evelyn'
Subject: RE: Summary of Recommendations

Evelyn,

Sorry but we all just received a new version of chapter 10 this morning! Folks are already reviewing that version. If you send a revised you are going to throw us all off. Can you wait to get comments first?

Margot

---Original Message---
From: Wheeler, Evelyn [mailto:WheelerE@state.gov]
Sent: Thursday, March 29, 2001 4:09 PM
To: Kelliher, Joseph; Anderson, Margot; Kolevar, Kevin; 'Charles(u)M.(u)Smith(a)vp.eop.gov'; 'Julieanna(u)R.(u)Glover(a)vp.eop.gov'; 'Kmurphy(a)sec.doc.gov'; 'Dina Ellis(a)do.treas.gov'; 'Sue(u)Ellen(u)Wooldridge(a)IOS.DOI.gov'; 'Joel(u)D.(u)Kaplan(a)who.eop.gov'; 'Keith.Collins(a)USDA.gov'; 'Joseph.Glauber(a)USDA.gov'; Gallogly, Stephen J; McManus, Matthew T; 'Michelle.Poche(a)OST.DOT.Gov'; 'Patricia.StahlSchmidt(a)FEMA.gov'; 'Brenner.Rob(a)EPA.gov'; 'Symons.Jeremy(a)EPA.gov'; 'Beale.John(a)EPA.gov'; 'MPeacock(a)omb.eop.gov'; 'Mark(u)A.(u)Weatherly(a)omb.eop.gov'; 'Robert(u)C.(u)McNally(a)opd.eop.gov'; Jhoward(a)ceq.eop.gov'; 'William(u)bettenberg(a)ios.doi.gov'; 'Tom(u)fulton(a)ios.doi.gov'; 'Kjersten(u)drager(a)vp.eop.gov'; 'Mieberlich(a)ceq.eop.gov'; 'Bruce.Baughman(a)FEMA.gov'; 'Charles.m.Hess(a)USACE.army.mil'; 'commcoll(a)aol.com'; 'Carol(u)J.(u)Thompson(a)who.eop.gov'; 'Sandra(L.(u)Via(a)omb.eop.gov'; 'Ronald(u)D.(u)Silberman(a)omb.eop.gov'; 'Lori(u)A.(u)Krauss(a)omb.eop.gov';
Cc: 'Andrew(u)D.(u)Lundquist(a)ovp.eop.gov'; 'Karen(u)Y.(u)Knutson(a)ovp.eop.gov'; 'John(u)Fenzel(a)vp.eop.gov'
Subject: RE: Summary of Recommendations

We're updating our (State's) pages to reflect our latest draft and comments/discussions from this noon's meeting. Will get them to Charlie as
soon as we can!

Evelyn Wheeler
EB/ESC/IEC/EPC - Room 3535
Phone: (202) 647-4557
Fax: (202) 647-4037
This message is unclassified under precepts of EO 12958.

---Original Message---
From: Charles_M._Smith@ovp.eop.gov [mailto:Charles_M._Smith@ovp.eop.gov]
Sent: Thursday, March 29, 2001 4:02 PM
To: Juleanna_R._Glover@ovp.eop.gov; Joseph.Kelliher@HQ.DOE.gov;
    Kmurry@osec.doc.gov; Dina.Ellis@do.treas.gov;
    Sue_Ellen_Woolridge@IOS.DOI.gov; Joel_D._Kaplan@who.eop.gov;
    Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Galloglysj@State.gov;
    McManusmt@State.gov; Michelle.Poche@OST.DOT.Gov;
    Patricia.Stahlschmidt@FEMA.gov; Brenner.Rob@EPA.gov;
    Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov;
    Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov;
    Jhoward@ceq.eop.gov; William_bettenberg@ios.doi.gov;
    Tom_fulton@ios.doi.gov; Kjersten_drager@ovp.eop.gov;
    Mleblanc@ceq.eop.gov; Margot.Anderson@HQ.DOE.GOV;
    Bruce.Baughman@FEMA.gov; Charles.m.Hess@USACE.army.mil;
    commcoll@aol.com; Carol_J._Thompson@who.eop.gov;
    Sandra_L._Via@omb.eop.gov; Megan_D._Moran@ovp.eop.gov;
    Ronald_L._Silberman@omb.eop.gov; Lcri_A._Krauss@omb.eop.gov;
    WheelerE@state.gov; Kevin.Kolevar@hq.doe.gov
Cc: Andrew_D._Lundquist@ovp.eop.gov; Karen_Y._Knutson@ovp.eop.gov;
    John_fenzel@ovp.eop.gov
Subject: Summary of Recommendations

Attached is the summary of the Agency Recommendations. DOT's recommendations have not been incorporated as yet.
Andrew,

Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
Andrew,

----------------------
Jeremy Symons
EPA, Office of Air and Radiation
(202) 564-9301
Fax: (202) 501-0394
You're right. Andrew
We would like to see good drafts by noon, 3/30/01. I'll circulate them as soon as I get them in.

Any questions, give me a call. 456-7874

Charlie
From: Charles_M._Smith@ovp.eop.gov
Sent: Thursday, March 29, 2001 4:53 PM
To: Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Julieanna_R._Glover@ovp.eop.gov; Kmurphy@osec.doc.gov; Dina.Ellis@do.treas.gov; Sue_Ellen_Wooldridge@IOS.DOI.gov; Joel_D._Kaplan@who.eop.gov; Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Galloglysj@State.gov; McManusm@State.gov; Michelle.Poche@OST.DOT.Gov; Patricia.Stahlschmidt@FEMA.gov; Brenner.Rob@EPA.gov; Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov; Mark_A._Weatherly@omb.eop.gov; Robert_C._McNally@opd.eop.gov; Jhoward@ceq.eop.gov; William_bettenberg@IOS.DOI.gov; Torn.fulton@IOS.DOI.gov; Kjersten_drager@ovp.eop.gov; Mleblanc@ceq.eop.gov; Bruce.Baughman@FEMA.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com; Carol_J._Thompson@who.eop.gov; Sandra_L._Via@omb.eop.gov; Megan_D._Moran@ovp.eop.gov; Ronald_L._Silberman@omb.eop.gov; Lori_A._Krauss@omb.eop.gov; WheelerE@State.gov
Cc: Andrew_D._Lundquist@ovp.eop.gov; Karen_Y._Knutson@ovp.eop.gov; John_fenzel@ovp.eop.gov
Subject: one-pagers for Principals Meeting

Charlie
Margot:

Can you give me a POC for each chapter that I can deal with directly on selection of photographs? I'd like to get them in gear on Monday/Tuesday with DOE's Photo Librarian and Joan O'Callaghan to do an initial pass.

Thanks

Charlie
As was discussed in the NEPD Working Group Meeting today, we are going to prepare 5 one-pagers for the next Principals Meeting on 4/03/01.

We would like to see good drafts by noon, 3/30/01. I'll circulate them as soon as I get them in.

Any questions, give me a call. 456-7874

Charlie
We're updating our (State's) pages to reflect our latest draft and comments/discussions from this noon's meeting. Will get them to Charlie as soon as we can!

Evelyn Wheeler
EBIES/IEC/EPC - Room 3535
Phone: (202) 647-4557
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Sent: Thursday, March 29, 2001 4:02 PM
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    Keith.Collins@USDA.gov; Joseph.Glauber@USDA.gov; Galloglysj@State.gov;
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    Patricia.Stahlschmidt@FEMA.gov; Brenner.Rob@EPA.gov;
    Symons.Jeremy@EPA.gov; Beale.John@EPA.gov; MPeacock@omb.eop.gov;
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    Mleblanc@ceq.eop.gov; Margot.Anderson@HQ.DOE.GOV;
    Bruce.Baughman@FEMA.gov; Charles.m.Hess@USACE.army.mil; commcoll@aol.com;
    Carol(J)_Thompson@who.eop.gov; Sandra(u)L.(u)Via@omb.eop.gov;
    Megan(u)D(u)Moran@ovp.eop.gov; Ronald(u)L.(u)Silberman@omb.eop.gov;
    Lori(u)A.(u)Krauss@omb.eop.gov;
Cc: 'Andrew(u)D.(u)Lundquist@ovp.eop.gov'; 'Karen(u)Y.(u)Knutson@ovp.eop.gov'; 'John(u)_fenzel@ovp.eop.gov'
Subject: Summary of Recommendations

Attached is the summary of the Agency Recommendations. DOT's recommendations have not been incorporated as yet.
Joe,

Margot

-----Original Message-----
From: Kelliher, Joseph
Sent: Monday, April 30, 2001 10:21 AM
To: Anderson, Margot
Subject: FW: Questions for Infrastructure chapter

-----Original Message-----
From: Charles M. Smith@ovp.eop.gov
Sent: Monday, April 30, 2001 8:24 AM
To: Kelliher, Joseph; Anderson, Margot; Michellle.Pocne@ OST.DOT.Gov; William_Bettenberg@OSI.DOI.GOV; Tom_fullen@OSI.DOI.GOV; Kjersten_drager@ovp.eop.gov; Andrew_C._Lundquist@ovp.eop.gov; Karen_P._Enstrom@ovp.eop.gov
Subject: Questions for Infrastructure chapter
Kjersten,

I am working on this chapter now - we did the fact check over the last few days. I'll take a look at the questions as well.

Margot

-----Original Message-----
From: Kjersten S. Drager@ovp.eop.gov%internet
[mailto:Kjersten S. Drager@ovp.eop.gov] Sent: Wednesday, May 02, 2001 6:39 PM
To: McSlarrow, Kyle; Anderson, Margot; Kelliher, Joseph 
Cc: Andrew D. Lundquist@ovp.eop.gov%internet; Karen Y. Knutson@ovp.eop.gov%internet; Charles M. Smith@ovp.eop.gov%internet
Subject: Additional Requests...

(See attached file: Ch. 6 for DOE Fact Checks, Add'l Info...doc)

(See attached file: Insufficient Info. Paragraph for DOE to Expand.doc)
if you have any questions. -Kjersten
Charlie,

We are messengerino chapter 5 fact check to you now.

We still owe you fact check for chapter 3, 6 and 7.

Margot
Margot:

I'm not sure whose nickel this is but I thought that I'd send along suggested captions for the figures that may be used in the interim report.

Let me know how you think the graphics are going to get inserted.

---------- Forwarded by Charles M. Smith/OVP/EOP on 03/01/2001 12:32 PM ----------

(Embedded image moved CommColl@aol.com to file: 03/01/2001 11:43:01 AM PIC05332.PCX)
From: Kelliher, Joseph
Sent: Thursday, March 01, 2001 12:50 PM
To: Anderson, Margot
Subject: RE: Charlie's order for a copy of the NEP

--- Original Message ---
From: Anderson, Margot
Sent: Thursday, March 01, 2001 11:58 AM
To: Kelliher, Joseph
Subject: Charlie's order for a copy of the NEP

Joe,
Attached is the draft of the interim draft report to be discussed at today's NEPD Working Group Meeting at 4pm in the Vice President's Ceremonial Office.

John Fenzel
Margot:

Does that help?

Charlie
Joe,

Regional graphic to send forward. We will want comments at 4:00.
Margot:

Fax it if you would (456-1606) and bring copies along for the attendees.
That covers a host of sins.

Thanks

Charlie
Kyle said we can commandeer whatever resources we need to get this report done in the proper manner by tomorrow COB. You know infinitely more about this than I do. Happy to sit down before 4, if that suits you. Let me know.

---Original Message---
From: Anderson, Margot
Sent: Thursday, March 01, 2001 1:58 PM
To: Charles Smith (E-mail)
Cc: Kelliher, Joseph
Subject: regional map

Fixed it!

New regional map. << File: regional map1.ppt >>
Today's Working Group meeting has been postponed from 4:00pm to 4:30pm in the Vice President's Ceremonial Office.

John Fenzel
Williams, Ronald L

From: Kelliher, Joseph
Sent: Thursday, March 01, 2001 2:43 PM
To: Anderson, Margot
Subject: Today's Working Group Meeting

I have a 5:15 meeting with a utility CEO on behalf of the Secretary today, and will have to leave at 5. I told them that, and said you could handle things in my absence. I gave them another option -- start at 6, which gives people more time to review. Fair warning. Please go through the new draft before 4, so you are ready to defend and protect.

-----Original Message-----
From: John_Fenzel@ovp.eop.gov%internet [mailto:JohnFenzel@ovp.eop.gov]
Sent: Thursday. March 01. 2001 2:07 PM
To: Kelliher, Joseph; Anderson, Margot;
Juleanna_R._Glover@ovp.eop.gov%internet; Kmurphy@osec.doc.gov%internet;
Dina.Ellis@do.treas.gov%internet;
Sue_Ellen_Wooldridge@IOS.DOI.gov%internet;
Joel_D._Kaplan@who.eop.gov%internet; Keith.Collins@USDA.gov%internet;
Joseph.Glauber@USDA.gov%internet; Galloglyj@State.gov%internet;
McManusml@State.gov%internet; Michelle.Poche@OST.DOT.Gov%internet;
Patricia.Stahlschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet;
Symons.Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet;
MPeacock@omb.eop.gov%internet; Mark_A._Weatherly@omb.eop.gov%internet;
Robert_C._McNally@opa.eop.gov%internet; Jhowardj@ceq.eop.gov%internet;
William_bettenberg@IOS.DOI.gov%internet;
Tom_fulton@IOS.DOI.gov%internet; Kjersten_drager@ovp.eop.gov%internet;
Mleblanc@ceq.eop.gov%internet; Bruce.Baughman@FEMA.gov%internet;
Charles.m.Hess@USACE.army.mil%internet;
Karen_Y._Knutson@ovp.eop.gov%internet;
Charles_M._Smith@ovp.eop.gov%internet;
Charles_D._McGrath_Jr@ovp.eop.gov%internet;
Robert_C._McNally@oa.eop.gov%internet
Subject: Today's Working Group Meeting

Today's Working Group meeting has been postponed from 4:00pm to 4:30pm in the Vice President's Ceremonial Office.

John Fenzel

10739

DOE016-0491
From: Kelliher, Joseph  
Sent: Wednesday, February 21, 2001 1:46 PM  
To: Anderson, Margot  
Subject: WH meeting

You should go with me to this meeting tomorrow, from 11 to 1. Any problem? Please send SSN and DOB. Thanks.

---Original Message---
From: John_Fenzel@ovp.eop.gov%internet [mailto:John_Fenzel@ovp.eop.gov]
Sent: Wednesday, February 21, 2001 9:31 AM
To: Kelliher, Joseph; Kmurphy@osec.doc.gov%internet;
   Dina.Ells@do.treas.gov%internet;
   Sue_Ellen_Wooldridge@IOS.DOI.gov%internet;
   Tom_Fulton@iosiscn1.ios.doi.gov%internet;
   Keith.Collins@USDA.gov%internet; Joseph.Glauber@USDA.gov%internet;
   Galloglysj@State.gov%internet; McManusml@State.gov%internet;
   Michelle.Poche@OST.DOT.Gov%internet;
   Päticia.Slahtschmidt@FEMA.gov%internet; Brenner.Rob@EPA.gov%internet;
   Symons.Jeremy@EPA.gov%internet; Beale.John@EPA.gov%internet;
   MPeacock@omb.eop.gov%internet; Mweatherly@omb.eop.gov%internet;
   Robert_C._McNally@opd.eop.gov%internet;
   John_W._Howard@who.eop.gov%internet;
   Karen_Y._Knutson@ovp.eop.gov%internet;
   Charles_M._Smith@ovp.eop.gov%internet;
   Charles_D._McGrath_Jr@ovp.eop.gov%internet
Cc: Andrew_D._Lundquist@ovp.eop.gov%internet;

Subject: Review of Narrative Input for Final Report: Meeting Schedule

Review of Narrative Input for Final Report

The following times have been reserved for lead agencies to review their draft input with Andrew Lundquist and Karen Knutson for the NEPD Final Report:

Thursday, February 22, 2001:
11:00 am - 1pm: Department Of Energy
4:00 pm: Department of Transportation

Friday, February 23, 2001:
10.00 am: Department Of State
11:00 am: Department of Treasury

Lead agency representatives should feel free to bring any representatives from your agencies or members of your working group. We will need names, SSNs and DOBs to ensure they have access for these meetings.

John Fenzel
-----Original Message-----
From: Charles_M._Smith@ovp.eop.gov\internet
[mailto:Charles_M._Smith@ovp.eop.gov]
Sent: Monday, April 30, 2001 4:42 PM
To: Kelliher, Joseph; Anderson, Margot;
Robert_C._McNally@oa.eop.gov\internet
Cc: Andrew_D._Lundquist@ovp.eop.gov\internet;
Karen_Y._Knutson@ovp.eop.gov\internet;
Kjersten_S._Drager@cvp.eop.gov\internet
Subject: Clean up of Chapter 1
From: Anderson, Margot
Sent: Tuesday, May 01, 2001 11:13 AM
To: Kelliher, Joseph
Subject: RE: Going to Press: Clean up of Chapter 1

http://www.eia.doe.gov/cneaf/alternate/page/datatables/table10.html or call Barry McNutt in PO or JoAnn Shore in EIA

----- Original Message ----- 
From: Kelliher, Joseph
Sent: Tuesday, May 01, 2001 10:39 AM
To: Anderson, Margot
Subject: RE: Going to Press: Clean up of Chapter 1
Importance: High

----- Original Message ----- 
From: Anderson, Margot
Sent: Tuesday, May 01, 2001 8:40 AM
To: KYDES, ANDY; Carter, Douglas; Kelliher, Joseph
Subject: Going to Press: Clean up of Chapter 1

Need before 10:00 if possible.

Margot

----- Original Message ----- 
From: Charles E. Smith@ovp.eop.gov\internet
[url:mailto:Charles E. Smith@ovp.eop.gov]
Sent: Monday, April 30, 2001 4:42 PM
To: Kelliher, Joseph; Anderson, Margot; Robert C. McNally@ovp.eop.gov\internet;
C: Andrew D. Lundquist@ovp.eop.gov\internet;
Karen Y. Knutson@ovp.eop.gov\internet;
Kjersti S. Drager@ovp.eop.gov\internet
Subject: Clean up of Chapter 1

10743
DOE016-0495
Please get us responses to the open items by noon, Tuesday, May 1, 2001.
Joe K, Your name is listed as source for several of the questions below.

Need before 10:00 if possible.

Margot

-----Original Message-----
From: Charles M. Smith@ovp.eop.gov\internet
Sent: Monday, April 30, 2001 4:42 PM
To: Kelliher, Joseph; Anderson, Margot; Robert_C._McNally@oa.eop.gov\internet
Cc: Andrew_D._Lundquist@ovp.eop.gov\internet; Karen_Y._Knutson@ovp.eop.gov\internet; Kjersten_S._Drager@ovp.eop.gov\internet
Subject: Clean up of Chapter 1
Predecisional draft NEP recommendations

--- Original Message ---

From: Garrish, Ted
Sent: Tuesday, May 01, 2001 5:13 PM
To: 'Charles_M_Smith@oep.eop.gov', Kelliher, Joseph
Cc: andrew_d_lundquist@oep.eop.gov
Subject: Input for Cheney TF Report
Importance: High
Tripodi, Cathy

From: Kelliher, Joseph
Sent: Tuesday, July 03, 2001 8:13 PM
To: Tripodi, Cathy
Subject: FW: Suggestions for the Task Force Report

Predecisiona: draft NEP recommendations

---Original Message-----
From: Gamish, Ted
Sent: Monday, April 16, 2001 12:11 PM
To: 'andrew_d_lundquist@ovp.eop.gov'; Kelliher, Joseph
Cc: 'Charles_M_Smith@ovp.eop.gov'; 'kjersten_s_drager@ovp.eop.gov'
Subject: Suggestions for the Task Force Report

Andrew and Joe—

Suggestions
Rpt.doc

Suggestions
Rpt.doc
Margot:

made the deadline

John is sending it out to the working group even as we speak

Thanks for the offer

Have a good weekend - we'll do this all over again soon

Charlie
Williams, Ronald L

From: Carter, Douglas
Sent: Friday, March 23, 2001 3:24 PM
To: Anderson, Margot
Subject: RE:

Margot -

Doug

--- Original Message ---
From: Anderson, Margot
Sent: Friday, March 23, 2001 2:08 PM
To: Carter, Douglas; Melchert, Elena
Cc: DeHoratiis, Guido
Subject: RE:

Thanks.

--- Original Message ---
From: Carter, Douglas
Sent: Friday, March 23, 2001 1:56 PM
To: Anderson, Margot; Melchert, Elena
Cc: DeHoratiis, Guido
Subject: RE:

Margot -

Doug

<< File: Ch8 Elec Figs.ppt >>

--- Original Message ---
From: Anderson, Margot
Sent: Friday, March 23, 2001 1:12 PM
To: Melchert, Elena
Cc: DeHoratiis, Guido; Carter, Douglas

10750
DOE016-0502
Subject: RE:

Thanks. I hate to ask, but do you have some nifty graphics?

---Original Message---
From: Melchert, Elena  
Sent: Friday, March 23, 2001 1:08 PM  
To: Anderson, Margot  
Cc: DeHoratius, Guido; Carter, Douglas  
Subject:  

Fossil Energy final Chapter 8  
Thanks for your patience.  
e << File: ch 8 march 23.doc >>

Elena Subia Melchert  
Petroleum Engineer/Program Manager  
Office of Fossil Energy  
U.S. Department of Energy
Here it is
Margot: here you go! We have a WONDERFUL staff. Let me know if you need anything else.
Elena

—Original Message—
From: Albayrak, Feridun
Sent: Friday, March 23, 2001 3:42 PM
To: Melchert, Elena
Subject: Slides

Attached:

OilandGas-Chapter8.ppt OilandgasChapter8-PartII.ppt
March 7, 2001

The Honorable Dick Cheney
Vice President of the United States
Old Executive Office Building
17th Street & Pennsylvania Avenue
Washington, D.C. 20500

Dear Vice President Cheney:

Thank you for your leadership of the President's Task Force on National Energy Policy and the positive steps the Administration has made on this issue in just a few weeks. I hope this letter finds you in good health and back at your desk.

As we discussed in your office a couple weeks ago, I have confidence that the State of Arizona will have an adequate supply of electricity this summer, provided we do not experience any unforeseen impact on the electric grid and the existing commitments of power to our state’s utilities. At the same time, we value your work in identifying those areas in which the federal government could be helpful in the short and long term to ensure adequate energy for the entire West, including our neighbors in California.

In this regard, I want to bring to your attention the issue described in the attached article from this morning’s edition of the Arizona Republic, our state’s largest newspaper. This story is illustrative of situations we are encountering regularly as my fellow Western Governors and I seek to ensure that the West does not suffer from a region-wide lack of electricity this summer.

As with my colleagues in the Pacific Northwest, I am committed to the greatest possible protection of the environment in our region. At the same time, cumbersome federal regulations related to species protection are often contrary to the best interests of the environment and common sense. I would invite you to consider whether these regulations may be simply too costly (in both direct and indirect economic costs) at a time when rural parts of my state are facing 300 percent increases in their electricity bills for power they receive from the federal system.
The Honorable Dick Cheney  
March 7, 2001  
Page Two

Again, thank you for the effort and attention you've dedicated to the Western energy situation and, particularly, the future energy needs of our region. If I can be of further assistance in your work on this vital matter, please let me know.

Sincerely,

[Signature]

JANE DEE HULL  
Governor  

cc: Secretary of the Interior Gail Norton  
Secretary of Energy Spencer Abraham  
Arizona Congressional Delegation  

enclosure
Federal energy fund faces summer shortfall

By Judd Slivka
The Arizona Republic

Talk about a fish story.

A government-mandated study on the endangered humpback chub and a bushel of bad luck have drained about half of a $100 million fund used to cushion the rising cost of power processing in the West.

That has at least one official predicting that government money to buy power next year is going to run out, making it harder for utilities to find affordable electricity. If they have to pay more for power, customers likely will, too.

"If it's a dry, hot summer, it could be really bad," said Dave Sabo, manager of the federal government's Colorado River Storage Project, which is part of the Western Area Power Administration.

The administration brokered federally produced energy in the West.

The money was lost when Glen Canyon Dam couldn't increase flows during the summer because of a mandated low-water flow test for the endangered humpback chub.

To make up for the unrealized power, the administration had to buy energy from an overheated open market, depleting its savings by $55 million last summer.

The situation highlights a defining struggle going on in the boom West: Trade-offs are everything. More power...
can be generated, but at the cost of resources. More species can be restored, too, but at the cost of production.

Federal agencies — in this case the U.S. Bureau of Reclamation, which administers Glen Canyon Dam and the resulting Lake Powell reservoir — have all sorts of mandates to obey, from power supply to protecting endangered species.

They must strike a balance without offending too many constituents, where those balances are found will define the West.

In the meantime, the Western Area Power Administration is expecting a long, hot summer, one in which its bank account will run dry.

"Going into next summer, I know I’m going to run out of money," Sabo said.

The problem trail

Next summer's problems started back in 2000.

Hydrologically, the past few years have been terrible for water flowing into Lake Powell. Add in California's deregulation, a scorcher of a summer and nearly a decade of high growth, and the stage was set for a Western-size tragedy.

Then came the fish test, part of a federally mandated biological opinion...

... There are only about 4,300 humpback chubs in the Colorado River, and biologists have been trying to coax them into creating more of themselves.

Cold water

"But since the dams were built on the river and flows are released from the bottom of the dam, the Colorado’s water has become very cold."

That water tends to kill the chubs as they swim from the warmer Little Colorado River into the Colorado River.

The biological opinion held that in a year when water flow was down, scientists and the Bureau of Reclamation could work together to find out if lower flows were better for the chubs.

"With the low flows, we hoped to have slow water that is warmer and allow greater survival of the young, so we could get a greater recruitment of fish that could survive the first year so they can become spawners," said Jeff Humphrey, a spokesperson for the U.S. Fish and Wildlife Service.

Three drought years in the Colorado River Basin made it easy to decide last year was the year for the study. There wasn’t all that much water coming in, so it would be fine to limit it going out.

And so Glen Canyon Dam signed on to do the low-flow studies. After peaking at more than 30,000 cubic feet per second in May, flows were reduced to no more than 8,000 cfs until September.

Then the power crisis happened. California needed energy and looked, in part, to the federal government for help.

But because Glen Canyon didn’t produce its expected amount because of the low-flow study, the administration was forced to buy on the open market.

The money drain

At the beginning of last summer, electricity was selling for about $30 a megawatt-hour. By the end of the summer, it was near $300 a megawatt-hour, and the administration was paying $12 million a month to buy needed energy when only $6 million had been budgeted for the entire year.

The revolving fund, into which profits are deposited, began draining.

By the end of last summer, $55 million had been taken from the $100 million account.

Government hydropower sales, bringing in $12 million to $14 million a month, had been rebuilding the fund, but not quickly enough to provide a cushion for next summer.

Adding insult to injury, California's winter power crisis has drained $71 million out of the fund just to keep up with demand.

The account now stands at about $38 million.

The Fish and Wildlife Service will release the preliminary results of the Glen Canyon study of the humpback chubs in late April.

Reach the reporter at judith.sabo@azcentral.com or (602) 444-0977.
March 16, 2001

Hon. Richard B. Cheney  
Vice President of the United States  
The White House  
1600 Pennsylvania Ave., NW  
Washington, DC 20501

Dear Mr. President:

As we briefly discussed recently on the phone, I am inviting you, the President, or another prominent member of the Administration, to join in the announcement of a significant public/private partnership involving your Administration's efforts to pioneer a major carbon sequestration and conservation project. This presents an excellent opportunity for this Administration to demonstrate its leadership and commitment to environmental stewardship and a positive approach to carbon dioxide emissions, as well as embracing voluntary and incentive based partnerships involving government, nonprofit, landowners and corporate players.

In an extraordinary partnership, American Electric Power, The Conservation Fund and the U.S. Fish and Wildlife Service have developed an innovative approach to address two of the nation's top environmental concerns – climate change and habitat protection. The first of its kind in both vision and scope, this initiative is at once an important land conservation and habitat restoration project and a bold new carbon sequestration program.

The Project:
Located in Louisiana and punctuated by shaded bayous and marshy wetlands, more than 18,000 acres of critical wildlife habitat and watershed corridor lands had been unproductive, high-risk flood prone restorable agricultural lands. Thanks to a complex partnership between landowners, American Electric Power, the Fund and the Department of Interior, these lands will not only be protected but AEP has pledged all the necessary funding to acquire and restore 10,000 acres of bottomland hardwood habitat – critical for healthy wildlife populations, sustaining water quality along the Mississippi River and providing a sink for atmospheric carbon.

Once these restoration efforts are complete, it is anticipated that AEP will receive credits for reducing carbon dioxide gases through sequestration, an economically beneficial and highly visible program. The total 18,000 acres will then be transferred to the USFWS for permanent protection as a critical addition to the Catahoula National Wildlife Refuge system.

Partners in land and water conservation  
www.conservationfund.org
The Opportunity:
To increase public awareness, American Electric Power and The Conservation Fund will sponsor an event in Louisiana to celebrate this groundbreaking project. Scheduled for late April or early May, this event provides the Administration with a powerful, high profile opportunity to showcase a successful conservation partnership utilizing the entrepreneurial spirit and funding of the private sector to improve the environment. This event offers the opportunity for the Administration to advance some of the following themes:

- Free-market Environmentalism – Through private-sector leadership and public-sector support, this “free-market” model addresses environmental concerns and strengthens the Administration’s position on balanced energy development.
- International Implications – With the next round of global warming talks scheduled for this year, possibly in May, the timing of this event will allow the Administration to showcase a positive example of carbon sequestration shaping the direction of future discussions.
- EPA Significance – This project is an exciting example of private/public efforts that address concerns regarding emissions of the greenhouse gas carbon dioxide. This event provides the perfect platform for the Administration and the EPA to praise one of the nation’s leading electric company for their commitment to the environment. The event also coincides with the EPA sponsored conference entitled “International Emission Inventory Conference: One Atmosphere, One Inventory, Many Challenges” held April 30 – May 3.
- Rewarding Innovation – Throughout the campaign, this administration promoted new ideas. This is an opportunity to play a lead role in an exciting new conservation strategy, recognize the pioneering spirit of the private sector and reward a commitment that will benefit future generations of Americans.

I look forward to working with you to schedule an event that will highlight the Administration’s leadership as well as new and collaborative approaches to energy utilization and environmental stewardship.

Sincerely,

John F. Turner
President & CEO

Cc:
Gale A. Norton, Secretary, Department of Interior
Spencer Abraham, Secretary, Department of Energy
Paul H. O’Neill, Secretary, Department of Treasury
Christine Todd Whitman, Administrator, Environmental Protection Agency
I. Lewis Libby, Chief of Staff, Vice President of the United States
The Honorable Richard B. Cheney
Vice President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Vice President:

We are writing to you in your capacity as the Chairman of the National Energy Policy Development Group, to express our strenuous objection to a recent request to derail pending Clean Air Act enforcement actions. In a March 23 letter to you, two of our colleagues suggested that the National Energy Policy Development Group should halt all ongoing enforcement actions under the Clean Air Act's New Source Review (NSR) program by the U.S. Department of Justice (DOJ) and U.S. Environmental Protection Agency (EPA) against certain electric utilities and oil refineries, in order to not interfere with the Administration's energy and fuel supply policies.

We strongly object to this request to force suspension of enforcement of one of the country's landmark environmental laws, as a false solution to the energy challenges that we are facing and addressing together. We also wish to bring to your attention the error of any implication that the Clean Air Act has interfered with, or will interfere with, our nation's ability to meet our energy and fuel supply needs.

There is broad agreement, reflected in Congressional testimony and elsewhere, that air pollution laws are not causing electricity or fuel supply shortages. For example, with respect to California electricity disruptions, this broad agreement encompasses views by California utility officials, California air regulators, industry, academics, public policy groups, and EPA Administrator Christine Todd Whitman.

In November of 1999, electric utilities mounted a campaign to attach a rider to an omnibus appropriations bill for the purpose of interfering with DOJ's lawsuits targeting violations of the Clean Air Act's NSR requirements. The utilities claimed that such action was necessary to ensure continuation of electricity services. Both DOJ and EPA rejected these claims, and the agencies reiterated their willingness to consult with any utility unclear about activities subject to NSR permitting. We joined together with many of our colleagues in a letter to the Senate Majority Leader strongly opposing this rider. We noted that this effort would have encouraged extended litigation, undermined existing public health protections, interfered with judicial review, and interfered with the rights of states to seek injunctive relief themselves. We are equally concerned that any interference with the ongoing enforcement actions by the
Administration would have the same negative consequences. For the same reasons that the rider effort failed, we urge you to decline the invitation to disrupt enforcement of the Clean Air Act.

We understand that there are ongoing enforcement actions and investigations against electric utility plants and refineries based upon similar alleged abuses of their "grandfathered" status under the Clean Air Act. While the Act does exempt or grandfather certain existing pollution sources from up-to-date pollution control standards, "modifications" to these plants trigger NSR requirements under the Act, including the need to install pollution control equipment to protect public health and the environment.

We are pleased to see that the Administration is continuing to pursue violations of the Clean Air Act's NSR requirements, having recently reached an enforcement settlement with three oil refiners that will reduce air pollution by over 60,000 tons per year. The Administration worked with the states of Delaware and Louisiana, and the Northwest Air Pollution Authority to target air pollution violations at nine refineries located in California, Washington, Texas, Delaware and Louisiana. The NSR violations at these refineries involved major modifications to their plants, increasing capacity and air pollution, without the installation of pollution control equipment required by law. The DOJ noted that its settlement would not reduce the capacity of the affected refineries but would require that production cause less pollution.

The nation's environmental laws can and must be faithfully enforced, while still meeting our energy needs. It is a false and unnecessary choice to pit public health and environmental safeguards against the nation's energy demands. It is also a dangerous and avoidable path to abandon enforcement of the laws against companies that provide social goods like electricity and fuel.

We urge you to allow EPA and DOJ to continue to enforce the nation's environmental laws undisturbed by the restrictions and intrusions suggested in the March 23 letter. We look forward to working with the Administration and the National Energy Policy Development Group to develop an energy policy that balances supply, demand, renewable energy sources, and conservation measures without weakening our environmental and public health protections. Thank you for your attention to these concerns.

Sincerely,

John F. Kerry
Susan Collins

cc: The Honorable Christine Todd Whitman
The Honorable Spencer Abraham
The Honorable John Ashcroft
May 3, 2001

Secretary Spencer Abraham
United States Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Abraham:

Enclosed you will find a copy of a letter from Representative John Shadegg regarding the Clean Air Act and its effect on the electricity generating plants in California.

Thank you for your consideration.

Sincerely,

Nancy P. Dorn
Assistant to the Vice President for Legislative Affairs
May 1, 2001

The Honorable John Shadegg
United States House of Representatives
Washington, DC 20515

Dear Representative Shadegg:

Thank you for your letter to the Vice President regarding the Clean Air Act and its effect on the electricity generating plants in California. I have taken the liberty of forwarding your letter to Andrew Lundquist, Executive Director of the National Energy Policy Development Group, as well as Secretary of Energy Spencer Abraham and Administrator Christine Todd-Whitman of the Environmental Protection Agency.

Again, thank you. If I can be of any assistance to you in the future, please do not hesitate to contact me.

Sincerely,

Nancy Dom
Assistant to the Vice President for Legislative Affairs
The Honorable Richard Cheney  
Vice President  
Eisenhower Executive Office Building  
Washington, D.C. 20501

Dear Vice President Cheney:

As a member of the Energy & Air Quality Subcommittee of the House Committee on Energy & Commerce, I request information regarding the Clean Air Act and its effect on the electricity generating plants in California. I understand that the severe shortage of electricity which California is currently experiencing is due to the lack of electrical supply available to meet demand and that increasing the amount of electricity available is the only way to avoid blackouts and brownouts in California this summer.

I am specifically interested in identifying any provision of the Clean Air Act or any regulation enacted pursuant to its authority which affects the ability of generating plants within California and other states capable of supplying electricity to California to produce at their highest possible capacity. Moreover, I would like information on the effect which the cost of credits for Nitrous Oxide (Nox) emissions has had on the ability of plants to produce at full capacity as well as on the wholesale price of electricity in the California market.

Finally, I would like information on specific generating plants which have been unable to produce at full capacity or may shut down this summer to avoid exceeding their allowable emissions of Nox or other pollutants. I and other Members of Congress have received conflicting information on this issue and I hope that you are able to settle the uncertainty over this question.

In addition, I am seeking information on all generating plants in the state of California which are capable of being in service before September 1, 2001 but which are not currently generating electricity or are not generating at full capacity. Specifically, I would appreciate a list of all such plants and the reasons why each plant is not operating or is operating at less than full capacity. Furthermore, any information which you can provide on actions which Congress could take to bring these plants back into full service to forestall an emergency situation this summer is greatly appreciated.

April 23, 2001
It is clear from testimony delivered at recent hearings on this issue that power supply problems are the root of California's current crisis. Any information which you can provide will be extremely useful as I and other Members of Congress craft legislation which will increase the amount of electricity actually available to California and thus avoid blackouts and brownouts.

Thank you for your attention to this request and I look forward to working with you to address this issue.

Sincerely,

John Shadegg
Member of Congress
Tripodi, Cathy

From: Kelliher, Joseph
Sent: Tuesday, July 03, 2001 7:09 PM
To: Tripodi, Cathy
Subject: FW: energy tax proposals

Predecisional: draft NEP recommendations

----- Original Message ----- 
From: Buddy Garland
Sent: Friday, April 13, 2001 4:11 PM
To: Kelliher, Joseph
Cc: Sullivan, John; Baldwin, Sam; Steer, Randy; York, Michael; Glatstein, Fred; Zimmerman, MaryBeth; Abe.Haspel@ee.doe.gov@DOE%HQ-NOTES; tomjill@mris.com@DOE%HQ-NOTES; Ronen, Amit; Rubin, Joel; Tseng, Philip
Subject: Re: energy tax proposals

Joe,

Normally, we have a team of about 7 employees in our office + ~20 people in our national laboratory and university community that we would include in a discussion and analysis of this nature. We will try to assemble these people next week and look into the possibilities for offering some tax policies to the Vice President's team.

Thank you,

Buddy Garland

------------------ Forwarded by Buddy Garland/EE/DOE on 04/13/2001 03:59 PM ------------------

John Sullivan
04/13/2001 11:19 AM
To: Joseph Kelliher@HQMAIL @ HQDOE
cc: Buddy Garland/EE/DOE@DOE
Subject: Re: energy tax proposals

We'll do our best Joe. Just got the message. Buddy Garland will give you our best "half-day" response.

Joseph Kelliher@HQMAIL on 04/13/2001 08:38:29 AM
To: John Sullivan/EE/DOE@DOE@HQMAIL, Michael McCabe/EE/DOE@DOE@HQMAIL
cc.

Subject: energy tax proposals

I sent this to Abe yesterday, but I understand he is out so I ask you to respond in his place:

ATTACHMENT.TXT  Tax Policy Ideas
For VP EPWG ...
STATE OF MICHIGAN
OFFICE OF THE GOVERNOR

JOHN ENGELER
GOVERNOR

Date: 5/19/01
Time: 8:32
Total Pages (including cover sheet): 3

TO: The Honorable Spencer Abraham

FAX NUMBER: (202) 584-4403
FRM: Gov. Engler

MESSAGE:

If this transmission is not complete, please call: ________________________________

Telephone number: ____________________________

10786

DOE016-0538
The Vice President
The White House
Washington, D.C. 20050

Dear Mr. Vice President:

The peak summer driving season is nearly upon us, and once again Michigan and parts of the Midwest are experiencing dramatically higher prices for gasoline than many other regions of the country. These higher gasoline prices create a hardship for consumers and can only have a detrimental effect on the Michigan economy.

During the period of nationwide high gasoline prices last summer, the Midwest sustained significantly higher prices at the pumps. Compounded by rising crude oil prices, severe fuel supply constraints drove self-serve, regular unleaded gasoline prices to $2.15 per gallon in the Detroit-area last summer. Several factors caused supply constraints in our region, including a loss of regional refining capacity, distribution problems, and a major pipeline disruption. Additionally, last year's change-over from winter to summer fuels, and expectations for lower future crude oil prices contributed to motor fuel inventories reaching extremely low levels.

Gasoline inventories for the Midwest have recently been lower than levels described as critically low at this same time last year. Midwestern refineries are operating at maximum capacity, yet the "balkanization" of our motor fuel supplies, as the result of a proliferation of "boutique" fuels, coupled with a lack of refining and pipeline capacity, may actually drive gasoline prices even higher than they were last year. The average cost of unleaded gasoline in Michigan went from $1.47 on April 1, 2001, to $1.71 on May 1, 2001. The 24 cents per gallon increase reflects both seasonal price increases typically seen this time of year and concerns that low inventories could lead to distribution problems and increased price volatility. The April 28, 2001, fire at the Tosco refinery in Wood River, Illinois, demonstrated the volatility of the current situation. Following this refinery fire, prices rose 14 cents from the May 1st average of $1.71 to $1.85 on May 7, 2001. Prices of nearly $2.00 per gallon have already been reported in some areas of the state. Although regional inventories appear to be building, the average retail price in Michigan of $1.86 per gallon is nearly 17 cents higher than the national average.

The acceleration of these price increases, in addition to their magnitude, strains our economic vitality. The degree of these price increases is also difficult to understand in light of crude oil prices that have remained relatively stable during this time. Any further significant supply disruptions could push retail gasoline prices to record levels.
We did not arrive at this situation overnight, and we recognize that there are no simple short-term solutions to address this problem. As the National Energy Policy Task Force proceeds with their work to develop a comprehensive national energy policy, I request that you look closely at the issue of higher than average gasoline prices in the Midwest. Identifying practical solutions to reduce the requirements for multiple types of special gasoline, and working with the states on a regional basis to increase refinery capacity and improve the distribution system should be imperative national objectives. In addition, federal environmental requirements that impede the construction of refineries, such as the Clean Air Act "New Source Review" program, should be reformed. Michigan Department of Environmental Quality officials have developed recommendations on how this could be achieved without compromising environmental quality and have provided these recommendations to the U.S. Environmental Protection Agency.

Motor fuel composition must continue to play an integral role in reducing automobile emissions, and I have expressed my support for reasonable policies to reduce sulfur levels in gasoline in order to achieve greater mobile source emission reductions and air quality improvements. However, as we move toward requiring cleaner fuels and cleaner cars, we must address the patchwork of requirements that have resulted in the required use of 15 different types of gasoline nationwide, seven types in the Midwestern states alone. We must significantly reduce the number of fuels currently required to two or three different types nationwide. This number could accommodate clean air objectives, depending on the air quality designation of the area in which they are used. This policy decision can only be made at the federal level.

The gasoline supply issue in the Midwest exemplifies the problems we face because our nation lacks a comprehensive national energy policy. I applaud President Bush's foresight and your leadership in undertaking this daunting but necessary challenge.

Sincerely,

John Engler
Governor

cc: The Honorable Spencer Abraham
    The Honorable Christine Todd Whitman
TO: Vice President Richard Cheney  
202/456-1798  
cc: Secretary Spencer Abraham  
Department of Energy  
202/586-4403

FROM: Governor John Hoeven

PHONE: 701/328-2200  
FAX: 701/328-2205

DATE: May 11, 2001

PAGES (including cover): 4

SENDER: Drew Wrigley  
701/328-2204

COMMENTS:
May 11, 2001

Vice President Richard Cheney
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Vice President Cheney:

Allow me to express my appreciation for your recent efforts to develop the much-needed and long-awaited national energy policy. Judging by all that I have read, the Administration understands the critical importance of developing the nation's domestic energy resources, including oil, natural gas and coal. I strongly support this emphasis and commend you for keeping it foremost in your policy development.

I am writing to reiterate the role that coal can and should play in meeting the United States' energy demands. In addition, I wanted to offer my assistance to you and President Bush in promoting coal and our other natural resources as key components in a national energy policy. If there is any way I can help in making the case for your energy initiatives, please feel free to put me to work.

It is appropriate that the President is coming to Minnesota on Thursday to address energy issues. Much of Minnesota's electricity is generated in North Dakota by coal-fired power plants. The lignite industry represents a significant part of our state's economy, and of course, we would like to develop it further in the coming decades.

The advantages of coal as an energy source are numerous, and from your years in Wyoming and Texas, I know you are well acquainted with the industry. Let me highlight coal's advantages as seen from a North Dakota perspective.
Supply - The lignite-bearing regions of western North Dakota and eastern Montana have more than a 1,000-year supply of lignite that is currently economically feasible to recover. (Based on 35 billion tons with the current production rate of 30 million tons per year.) Energy independence clearly should be a central goal of a national energy policy; given the abundant supplies, coal will help anchor that independence.

Cost - Although the price of coal has recently faced upward pressure, it remains a comparatively inexpensive source of energy in the United States. America's competitiveness benefits greatly from low-cost energy supplies, and coal is well-equipped to fill the economy's needs.

Environmental friendliness - Coal-generated electricity and clean air are certainly compatible. North Dakota's industry has been a leader in reducing emissions, and even with our healthy energy sector, our air ranks among the cleanest in the country. I applaud the President's commitment to developing clean-coal technologies, including his budget proposal to spend $2 billion on the coal-related environmental initiatives over the next 10 years.

Versatility - Our coal industry is not limited to electrical generation. More than 13.5 percent of North Dakota's lignite is used to generate synthetic natural gas, at the only such plant in the United States. This technology holds tremendous potential for the future. (The Great Plains Synfuels plant is operating profitably, I would note.) In addition, about 7.5 percent of lignite is used to produce fertilizer products, such as anhydrous ammonia and ammonium sulfate.

North Dakota's commitment to coal is serious and long-term. Working in a partnership, the state and lignite industry recently launched the Vision 21 project, intended to lead to the establishment of at least one new coal-fired power plant. The 500 megawatt plant is estimated to require three million tons of coal a year while adding 1,300 new jobs.

In light of this goal, I am pleased to see reports that the President's energy strategy calls for regulatory steps that would expedite approval of new power plants.
By all accounts, the President's comprehensive energy strategy will strike a balance, encouraging conservation while promoting the wise development of all of our energy resources. While I am certainly an advocate for coal, I also support this balanced approach. Oil exploration and development should remain a priority, and there is an important place for renewable sources such as wind and bio-fuels.

The absence of a comprehensive, national energy policy has hampered our economic growth and contributed to the supply shortfalls and sudden price swings. The result is understandable political pressure to take short-term action that may, in fact, be counterproductive.

It is to the Administration's credit that you have sought to develop a long-term strategy with the appropriate emphasis on supply. I congratulate you for the effort, and stand ready to assist the President and you in whatever way would be helpful.

Sincerely,

[Signature]

John Hoeven
Governor

cc: Secretary Spencer Abraham, Department of Energy

38:27:41
May 11, 2001

Vice President Richard Cheney  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Vice President Cheney:

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The advantages of coal as an energy source are numerous, and from your years in Wyoming and Texas, I know you are well acquainted with the industry. Let me highlight coal's advantages as seen from a North Dakota perspective.
• **Supply** – The lignite-bearing regions of western North Dakota and eastern Montana have more than a 1,000-year supply of lignite that is currently economically feasible to recover. (Based on 35 billion tons with the current production rate of 30 million tons per year.) Energy independence clearly should be a central goal of a national energy policy; given the abundant supplies, coal will help anchor that independence.

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It is to the Administration's credit that you have sought to develop a long-term strategy with the appropriate emphasis on supply. I congratulate you for the effort, and stand ready to assist the President and you in whatever way would be helpful.

Sincerely,

[Signature]

John Hoeven
Governor

cc: Secretary Spencer Abraham, Department of Energy

38:27:41
Fax

To: Michael Wharton From: Steve Runow
Fax 202 586-4891 Pages: 2 psc
Phone: Date: 5/20/01
Rec: Sharpes Request CC:

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Comments:

Are my email. Can you get
him answer?

Thanks.

872

456-6774

10796

DOE016-0548
The Honorable Richard Cheney  
Vice President  
Eisenhower Executive Office Building  
Washington, D.C. 20501

Dear Vice President Cheney:

As a member of the Energy & Air Quality Subcommittee of the House Committee on Energy & Commerce, I request information regarding the Clean Air Act and its effect on the electricity generating plants in California. I understand that the severe shortage of electricity which California is currently experiencing is due to the lack of electrical supply available to meet demand and that increasing the amount of electricity available is the only way to avoid blackouts and brownouts in California this summer.

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In addition, I am seeking information on all generating plants in the state of California which are capable of being in service before September 1, 2001 but which are not currently generating electricity or are not generating at full capacity. Specifically, I would appreciate a list of all such plants and the reasons why each plant is not operating or is operating at less than full capacity. Furthermore, any information which you can provide on actions which Congress could take to bring these plants back into full service to forestall an emergency situation this summer is greatly appreciated.
It is clear from testimony delivered at recent hearings on this issue that power supply problems are the root of California’s current crisis. Any information which you can provide will be extremely useful as I and other Members of Congress craft legislation which will increase the amount of electricity actually available to California and thus avoid blackouts and brownouts.

Thank you for your attention to this request and I look forward to working with you to address this issue.

Sincerely,

John Shadegg
Member of Congress
TO: Ms. Carol A. Kennedy  
Executive Secretariat  
Room 7E-054 Forrestal Building  
Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20585

DATE: September 18, 2001

We are forwarding the enclosed constituent mail containing views and concerns about energy issues. It is not necessary to respond to our office regarding each reply.

Should you have questions about these procedures or need to provide updated contact information, you may reach me by telephone at 202.456.9002 or by fax at 202.456.7044.

Sincerely,

Cecelia Boyer  
Special Assistant to the Vice President  
for Correspondence
OFFICE OF THE VICE PRESIDENT
CORRESPONDENCE TRACKING WORKSHEET

RECEIVED DATE: 4/27/01
TRACKING NO. 206
DATE DUE 5/4/01

NAME OF CORRESPONDENT: Western Governor

SUBJECT: First energy proposal

ROUTE TO FOR ACTION INDICATED:

LIBBY ☐ KLEPPE ☐
MCGRATH ☐ O'DONNELLI. ☐
MATALIN ☐ DUNN ☐
ADDINGTON ☐ HEIDEN ☐
DORN ☐
EDELMAN ☐ Lead to DOE ☐
CONDA ☐

ACTION CODES:

1) Appropriate Action ☐
2) Draft Response for Your Signature ☐
3) Draft Response for Chief of Staff ☐
4) Draft Response for Vice President ☐
5) Info Copy/No Action Necessary ☐
6) Coordinate With ☐

COMMENTS

RETURN TO CORRESPONDENCE OFFICE

10800
DOE016-0552
April 27, 2001

The Honorable Richard B. Cheney
Vice President of the United States
The White House
1600 Pennsylvania Ave. N.W.
Washington, DC 20501

Dear Mr. Vice President:

On March 9, the Western Governors' Association transmitted a draft Memorandum of Understanding and joint implementation plan to you. The agreement would help align and coordinate our efforts to address the energy crisis now confronting the Western United States. The document was based on our very productive meeting with you on February 27. We also initiated a review among our states and public utility commissions to make sure the proposal was as complete as possible. That process has been completed with only minor, constructive changes, and we are pleased to transmit our final proposal to you for your consideration.

This agreement, along with the underlying support of participating agencies, should provide the necessary resources to enable a powerful state-federal partnership. Such a partnership will be essential to address both the short- and longer-term issues facing the region. Our work together will also provide a model for addressing the unique needs of the nation's other regions.

We thank you for your keen interest in resolving the Western energy crisis and look forward to working with the Administration as we move forward together to solve these problems. Please contact any one of us or our executive director, Jim Souby, if you have any questions.

Sincerely,

[Signatures]

[Signatures]

[Signatures]

cc: Western Governors

Enclosures

[File Names]
MEMORANDUM OF UNDERSTANDING
AMONG THE
PRESIDENT'S NATIONAL ENERGY POLICY DEVELOPMENT GROUP
AND ITS MEMBER OFFICES AND AGENCIES
AND THE
WESTERN GOVERNORS' ASSOCIATION
AND ITS MEMBER STATES
REGARDING ENERGY DEVELOPMENT AND CONSERVATION
IN THE WESTERN UNITED STATES

I. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish a framework for cooperation between Western States and the Federal government to rapidly resolve immediate energy shortages and longer-term energy problems facing the West. This effort will involve the States and the Federal government. Other stakeholders may be called upon from time to time to provide advice. The regional approach will serve as a demonstration of principles and practices, which may be adopted nationally or in other regions.

II. Objective

To encourage cooperation among the President's National Energy Policy Development Group (NEPDG), its member offices and agencies, the Western Governors' Association (WGA) and its members states for the following purposes:

(1) Improving intergovernmental systems that authorize and enable planning, financing, permitting and siting of energy facilities;

(2) Increasing energy supplies;

(3) Building needed energy infrastructure; and

(4) Increasing the efficiency of energy use.

III. Background

Energy prices and supplies in the Western United States have become uncertain and highly volatile over the past year. Electricity and natural gas transmission systems may no longer be adequate to provide reliable, secure energy to citizens, businesses and governmental and national defense facilities. Due to unique Western land ownership patterns, widely dispersed population centers and government facilities, and the isolated nature of the Western Interconnection for electricity transmission, this situation poses
unique policy, management, and investment problems that must be addressed to ensure protection of public health, welfare, the environment and national security.

The Nation's energy policy must be broad-based and flexible so that each state and region in the nation can maximize its contributions to the economy and well-being of its citizens. The signatories to this agreement and the offices, agencies and states they represent are committed to carrying out both short and long-term, cost-effective efforts to resolve the energy crisis in the Western States. This may involve: obtaining and sharing necessary public information relating to energy markets and emerging energy technologies; identifying and implementing cooperative strategies for research, development, demonstration and adoption of policies, procedures and programs that will ensure delivery of new energy supplies, greater efficiency, more sustainable conservation practices and new or improved energy technologies; and assessing the effectiveness of implementation policies and practices.

The signatories are committed to market-based approaches so that the selection and financing of energy facilities and strategies, including those for research and development, will be based on wide competition, broad participation and market discipline.

The signatories seek a regional, integrated, cooperative approach to identifying solutions to problems. The proposed approach for this MOU will bring together the signatories or their designated representatives to share information and collaborate to the extent permitted by law.

IV. Authorities

Nothing in this MOU alters the responsibilities or statutory authorities of NEPDG and its member offices and agencies, or the WGA, and its member States and insular areas. This MOU does not supersede existing agreements among any of the signatories.

V. Responsibilities

The signatories agree to prepare a workplan and provide an annual report to identify and list by priority energy needs and requirements. The workplan and report will identify and assess governmental approaches, including regulatory practices that affect the development of energy supply, conservation and efficiency in the West. The report will consider current funding levels and allocations for governmental energy activities, the most pressing energy production, transmission and efficiency problems, and identify for demonstration and/or implementation the most promising new solutions.

The report will be completed and submitted to the signatories no later than February of each year for use as a resource in the formulation and review of the states' and nation's energy policies.
The signatories agree that this MOU may serve as a prelude to other regional or National programs for identifying and implementing needed new, cost-effective energy strategies for development and deployment.

VI. Authentication

This MOU becomes effective upon its signature by all parties. The MOU will continue in effect for three (3) years or until modified by mutual consent. Participation by any signatory member may be terminated at the request of any signatory with ninety (90) days prior notice.

FOR THE NATIONAL ENERGY POLICY DEVELOPMENT GROUP AND ITS MEMBER OFFICES AND AGENCIES

Vice President of the United States Date

FOR THE WESTERN GOVERNORS' ASSOCIATION AND ITS MEMBER STATES

Chairman of the Western Governors' Association Date

Vice Chair of the Western Governors' Association Date

Lead Governor of the Western Governors' Association Date

Lead Governor of the Western Governors' Association Date

F:\Energy\3-9 MOU-energy.doc
JOINT IMPLEMENTATION PLAN FOR MEETING ENERGY NEEDS IN WESTERN STATES

May 2001

Introduction:

This addendum to the Memorandum of Understanding (MOU) of May __, 2001 regarding energy development and conservation in the western states established a plan for initial implementation of the MOU.

This plan is intended to create the mechanisms necessary to implement the MOU and provide a legal and accepted basis to pursue regional cooperative efforts.

Proposed Approach:

First working independently, and then jointly, the Federal agencies and WGA will accomplish tasks in four areas in FY 2001-2004:

Task 1: Improve intergovernmental systems

- Establish policies that upon request extend NEPA "cooperating agency" status to states for energy project reviews as a matter of routine practice and provide funding to states to participate.
- Develop information to enable the timely development of alternatives for evaluation in EISs.
- Establish integrated state-federal processes for the shared development of energy plans, programs, policies and projects.
- Develop processes for the effective participation by key stakeholders in the consideration of energy issues.
- Investigate the application of information technologies to siting and permitting functions for energy facilities.
- Develop a budget and plan for accomplishing Tasks 1, 2, 3 and 4.
- Establish mechanisms for key stakeholder participation in the execution of Tasks 2, 3 and 4.

Task 2: Increase energy supplies

- Enable the operation of existing generation through expedited local, state and federal permit decisions affecting the operation of existing and retired generation while protecting the public health and environment.
- Enable the deployment of distributed generation through the identification of practices in the western power system that create barriers to distributed generation and the adoption of practices to overcome such barriers, such as standardized interconnection practices and information necessary for local zoning decisions.
Streamline local, state and federal permitting of new renewable and fossil energy generation and associated electric transmission and natural gas pipelines.

- Speed the local, state and federal permitting of new, cleaner and more efficient technologies including the development of information necessary for agency reviews of the performance of new technologies and the sharing of such information among state and federal permitting agencies.
- Expand the efficient production and use of natural gas, oil, and coal through the development of new technologies and the timely permitting and leasing of resources.

Task 3: Build needed energy infrastructure

- Identify and evaluate the bottlenecks in western energy system (e.g., electric transmission, natural gas and petroleum pipelines).
- Determine financial impediments to investment in necessary infrastructure to eliminate bottlenecks in the western energy system.
- Seek opportunities to deploy new technologies to relieve bottlenecks.

Task 4: Improve the efficiency of energy use

- Coordinate federal agency efficiency efforts with state energy efficiency initiatives.
- Collaborate in evaluations of the effectiveness of energy efficiency initiatives in the West.
- Seek opportunities to identify and conduct pilot projects to test the implementation of new programs and technologies to increase energy efficiency.
- Conduct public outreach to encourage conservation and efficiency.
- Expand State and Federal energy efficiency programs and initiatives.
October 3, 2001

The Honorable Tony Knowles
Governor
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

Vice President Cheney has asked me to respond to your letter urging the Administration to support construction of the Alaska Natural Gas Pipeline that utilizes a route following the Alaska Highway.

Governor, as you know, we have talked several times about this issue and its importance both to Alaska and our Nation's energy security. The President's National Energy Policy Report included a recommendation that directed the Secretaries of Energy and State, in coordination with the Secretary of the Interior and the Federal Energy Regulatory Commission, to work closely with Canada and the State of Alaska, and all other interested parties to expedite the construction of a natural gas pipeline to deliver natural gas to the lower 48 states.

Again, as you know, the National Energy Policy Report did not take a position with respect to route selection. But, at this time, the Department of Energy is examining the issue closely. I appreciate your position and the points you have made in support. I will ensure that the Secretary of Energy is fully aware of where you stand, and, to that end, I have forwarded your letter to him.

Sincerely,

Andrew D. Lundquist
Director, National Energy Policy Development Group

cc:
The Honorable Spencer Abraham
Secretary of Energy
Date: May 4, 2001

To: The Honorable Richard B. Cheney
   Vice President of the United States

Pages: 4

From: Tony Knowles
      Governor of Alaska

If you received this FAX in error, please immediately notify the sender by telephone, and return this FAX to the sender at the above address. Thank you.
The Honorable Richard B. Cheney  
Vice President of the United States  
Eisenhower Executive Office Building  
Washington, DC 20501

Dear Vice President Cheney:

I write to strongly urge the administration to support construction of the Alaska Highway Natural Gas Pipeline in your recommendations to Congress on a national energy strategy.

The Alaska Highway Natural Gas Pipeline project makes sense for America for three reasons. First, it is by many years the quickest way to move this enormous, already discovered, and ready-to-market energy resource to American markets. Second, by following developed transportation corridors in Alaska and Canada, it is environmentally sound and the only project that is universally accepted and encouraged by environmental groups. The other “frontier route” is adamantly opposed by environmental and indigenous groups. Finally, it will create thousands of jobs and business opportunities for Americans.

The project is poised to deliver Alaska’s enormous North Slope gas—35 trillion cubic feet of proven reserves—with another estimated 65 trillion cubic feet waiting to be discovered. The route has already been approved by Congress, is the subject of an international treaty with Canada, and much of it already has been permitted and rights-of-way issued. Updating that work would take only 18-24 months, in contrast to a new route which could take at least five years or more to permit.

Second, a chief reason for the overwhelming support of the Alaska Highway project is that it is environmentally sound. It would follow and use existing infrastructure, such as the North Slope Haul Road and Alaska Highway, and has the strong support of environmental groups with no environmental opposition we’re aware of. In contrast, an alternative route under the ice-choked Beaufort Sea is strongly opposed by environmentalists and Alaska Natives of the region, the same indigenous people who generally support oil and gas development in the Arctic National Wildlife Refuge.
The Honorable Richard B. Cheney  
May 4, 2001  
Page 2  

Third, the Alaska Highway pipeline project is good for America's economy and families. At a time of worry over an economic slowdown, it would create thousands of good jobs across our nation, both during the construction and operations. Supplying 4 billion cubic feet a day, it would meet a huge portion of the nearly 2 billion cubic feet a day annual increase projected for natural gas demand for electrical production, factories, and homes. And it would help make our nation more energy sufficient and less reliant on uncertain foreign energy sources.

Recognizing these realities, both the Western and National Governors' Associations have unanimously endorsed it. Alaska's two United States senators strongly support the Alaska Highway project. We perceive a growing bipartisan sentiment in Congress to incorporate support for the highway route in the pending national energy legislation.

A strong expression of support by the Bush administration urging North Slope gas producers to rapidly file application for this route could significantly accelerate pipeline construction. Such filings would not preclude the companies from considering other routes, but would significantly accelerate the effort to transport Alaska gas to markets in the U.S. Midwest.

Such support also would demonstrate to the Canadian government the continuing commitment of the United States to international agreements executed between our two governments in the late 1970s.

Finally, I suggest that your report to Congress discuss the establishment of a task force consisting of representatives from the U.S., Canada, Alaska, and other parties to accelerate the commercialization of natural gas from Northern Alaska and Canada. This task force would consist of policy and technical experts and would be directed to develop a comprehensive plan for producing and transporting this gas, including facilitating construction of the Highway Natural Gas Pipeline. This coordination is essential for the project and the sooner it is begun the better. This would also put the public on notice that work is immediately underway to address our critical need for natural gas.

Supporting construction and routing of the Alaska Natural Gas Pipeline would enable the administration to assure Americans that help is on the way now to address our nation's pending energy crisis. Jump-starting a $10 billion construction project with broad American support, which would deliver to markets the preferred environmental fuel of the 21st century—the largest known natural gas reserve on the continent—at a rate of 4
The Honorable Richard B. Cheney  
May 4, 2001  
Page 3

billion cubic feet a day, is a dramatic and significant positive step toward resolving our energy supply crisis.

Thank you for your consideration of my views.

Sincerely,

Tony Knowles  
Governor

cc: The Honorable Ted Stevens, U.S. Senator  
The Honorable Frank Murkowski, U.S. Senator  
The Honorable Don Young, U.S. Representative  
Mr. Andrew Lundquist, National Energy Policy Development
Vice-President Dick Cheney

Re: Energy Policy

August 28, 2001

Our current need to import approximately 60% of our oil requirements does not reflect a viable supply situation. The administration policy of developing more domestic oil and gas production is commendable. This includes drilling in the Alaskan wildlife preserve and offshore California among other known locations where oil and gas reserves are probable.

Consideration should also be given to starting a development program for our oil shale reserves, which are estimated to contain billions of barrels of oil. About 25 years ago considerable work was done in this area during previous oil supply problems. I believe that the technology exists whereby at least 1 million barrels of oil production per day is feasible from shale. While this shale oil production costs may be higher than current oil purchase costs, it would be highly desirable from a national safety viewpoint.

To help support oil from shale program, consideration should be given to a shale oil development tax on all motor fuel. I have estimated that a $.05 shale oil development tax on all fuel would raise approximately $180 million per year. This could be used to subsidize oil shale development.

cc: Secretary Christie Todd Whitman
Predecisional: draft NEP recommendations

-----Original Message-----
From: Buddy Garland
Sent: Tuesday, April 17, 2001 11:08 AM
To: Kelliher, Joseph
Cc: Zimmerman, MaryBeth; Baldwin, Sam; Abe.Haspel@ee.doe.gov@DOE@HQ-NOTES; Sullivan, John
Subject: RE: energy tax proposals

Joe,

I will contact you when I have some answers.

Thanks,

Buddy

Joseph Kelliher@HQMAIL on 04/17/2001 08:41:02 AM
To: Buddy Garland/EE/DOE@DOE@HQMAIL
Cc: Abe Haspel/EE/DOE@DOE@HQMAIL, John Sullivan/EE/DOE@DOE@HQMAIL
Subject: RE: energy tax proposals

-----Original Message-----
From: Buddy Garland

Normally, we have a team of about 7 employees in our office + ~20 people in our national laboratory and university community that we would include in a discussion and analysis of this nature. We will try to assemble these people next week and look into the possibilities for offering some tax policies to the Vice President's team.

Thank you.

Buddy Garland

--- Forwarded by Buddy Garland/EE/DOE on 04/13/2001 03:59 PM ---

John Sullivan
04/13/2001 11:19 AM
To: Joseph Kelliher@HQMAIL @ HQDOE
cc: Buddy Garland/EE/DOE@DOE

Subject: Re: energy tax proposals

We'll do our best Joe. Just got the message. Buddy Garland will give you our best "half-day" response.

Joseph Kelliher@HQMAIL on 04/13/2001 08:38:29 AM
To: John Sullivan/EE/DOE@DOE@HQMAIL, Michael McCabe/EE/DOE@DOE@HQMAIL
cc:

Subject: energy tax proposals

I sent this to Abe yesterday, but I understand he is out so I ask you to respond in his place:
Dear Senator Bond:

Please urge Vice President Cheney to turn over records of participants who helped formulate the Bush Administration's energy policy. The GAO and the American public have a right to know this information.

I suspect that there may be serious corruption going on here and ask for an investigation by your committee. The American public has a right to know what advisers or energy moguls participated in forming the nation's energy policy recommendations. If they were outside parties the policy may well be illegal under the Federal Advisory Committee Act. If Mr. Cheney is not forthcoming with the roster of participants I ask that you pursue action to release this information. This information is even more important and disturbing in light of the recent Enron debacle and it's ties to Karl Rove in the administration, and President Bush's and Vice President Cheney's ties to big oil.

I was disappointed to learn of the selection of Camden Toohey as a special adviser to the Department of the Interior. Mr. Toohey is the director of the pro-oil development group Arctic Power and as such is extremely biased in his viewpoint. I am appalled at the thought of the oil industry conducting the Department of Interior as an enterprise zone.

The selection of John D. Graham as director of the Office of Information and Regulatory Affairs in the office of Management and Budget and the selection of Donald R. Schregardus as Assistant EPA Administrator for Enforcement and Compliance Assurance lead me to believe that many Bush appointees are selected solely on the basis of their political contributions and industry bias without concern for the well-being of the nation. I ask your support for a full investigation into these participants and appointments. In accordance with the core values of accountability, integrity and reliability this information must be made available to the American public.

Sincerely,
Join the world's largest e-mail service with MSN Hotmail. Click Here <http://go.msn.com/bql/hmtag4_ell.EN.asp>
Secretary, The
Crackel, Clint [Clint.Crackel@fema.gov]

From: Cracker, Clint
Sent: Thursday, February 01, 2001 10:09 AM
To: 'vice.president@whitehouse.gov'
Cc: Secretary, The; 'president@whitehouse.gov'; 'speaker@mail.house.gov'; 'senatorlott@lottsenate.gov'; 'dick@dickdurbin.senate.gov'; 'governor@state.il.us'; 'governor@governor.ca.gov'; 'governor@tallahasstate.fl.us'; 'governor@state.mn.us'; 'jmoore@icc.state.il.us'; 'mnorris@dpsv.state.mn.us'; 'lpaige@cagw.org'; 'ncrowley@powercom.net'; 'jfc@nei.org'

Subject: FW: FW: Energy Task Force

Dear Mr. Vice President:

As a follow-up to my previous request to serve on the newly created energy task force, I am forwarding the comments of the Nuclear Waste Strategy Coalition's Federal Intervention Legislative Liaison regarding my request to serve on the task force. I am truly honored and blessed to receive such recognition and words of encouragement from a noble and worthy organization that is truly committed to serving the interests of our nation's nuclear utility ratepayers.

If I may be of any assistance to you and the task force, please don't hesitate to contact me. Thank you again for any consideration you may give to my request.

Clinton E. Crackel

——Original Message——
From: Martez Norris [mailto:Martez.Norris@state.mn.us]
Sent: Wednesday, January 31, 2001 2:06 PM
To: Clint.Crackel@fema.gov
Subject: Re: FW: Energy Task Force

<<Martez Norris.vcf>> Good luck with the Task Force position. We sure need a friend. The Coalition is planning to meet with members of the Task Force soon. Good luck, Martez

Marte Norris
Federal Intervention Legislative Liaison
Minnesota Department of Commerce
Nuclear Waste Strategy Coalition
85 - 7th Place East, Suite 500
St. Paul, MN 55101-2198
Tel: 651.296.0417 Fax: 651.296.5819
Email address: martez.norris@state.mn.us

>>> "Crackel, Clint" <Clint.Crackel@fema.gov> 01/29 2:00 PM >>>

Senator Fitzgerald:
For your information,

——Original Message——
From: Crackel, Clint
Sent: Monday, January 29, 2001 12:54 PM
To: vice.president@whitehouse.gov
Subject: Energy Task Force

10819
DOE016-0571
Dear Mr. Vice President:

I have just learned of President Bush's decision to create a Federal energy task force. I would be honored to have the opportunity to assist you on the task force if you wish to utilize my services. I have attached a brief, one-page resume for your information. Please let me know if I can be of service.

Thank you for any consideration you may give to my request.

Clinton E. Crackel
Dear Secretary Abraham,

I wanted to share with you some thoughts on a national energy strategy that we recently sent to the Vice President. I believe this information is critical as you put together your 2002 budget.

JOE SKEEN
The Honorable Richard Cheney
Vice President of the United States
The White House
Washington, D.C. 20500

Dear Mr. Vice President Cheney:

As you assume your new responsibilities as head of the national energy taskforce, we wanted to take this opportunity to share with you some of our thoughts on the need for a national energy strategy. These ideas are based on our long history of funding energy research through the Interior appropriations bill. As current and past chairmen of the House Interior Appropriations Subcommittee and longstanding members of that committee prior to our chairmanships, we have seen many attempts at formulating a national energy policy by previous administrations.

Our views on what needs to be done and why past strategies have failed are outlined in the enclosed documents. We stand ready to assist you in any way we can in addressing this important issue, which is critical to the economic health of this nation and the worldwide well being of the environment.

Sincerely,

Ralph Regula
Subcommittee on Interior
and Related Agencies

Joe Sken
Chairman
Subcommittee on Interior
and Related Agencies
Energy and the Lack of a Comprehensive National Strategy

The current problems with electricity deregulation in California illustrate several problems with the Federal approach to addressing the energy situation in this country and worldwide. The biggest problem is that the country is dependent on fossil fuels—coal, oil and natural gas—to supply the vast majority of our energy needs now and for the foreseeable future. Instead of focusing efforts on how to use these fossil fuels more efficiently and more cleanly, the majority of energy research has been focused on finding "magic bullets" that will substitute for fossil fuels.

Renewable and alternative fuels do need to be developed, and research should be continued in those areas. However, these alternatives are not capable of replacing fossil fuels to any great extent over the next couple of decades. Many in the environmental community (and in government) have oversold the promise of renewables and alternative fuels. Meanwhile, the energy infrastructure in this country has not kept pace with demand and we have created disincentives to improving and siting new technologies that would improve the efficiency and cleanliness of fossil fuels.

A comprehensive national energy strategy needs to be developed that acknowledges the importance of improving fossil fuel technology at the same time as continuing research on renewable energy and alternative fuels. Also, there needs to be an immediate, independent objective review of "what happened" in electricity deregulation in California.

Federal research is only a part of the answer to the energy situation. We have invested nearly $25 billion in energy conservation and fossil energy research through the Interior appropriations bill alone since the founding of the Department of Energy in 1977. Have we gotten $25 billion worth of results? We need a framework for where we invest research funding in the future and that framework should be based on the energy needs of the country and the relative contribution of the various energy sources.

There are several initiatives that have been funded under the Interior bill that should be continued and expanded. They include natural gas infrastructure improvements, technology improvements to extend the life and productivity of existing oil fields, fuel cell research for electric power generation and for transportation applications in cars and trucks, methane
hydrates research, and a new power plant improvement initiative for coal-fired power plants.

The power plant improvement initiative recognizes that more than half of our electricity is generated by coal and will continue to be so for decades to come. As the U.S. electric power industry transitions to a new and competitive business structure, the demands on existing coal-fired power plants are changing. These plants must achieve greater efficiency and reduce carbon dioxide and other emissions. Advanced technologies need to be developed and applied to existing and new power plants.

Whatever energy strategy is developed needs to recognize that the Federal government can’t “do it all”. We need to work cooperatively with industry so that Federal research makes sense and is a joint government/industry effort. The energy strategy also needs to recognize that most of the major energy breakthroughs that have been achieved have come from industrial research efforts and from small entrepreneurs in the private sector and not from Federal research investments.

Conservation efforts need to be continued but conservation is no replacement for aging infrastructure; nor can it adequately address ever-increasing demand. The basis for a national energy policy that will work needs to be a realistic view of the current and future market share for the various fossil fuels and for renewable and alternative fuels. All the various energy strategies that have been put forth to date have failed because they have been based on the flawed premise that conservation and renewable and alternative fuels can substantially displace our reliance on fossil fuels. That is a myth that needs to be debunked. Conservation and renewable and alternative fuels research need to be appropriately integrated with fossil fuels research and improved technology.

Attached are some remarks that Congressman Ralph Regula recently made on the House floor on this issue. The data are compelling. Now is the time to move forward boldly with a balanced, rational, national energy policy.
The Need for a National Energy Policy
Remarks by Congressman Ralph Regula, OH
January 2001

The current situation with rising electric power prices and power outages on the West Coast comes on the heels of the price spikes and tight supply of crude oil that we've been experiencing over the past year and the resultant large increases in the prices for natural gas, heating oil and gasoline. I challenge each member of this chamber to join with me in working with the next Administration to develop and implement a reasoned and balanced National Energy Policy in the 107th Congress.

We import 52% of our petroleum today and by 2020 that number is projected to increase to 64%. Demand keeps going up and supply is, at best, remaining level. Refinery capacity in this country is pretty much "maxed out" and no new refineries appear likely in the current regulatory climate. We need to address this problem now.

New oil and gas pipelines and new electric power generating capacity also need to be put on a "fast track" to keep pace with demand. We need to remove disincentives to siting new and improved "clean energy" technology that will reduce energy use and lower harmful emissions. At the same time, we need to continue to develop alternative sources of energy such as wind, solar and geothermal energy.

About 85% of U.S. energy use today comes from traditional fuel sources—coal, oil, natural gas—and that market share is expected to reach nearly 90% by 2020 as nuclear power generation declines. Alternative fuel sources provide less than 7 percent of the total energy used in this country and that percentage is not expected to increase over the next 20 years. As energy consumption in this country increases, the use of alternative fuels will increase but so will the use of traditional fuel sources.

Some in this chamber have advocated eliminating all research on traditional fuel sources. These same individuals also advocate huge increases in alternative energy research. We need to have reasonable funding increases in traditional energy research and we need to bring greater focus to our research on alternative energy so that we pursue the most promising alternatives aggressively and terminate or scale back other alternative fuels research.
Our recent history in this area has not been good. We have under funded traditional energy fuels research and this under funding has contributed to our current short supply and escalating price situation. At the same time, we have continued to increase and widely disperse alternative fuels research into literally thousands of different projects. Many of these alternatives have proved to be unrealistic, yet we continue to fund them.

We need to work on “hybrid” technology that combines the use of traditional fuel sources with alternative sources of energy. This “combination” technology shows great promise for many applications in the short term. A couple of examples are: fuel cells that can use natural gas or propane as a fuel source to supply the power needs of residential and small commercial buildings; and a combination gasoline and electric power or diesel and electric power hybrid system for cars and trucks that can achieve substantially greater miles per gallon than existing vehicles.

Unfortunately, at times like these, the answers many folks turn to are “band aid fixes” to address regional problems like electric power shortages in the West and heating oil shortages in the Northeast. Once the crisis passes, memories fade and we are left, yet again, with no far-reaching, longer-term solution to the U.S. energy situation.

There are many opportunities for the Department of Energy to work with the Environmental Protection Agency in regulatory areas that directly affect energy production and use. DOE does work cooperatively with EPA now but much more needs to be done to address inconsistencies in programs in the two agencies.

In particular, the two agencies should collaborate on a “Four Pollutant Strategy” to address emissions from existing electric power plants of SO2, NOx, mercury and CO2. In addition, EPA’s proposed “Air-Water Interface Work Plan” should be coordinated closely with DOE in assessing the potential impact of emissions from the electric utility sector on water quality and in determining the need for further regulation.

EPA is also developing policies that would marginally reduce NOx and air toxics from clean burning natural gas power plants. Unfortunately, these rules may raise the operational costs of these plants so much that there could be an incentive to switch to other fuels. We need to make sure that
well-intentioned efforts to reduce emissions don't raise power costs for clean burning fuels while encouraging shifts to fuels with greater emissions. DOE needs to work very closely with EPA on this policy.

EPA also needs to work closely with DOE in formulating cooling water intake regulations for existing electric power generation facilities and for existing petroleum refineries. Existing plants have fewer compliance options and much greater mitigation costs than new plants. The economic impact of an overly stringent rule for existing sources could trigger another energy crisis in this country.

In 1999, U.S. consumers used 4 times as much gasoline as we did 50 years ago. We consume over 19 million barrels of petroleum a day in this country, about 59 billion cubic feet of natural gas and nearly 3 million short tons of coal. The U.S. has only 4.5% of the world's population but we account for 26% of worldwide petroleum consumption, 26% of total natural gas use and 21% of total coal use. We need to use technology to help us get our jobs done and retain our lifestyle while using less energy. Many of these technologies are available now and many more are on the horizon. The consumer needs to know how to get access to them and, with today's Internet society, there is no excuse for not getting the word out.

We leave 2 barrels of oil in the ground for every barrel we produce. We can do better and we need to support research that will help improve domestic production of oil. We have more coal in this country than the rest of the world has recoverable oil. Coal is an excellent energy source and we should be supporting research that will ultimately provide us with zero emissions coal-fired power plants.

We can't ignore the international market either. Our energy strategy needs to acknowledge the importance of the international situation because issues like global warming and carbon sequestration cannot be addressed in isolation by U.S. policy.

One-third of the world population - 2 billion people - lack access to electric power. Current electric power capacity will have to be tripled over the next 50 years to meet global demand. The worldwide market for new power generation equipment is expected to be $2 trillion a decade for at least the next 5 decades.
China and India are going to be primarily dependent on coal. China alone plans to build 8 to 10 power plants a year over the next 20 years—75% of which will burn coal. If you are really concerned about the environment, this is where the rubber meets the road. We need clean technology for electric power generation. We also need U.S. technology that will compete successfully in the international marketplace if we are to be a major player in cleaning up the environment.

We need a National Energy Policy that does not pit traditional fuels against alternatives fuel sources. We need to look at the whole range of technologies. That is the message we should deliver in the 107th Congress.
The Honorable Richard Cheney, Vice President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Vice President Cheney:

We applaud your efforts as you begin a comprehensive review of U.S. energy policy. This critical initiative is long overdue, and is particularly relevant today as the California energy crisis illustrates the deficiencies in regional and national energy policy and planning. Additionally, as the threat of global climate change is becoming widely acknowledged in the U.S. there is a growing understanding that a responsible national energy policy includes a global climate change mitigation strategy that can be environmentally effective and economically advantageous.

We are concerned that the current crisis mentality pervading the discussions of energy issues in the country has fostered an ill-founded rush for "quick fix" solutions that, while politically expedient, will ultimately do the country more harm than good. It is critical to examine all energy options. The potential for renewable energy technologies and energy efficiency to have a significant positive impact on our energy future is such an example of an opportunity that demands far greater examination and commitment to implementation than we have seen to date.

In the last decade the case for renewable energy has become compelling economically, socially, and environmentally. For many years renewables were seen as environmentally and socially attractive options that at best occupied niche markets due to barriers of cost and available infrastructure. That situation has dramatically changed. Renewable energy resources and technologies — notably solar, wind, small-scale hydro, and biomass based energy, as well as advanced energy conversion devices such as fuel cells — have undergone a revolution in technological innovation, cost improvements, and in our understanding and analysis of appropriate applications. There are now a number of energy sources, conversion technologies, and applications, where renewable energy options are either equal
or better, in price, and equal, or better, in services provided than are the prevailing coal, oil, and gas
technologies. For example, in a growing number of settings in industrialized nations, wind energy is
now the least cost option across all energy technologies with the added benefits of being quick to
install and bring on-line, and modular. In fact, some farmers in the Midwest can generate more
income per hectare from the electricity generated by a wind turbine on their land than from their
crop or ranching proceeds. Furthermore, photovoltaic panels and solar hot water heaters placed on
buildings and houses across America could help reduce consumers' energy costs, produce a healthier
living environment, and increase our energy supply while stabilizing our energy demand.

California's energy crisis has recently caught the national attention and raised fundamental questions
about regional and national energy strategies. Rising demand suggests the need for new energy
supplies, and certainly some new energy capacity is needed. However, there is a wide range of
options for achieving supply and demand balance, and some of these options are not being given
adequate attention. Governor Davis in California is now emphasizing policies that put the state into
the position of brokering power purchases. Not only is this unlikely to be economically efficient, it
fails to address the underlying problems of market manipulation and under-investment in capacity
expansion of new, clean, technology development and installation. We believe that statewide, public
sector investment in renewable energy generation, combined with increased municipal control of
electricity production and retail sales, would offer a better and more meaningful long-term solution
to the problems that electricity deregulation has raised.

In general, the absence of past state and federal leadership has meant that we have seen too few
incentives for energy conservation and efficiency measures, little attention to appropriate power
plant siting issues, and lack of long-term concern for transmission and distribution bottlenecks. At
the national level drilling for oil in Alaska's Arctic National Wildlife Refuge is one step that could
be taken to increase oil supplies. Yet, it would have a negligible effect on electricity production, and
would not significantly reduce oil prices, improve energy security, or alleviate the trade deficit. Any
oil and gas found will be trivial in comparison with global production and long-term U.S.
consumption. This combined with the economic and environmental costs of such a proposal make
disrupting the Arctic Refuge an unnecessary step, and illustrate a lack of integrated energy planning.

We firmly believe that the ultimate solutions to meeting our nation's energy needs must be based on
private sector investment, bolstered by well-targeted government support such as tax incentives for
emerging energy technologies and R&D. This must be coupled with policies that open markets to
new generating capacity, rather than through federal subsidies for programs to increase energy
supply using already mature technologies. This latter strategy would only generate near-term and
incremental paybacks, while doing little to promote energy security or advance social and
environmental goals. Instead, we now have the opportunity to build a sustainable future by engaging
and stimulating the tremendous innovative and entrepreneurial capacity of the U.S. private sector. To
accomplish this, we must develop policies that guarantee a stable and predictable economic
environment for advancing clean energy technologies. This can be further bolstered by market
incentives to reward actions that advance the public good. The Federal Energy Task Force has the
opportunity to clarify federal policies, build a sustainable energy research base, encourage state and
regional initiatives, and build dynamic markets and industries focused on clean energy options. With
these thoughts in mind, we present several options that address both the short-term need to increase
energy supply and the long-term goal to have a sustainable, economic and environmentally sound U.S. energy policy.

- Increase federal R&D funding for renewable energy and energy efficiency technologies. To date, federal investment in renewable energy and energy efficient technologies has been sparse and erratic, with each year producing an appropriations battle that is often lost. The resulting financial and policy uncertainty discourages effective energy technology development and deployment in the marketplace. With energy now a clear national priority, funding for the U.S. Department of Energy's Energy Efficiency and Renewable Energy Program must be substantially and systematically increased. The realization that R&D funding provides a critical driver to economic growth resulted in important commitments, particularly in the life sciences, to doubling R&D funding in five years. The same return on investment exists in the energy sector, but it has not been translated into similarly increased R&D funding for new renewable and energy efficiency technologies. If the U.S. expects to be a world leader in this industry, as it is in the biomedical and high-tech sectors, such investments in renewable energy and energy efficiency are essential. (See Appendix, Note 1)

- Provide tax credits in addition to tax cuts for companies developing and using renewable energy and energy efficiency technologies. The R&D tax credit has proven remarkably effective and popular with private industry, so much so that there is a strong consensus in both Congress and the Administration to make this credit permanent. Clean energy must be a national priority, and given the importance of private sector R&D in commercializing new technologies, an additional tax incentive for R&D investment in renewable and energy efficiency technologies is exactly the type of well-targeted federal policy that is needed. Furthermore, tax incentives directed toward those who use the technologies would provide the 'demand pull' to accelerate the technology transfer process and rate of market development. The U.S. has largely lost its position as the global leader in energy innovation resulting in the loss of jobs and earning potential for U.S. companies precisely at the time when the international market for clean energy technologies is booming. Our domestic industries as well as the global energy economy would both benefit directly from a renewed commitment to U.S. clean energy leadership. (See Appendix, Note 1)

- Institute improved efficiency standards for residential and commercial water heating and space heating and cooling, and motors and appliances. Significant advances in heating and cooling system efficiency, and for motors and many appliances, have been made, but more improvements are technologically possible and economically feasible. A clear federal statement of desired improvements in system efficiency is needed to remove uncertainty and reduce the economic costs of implementing these changes. If such a federal mandate existed then efficiency standards for heating and cooling, and for motors and appliances would begin to gradually increase, helping to expand the market share of existing high efficiency systems, as well as spurring a wealth of further improvements. (See Appendix, Note 2)

- A federal renewable portfolio standard (RPS) to help build renewable energy markets. The RPS is a renewable energy content standard, akin to efficiency standards for vehicles and appliances that have proven successful in the past. A gradually increasing RPS is an economic way of ensuring that a growing proportion of electricity sales are provided by renewable energy, and is designed to integrate renewables into the marketplace in the most cost-effective fashion.
In this manner, the market picks the winning and losing technologies and projects, not administrators. We recommend a 20 – 25 percent renewable energy component within ten to fifteen years, using market dynamics to stimulate innovation through an active trading program of renewable energy credits. (See Appendix, Note 3)

- **Federal standards for net metering of distributed small-scale energy generation.** Net metering allows customers to interconnect and feed surplus power back into the grid during periods when generation exceeds the customer's own use. Such a system makes it easier and more affordable for customers to generate their own power from renewable energy sources or other distributed generation technologies. The use of net metering benefits customers, utilities, and independent power providers, and is particularly important for intermittent renewable sources, such as solar and small wind machines, which generate electricity only when the resource is available. A uniform federal standard is needed to replace the confusing and disparate array of state net metering programs currently in existence. (See Appendix, Note 4)

- **Form a National Public Benefits Fund based on revenue collected from a national, competitively neutral wires charge.** Such a fund could match state funds to assist in continuing or expanding energy efficiency, low-income services, the deployment of renewables, research and development, and similar public purpose programs the costs of which have traditionally been incorporated into electricity rates by regulated utilities. As the utilities have moved toward deregulation such public benefit funds have been disappearing.

- **Improve federal standards for vehicle fuel economy.** New hybrid vehicle technologies are beginning to enter the marketplace, offering significant improvements in vehicle fuel economy at modest incremental vehicle costs. Looking beyond the initial wave of gasoline hybrid vehicles, fuel cell vehicles are currently under active development by all of the large automakers and promise even higher efficiencies and still lower emission levels. The improvements in fuel economy that these new vehicle types offer would help to slow growth in petroleum demand, reducing our oil import dependency and trade deficit. While the Partnership for a New Generation of Vehicles helped to generate some vehicle technology advances, an increase in the Corporate Average Fuel Economy (CAFE) standard is required to provide an incentive for companies to bring these new vehicles rapidly to market. The potential for future hybrid and fuel cell vehicles to achieve over 100 miles per gallon is believed to be both technically and economically viable in the near-term, and needs only clear federal guidelines and support to move from planning to reality. (See Appendix, Note 5)

- **Integrate domestic energy and environmental planning with U.S. global leadership.** The need for leadership on the global climate issue has become particularly apparent with the lack of international cooperation at the recent climate meeting in The Hague. Past domestic political opposition to U.S. leadership in this area was based on outdated views of the science and economics of climate change. It is now widely understood that the costs of inaction on global warming can be catastrophic, while the benefits of actions to reduce the environmental impacts of energy use through new innovation, developing clean energy industries, and improving domestic air quality and health can be substantial. This represents the classic 'win-win' scenario. Significant action on climate change mitigation now appears unlikely unless the U.S. takes on a significant leadership role. (See Appendix, Note 6)
If we hope to enjoy the type of prosperity in the coming century as we have in the past the work of the Task Force on Energy in formulating a new national energy policy must be carried out with careful consideration. We commend you for this auspicious undertaking and would be happy to elaborate further on any of the points raised above. Thank you for the opportunity to weigh in at this critical juncture in our country's history.

Sincerely,

Daniel M. Kammen
Professor Daniel M. Kammen, Director
Renewable and Appropriate Energy Laboratory
Email: dkammen@socrates.berkeley.edu

Antonia Herzog
Dr. Antonia V. Herzog
University of California President's Postdoctoral Fellow
Email: ahertzog@socrates.berkeley.edu

Timothy E. Lipman
Dr. Timothy E. Lipman
Postdoctoral Fellow, RAEL
Email: telipman@socrates.berkeley.edu

Cc:
Spencer Abraham, Secretary of Energy
Governor Gray Davis, Governor of California
Rosina Bierbaum, Acting Director, Office of Science and Technology Policy
Senator Frank H. Murkowski, Chairman, Senate Committee on Energy and Natural Resources
Senator Jeff Bingaman, Ranking Member, Senate Committee on Energy and Natural Resources
Hon. W.J. "Billy" Tauzin, Chairman House, Committee on Energy and Commerce
Hon. John D. Dingell, Ranking Member House, Committee on Energy and Commerce
Many of the publications listed below are available on line at the Renewable and Appropriate Energy Laboratory's (RAEL) Internet site. The Publications Page is: http://soocrates.berkeley.edu/~rael/papers.html

Note 1: Federal R&D funding for renewable energy and energy efficiency technologies

Federal funding and leadership for renewable energy and energy efficiency projects has resulted in a small number of notable successes, such as the Energy Star and Green Lights Programs that has now been emulated in a number of countries. Despite these achievements, funding in this area has been both scant, and so uneven that private sector involvement has been actually discouraged. A combination of a federal program for steadily increasing funding and active political leadership would transform the clean energy sector from a good idea to a pillar of the new economy. In particular, promising technologies such as fuel cells deserve special attention. Fuel cell development is attracting significant public and private funding and offers the promise of being a keystone technology for the ultimate transition from natural gas, petroleum, and coal energy to a renewable and hydrogen based energy economy.


President's Committee of Advisors on Science and Technology (PCAST) (1997) Federal Energy Research and Development for the Challenges of the Twenty-First Century (Washington, D.C.: Energy Research and Development Panel, President's Committee of Advisors on Science and Technology), November.

A second, and related issue is the structure of the Department of Energy itself. We have hindered, even crippled, the ability of the Department of Energy to investigate, promote and champion innovation in the energy sector by focusing much of its activities on the clean-up of the legacy of nuclear energy research and waste. While this is an important mission, it dominates the resources of the Department of Energy and prevents the focus from moving to current and future energy needs and opportunities. A separation of these functions is in order.
Note 2: Efficiency standards for residential and commercial water heating and space heating and cooling, and motors and appliances.

A confluence of technical advances and economic and policy mechanisms now exists that could be utilized to dramatically reduce domestic, commercial and industrial energy needs. Federal leadership and partnership programs with state and regional organizations could produce dramatic improvements and cost reductions.


Note 3: A federal Renewable Portfolio Standard

All federal RPS proposals should use tradable renewable energy credits for compliance. Renewable credit trading is analogous to the sulfur allowance trading system established in the Clean Air Act. Like emissions trading, it is designed to be administratively simple and to increase flexibility and decrease the cost of compliance with the standard. Electricity suppliers can generate renewable electricity themselves, purchase renewable electricity and credits from generators, or buy credits in a secondary trading market.

The RPS is the surest mechanism for securing the public benefits of renewables and for reducing their cost to enable them to become more competitive. It is a market mechanism, setting a uniform standard and allowing companies to determine the best way to meet it. The RPS will reduce renewable energy costs by:

- Providing a revenue stream that will enable manufacturers and developers to obtain reasonable cost financing and make investments in expanding capacity to meet an expanding renewable energy market.
- Allowing economies of scale in manufacturing, installation, operation and maintenance of renewable energy facilities.
- Promoting vigorous competition among renewable energy developers and technologies to meet the standard at the lowest cost.
- Inducing development of renewables in the regions of the country where they are the most cost-effective, while avoiding expensive long-distance transmission, by allowing national renewable energy credit trading.
- Reducing transaction costs, by enabling suppliers to buy credits and avoid having to negotiate many small contracts with individual renewable energy projects.


Note 4: Federal standards for net metering

Net metering eliminates the administrative expense of installing, reading, and billing for an additional meter to measure generation separately from consumption. During surplus generation
periods, the single meter spins backwards, so that the customer is billed only for the net amount of electricity consumed during a billing period. By facilitating small-scale generation by customers, net metering will help reduce loads on central generation, transmission and distribution, enhancing reliability as well as fuel diversity.


Note 5: Improved federal standards for vehicle fuel economy

After five years of Congressional bans, studies on the potential for increases in CAFE standards to cost-effectively reduce petroleum demand are now underway by the Department of Transportation and the National Academy of Sciences. These studies, with results due in July 2001, will help to suggest optimal levels of increased standards, given the costs and benefits of higher fuel economy, as well as phase-in schedules that will protect the competitive interests of domestic automakers. The issue of raising CAFE standards is becoming increasingly relevant with progress in the PNGV program, and as several automakers are preparing to introduce high-efficiency fuel cell vehicles beginning as soon as 2003-2004.


Note 6: Climate change and the need for federal leadership

The U.S. can reduce greenhouse gas (GHG) emissions while improving our economic efficiency, creating jobs and saving consumers money, maintaining our technological leadership, and achieving other environmental benefits. The options presented in this letter not only represent a responsible energy strategy, but can also simultaneously address the need to reduce U.S. GHG emissions. In particular, they would support a range of strategies to reduce power plant emissions, which account for a substantial percentage of total U.S. emissions of greenhouse gases, 29 percent in 1998. These include switching from our current reliance on high-carbon fossil fuels, particularly coal and oil, to renewable fuel sources, which have zero carbon emissions, and lower-carbon natural gas, and increasing the efficiency of electricity generation and use.

We strongly support the recent initiatives in Congress, for which the current Administration has indicated its backing, to reduce pollutant emissions from electricity generation. In the 106th Congress Senator Jeffords and Senator Lieberman introduced, S.1369, the Clean Energy Act of
1999. This legislation contained provisions that addressed the environmental damage and competitive distortions created by the patchwork of unequal and inadequate standards that currently apply to electric power plants nationwide. The bill put a national cap on emissions from all power plants of nitrogen oxides, sulfur oxides, mercury, and carbon dioxide. The reductions in carbon dioxide would have brought emissions levels back to 1990 levels by 2005, the same level implied by the non-binding targets of the Rio Treaty of 1992, as ratified by the U.S. Senate. Legislation that controls the four major power plant pollutants in an integrated package will help reduce uncertainties for electric generators and will be less costly than separate programs for each pollutant. Integrated control encourages system-wide efficiency improvements and increased utilization of cleaner fuels. And while voluntary action by American companies is an attractive option to consider, in the last ten years voluntary actions have failed to reduce carbon dioxide emissions in the U.S. Instead, emissions have increased by 15 percent since 1990 and continue to increase.


March 21, 2001

2001-008020 3/26 P 12:05

The Honorable Richard Cheney
Vice President of the United States
Chairman, National Energy Policy Development Group
Room 283
Old Executive Office Building
Washington, D.C. 20501

Re: Cross-Border Pipeline Project

Dear Mr. Vice President:

Please accept my congratulations on your election as the Vice President of the United States and on your assignment to the President’s National Energy Policy Development Group. I enjoyed our association while you were in Texas, and I truly empathize with you regarding the daunting task before your Group. As a Texas Railroad Commissioner, I am acutely aware of the energy problems confronting the State of Texas and the nation and have been working to devise policies to help the industry meet the growing demand for natural gas and provide customers reliable and reasonably priced energy. As you are developing your recommendations for the nation’s new energy strategy, I want to offer for your consideration a project that we have just initiated in Texas to streamline cross-border pipeline projects.

The state agencies responsible for permitting international cross-border pipelines entered into a memorandum of understanding, which was finalized on March 20, 2001, designating the Railroad Commission of Texas (RRC) as the central conduit for state permits. This means that any entity that intends to build a pipeline across the border between Texas and Mexico will have to deal with only one state agency in acquiring all of the permits required by the various Texas state agencies. I recommend that the federal government encourage the other states bordering Mexico to follow suit and designate one contact agency for permitting. Further, I recommend that the federal government use that state-designated agency as the contact for all federally required permits for cross-border pipeline projects between that specific state and Mexico. In this way, a private entity would deal with only one governmental agency, and that agency would then deal with all of the other state and federal permitting agencies.
The Honorable Richard Cheney  
March 21, 2001  
Page Two  

The benefits received by this single window approach are numerous. Many of the steps required by the various regulatory agencies involved in cross-border energy projects could be eliminated and/or consolidated, thus reducing the overall time and cost associated with the permitting process.

The idea for a single window approach developed during collaborative efforts, which began in 1997, between the Railroad Commission of Texas (RRC) and the Comision Reguladora de Energia (CRE), the agency in charge of the regulation of natural gas, LPG, and electric power industries in Mexico. In 2000, RRC staff members and I traveled to Mexico City to meet with the CRE and the Instituto Nacional de Ecologia (INA) to discuss the natural gas issues confronting the two nations. As a result of those meetings and subsequent discussions with CRE, we identified the need to build pipelines to transport natural gas between the two countries as a high priority. Currently, there are seven natural gas pipelines that cross the border between Texas and Mexico, having a total capacity of 1610 MMcf per day. Of this, 1270 MMcf per day has bi-directional capability. To have viable commerce between the two countries, much more capacity must be built.

In the course of our discussions, we discovered that a major obstacle to building pipelines was the large number of state and federal regulatory entities involved in the permitting process. On just the United States side of the Texas-Mexico border, there are six federal agencies (International Boundary and Water Commission, U.S. Army Corps of Engineers, Region IV of the USEPA, Department of Energy, FERC, and U.S. Fish and Wildlife); and four state agencies (Railroad Commission of Texas, Texas Natural Resource Conservation Commission, Texas General Land Office, and Texas Historic Commission) from which permits must be obtained. The permitting process is both expensive and time-consuming. Consequently, reducing the number of agencies an applicant must contact would expedite the permitting process. The quality of regulatory oversight would not be compromised, but the applicant would be required to have a face-to-face relationship with only one agency, and that agency in turn, would work with all of the other agencies involved in the process.

There are two primary reasons for having state rather than federal agencies serve as the conduits for all state and federal permits. First, each of the border states has a greater vested interest than the federal government in the successful completion of cross-border pipelines. Because of their proximity to Mexico, the border states have strong economic and cultural ties to Mexico. Second, based on my discussions with the CRE, the CRE would prefer to deal with the border states than with the federal government.

I believe that the construction of pipelines is just the first step in developing energy related projects between the United States and Mexico that will be beneficial to both countries. The new pipelines should stimulate more interest in Mexico to further develop their gas fields. The pipelines also will help alleviate some of the tanker truck traffic on Texas highways. For
example, one company has already approached the RRC for help in obtaining a permit for a multi-line system to export butane, propane, and natural gas into Mexico. That company estimates its proposed pipeline will eliminate the need for approximately 200 trucks each day.

I strongly urge you to consider this recommendation. In the short-term, the pipelines would most likely not help alleviate the energy crisis because most of the gas would flow from the United States producing states into Mexico; however, in the long-run, and I agree with President Bush that we must plan for the long-run, the flow across these pipelines should be reversed, and these cross-border pipelines would transport much-needed gas produced in Mexico into the United States.

For your convenience, I have attached copies of the Texas Memorandum of Understanding, the list of permitting agencies, and other related information. If you have any questions regarding this recommendation or if I can assist you in any manner, please contact me at (512)463-7140 or Melissa Columbus at (512)463-7142.

Sincerely,

Charles R. Matthews
Commissioner

Cc: The Honorable Spencer Abraham, Secretary of Energy
    The Honorable Donald Evans, Secretary of Commerce

THIS MEMORANDUM OF UNDERSTANDING (Memorandum) is made and entered into among The Office of the Secretary of State, The Railroad Commission of Texas (RRC), The Texas Historical Commission (THC), the Texas General Land Office (GLO), the Texas Natural Resource Conservation Commission (TNRCC), and the Texas Public Utility Commission (PUC).

WHEREAS, The Office of the Secretary of State recognizes, with respect to building natural gas pipelines that cross the border between Texas and Mexico, that the energy needs of the citizens of Texas and Mexico can be met more efficiently if the permitting process in the State of Texas were organized in a manner that reduces the number of agency contacts a potential permitee must make and assures that the potential permitee secures all appropriate permits;

WHEREAS, The Office of the Secretary of State, on the advice and consent of the other parties to this Memorandum, further recognizes the RRC is particularly well-equipped to serve as the central state agency that reduces the number of agency contacts a potential permitee must make and assures that the potential permitee secures all appropriate permits for building natural gas pipelines that cross the border between Texas and Mexico;

WHEREAS, the RRC is responsible for issuing Hydrostatic Test water discharge permits, issuing opinions to the United States Army Corps of Engineers (USACE) concerning Clean Water Act Section 401 water quality certification, and assuming responsibility for reviewing USACE Section 10 navigability clearance with respect to building natural gas pipelines that cross the border between Texas and Mexico;

WHEREAS, the THC in its role as the State Historic Preservation Office, is responsible for ensuring that adverse effects on historic properties are avoided or minimized with respect to building natural gas pipelines that cross the border between Texas and Mexico;

WHEREAS, with respect to building natural gas pipelines that cross the border between Texas and Mexico, the GLO is responsible for issuing easements for portions of the Rio Grande River that have not been deeded to the United States government;

WHEREAS, the TNRCC is responsible for issuing permits to withdraw United States-owned water from the Rio Grande River, its tributaries, and any other Texas stream for hydrostatic testing and permits for operations of certain pipeline facilities which emit air contaminants with respect to building natural gas pipelines that cross the border between Texas and Mexico;

WHEREAS, the PUC does not issue permits with respect to building natural gas pipelines that cross the border between Texas and Mexico, but may in some instances play a role in such projects;
WHEREAS, the RRC, THC, GLO, TNRCC, and PUC recognize that with respect to building natural gas pipelines that cross the border between Texas and Mexico, the permit requirements from the various State agencies are necessary to protect public health and safety and cultural resources; and,

WHEREAS, the RRC, THC, GLO, TNRCC and PUC fully concur with The Office of the Texas Secretary of State that with respect to building natural gas pipelines that cross the border between Texas and Mexico, the energy needs of the citizens of Texas and Mexico can be met more efficiently if the permitting process in the State of Texas were organized in a manner that reduces the number of agency contacts a potential permittee must make and assures that the potential permittee secures all appropriate permits.

NOW THEREFORE, in consideration of the benefits to the State of Texas, The Office of the Secretary of State, the RRC, the THC, the GLO, TNRCC, and PUC enter into this Memorandum and hereby agree as follows:

1. The RRC, THC, GLO, and TNRCC shall prepare an inventory of all known permits each agency may require with respect to building natural gas pipelines that cross the border between Texas and Mexico. The inventory shall include a list of each agency's permits identified by name and/or number, and identify the appropriate staff contact person by name, phone number, and e-mail address for each permit.

2. The RRC, THC, GLO, TNRCC, and PUC mutually agree the RRC is designated as the distributor for applicable state permit applications, initial screener of completed applications for completeness, and facilitator among the other agencies to this memorandum for applicants who wish to build natural gas pipelines that cross the border between Texas and Mexico. The RRC, THC, GLO, TNRCC, and PUC further agree to encourage other relevant State and Federal agencies to engage in this process as the necessity for and convenience provided by their participation becomes apparent.

3. Within thirty days of the effective date of this memorandum, the RRC shall implement a system and designate personnel to distribute all notices of permit requirements, permit applications, and instructions for permit submission to persons who wish to build natural gas pipelines that cross the border between Texas and Mexico.

This Memorandum shall be effective as of the date of the last signature on this document. Any party may withdraw from this Memorandum at any time upon 30 days written notice to the other parties.
OFFICE OF THE SECRETARY OF STATE OF TEXAS
By: Henry Cuellar
Date: 

RAILROAD COMMISSION OF TEXAS
By: Michael L. Williams, Chairman
Date: 
By: Charles R. Matthews, Commissioner
Date: 
By: Tony Garza, Commissioner
Date: 

TEXAS HISTORICAL COMMISSION
By: F. Lawerence Oaks, Executive Director
Date: March 2, 2001

TEXAS GENERAL LAND OFFICE
By: David Dewhurst, Texas Land Commissioner
Date: March 1, 2001
Re: Memorandum of Understanding Concerning Permitting of Trans-Border Natural Gas Pipelines

Dear Mr. Kitchens and Ms. Pyka:

This is in regard to the proposed memorandum of understanding (MOU) among several state agencies for facilitating the permitting of trans-border natural gas pipelines. I understand that the Railroad Commission of Texas would be the lead agency and the central point of contact for entities desiring information on state permit requirements for the construction of trans-border natural gas pipelines. I believe that our Commission would support such an endeavor. However, since our agency is required to adopt any MOU with another state agency as a rule before signing the MOU, the time required to complete the rulemaking would preclude our participation in the MOU at this time.

In order to avoid delaying the execution of the MOU by the other participating parties, I will provide to your agency by letter the desired permitting information that you can disseminate as necessary. Our staff will continue to coordinate with your staff to update this information, as appropriate. In the meantime, as soon as the MOU is executed by the other parties and the language is final we will initiate the rulemaking process related to our participation in the formal MOU. Although these interim actions are not binding (the final decision on any rulemaking rests with the Commissioners) we trust that they support your endeavor.

If you have any questions or comments, please do not hesitate to contact Mr. Randolph Wood, Deputy Director, Office of Environmental Policy, Analysis, and Assessment, at (512) 239-1120.

Sincerely,

[Signature]

Jeffrey A. Saias, P.E.
Executive Director

cc: Mr. Duncan Norton, General Counsel
USA/Texas Cross Border Natural Gas Pipeline Regulation

In addition to the Department of Energy Import Export License, the certificate(s) issued by FERC under Section 3 of Section 7 of the Natural Gas Act and the Presidential Permit with required recommendations from the Secretary of State and Secretary of Defense, the following State and Federal Agencies will be involved in the following manner with construction and operation of a cross border natural gas pipeline from Texas to Mexico:

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>PERMIT/LICENSE</th>
<th>NATURE OF AGENCY AND PERMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Boundary and Water Commission (IBWC) (USA)</td>
<td>* License To Construct</td>
<td>Agency is in charge of border property; license assures construction is sound, prudent and complies with all environmental requirements.</td>
</tr>
<tr>
<td>US Army Corps of Engineers (USACE) (USA)</td>
<td>* Section 10 Clearance (navigability)</td>
<td>Agency in charge of maintaining navigable US waterways and with assuring their water quality and wetland protection; permits are vehicles for accomplishing these goals. The Section 401 Clean Water Act permit is in 9/10 cases a general permit which per USACE should not require State involvement.</td>
</tr>
<tr>
<td>USEPA Region VI (USA)</td>
<td>*Storm Water Discharge permit for construction activity</td>
<td>Agency function here to maintain water quality; likely a general permit for construction activity requiring work to employ best management practices and requiring little paperwork; EPA likely not to issue NPDES permit because it is minor and operator left to work under state permit. If RRC seeks and gets NPDES authority from EPA, this federal element of paperwork could be eliminated.</td>
</tr>
<tr>
<td>Department of Energy (USA)</td>
<td>*Import/Export License</td>
<td>DOE provides permit that allows party to take title to gas imported or exported across the border.</td>
</tr>
<tr>
<td>FERC (USA)</td>
<td>*Natural Gas Act Section 3 or 7 Certification; coordinates with State Department for Presidential Permit</td>
<td>FERC coordinates Presidential Permit by getting letters from Secretaries of State and Defense approving buying or selling gas at the particular border location; also issues Section 3 permit to build facilities at border, and if gas going to interstate market, issues Section 7 permit.</td>
</tr>
<tr>
<td>US Fish and Wildlife</td>
<td>*Threatened and Endangered Species Clearance</td>
<td>Agency assures project will not threaten endangered species.</td>
</tr>
<tr>
<td>Railroad Commission (TX)</td>
<td>*T4 Permit to operate pipeline</td>
<td>Comission authority for intra state pipeline operation and sole authority for assuring no surface or subsurface water pollution from activities under its jurisdiction; also responsible for state element of 40 certification for such activities; Staff reviews navigability clearance voluntarily to assure Texas has no problem with USACE recommendation. RRC staff can in most cases assure itself USACE general permit standards protect state water quality standards and thus eliminate this state element of paperwork.</td>
</tr>
<tr>
<td>Texas Natural Resource Conservation Commission (TX)</td>
<td>Permit to withdraw Rio Grande River water for Hydrostatic Testing</td>
<td>Agency function here to regulate water use; permit needed only if river water to be used, and general permit may apply.</td>
</tr>
<tr>
<td>Texas General Land Office (TX)</td>
<td>Easement to use State land</td>
<td>Agency issues easements through State rights of way such as river bed.</td>
</tr>
<tr>
<td>Texas Historic Commission</td>
<td>Cultural Resources Clearance</td>
<td>Archaeologist may need to do survey to assure construction does not disturb antiques.</td>
</tr>
</tbody>
</table>
TEXAS STATE AGENCIES COLLABORATE ON CROSS BORDER NATURAL GAS PIPELINE PROJECTS

AUSTIN-Today, Secretary of State Henry Cuellar, Railroad Commissioner Charles Matthews, Texas Land Commissioner David Dewhurst, Public Utility Commissioner Pat Wood, III and Texas Historical Commission Director F. Lawerence Oaks signed into a joint memorandum of understanding to streamline the permitting of crossborder natural gas pipelines.

"With this MOU, we are streamlining government to make the process more efficient and effective," said Secretary Cuellar. "The Secretary of State's office is always looking at partnerships that will continue enhancing our relations with Mexico. This initiative is an example of a cooperative effort between Texas and Mexico."

This memorandum establishes a joint agreement between the Secretary of State, Railroad Commission, General Land Office, Public Utility Commission and the State Historical Commission in developing dialogues regarding the building of natural gas pipelines that cross the border between Texas and Mexico. Recognizing that the energy needs of the citizens of Texas and Mexico can be met more efficiently if the permitting process in the State of Texas was organized in a manner that reduces the number of agency contacts a potential permitee must make and assures that the potential permitee secures all appropriate permits.

"Streamlining permit applications is a win-win the General Land Office has been pursuing since I took office; first with coastal and offshore permits, and now with cross-border natural gas pipelines. Streamlining the process should result over the next decade in additional gas supplies for Texas at competitive prices," stated Commissioner Dewhurst.

"This is the first step of an overall effort to bridge vital services between Texas and Mexico," said PUC Chairman Pat Wood, III. "The PUC also is working to strengthen electricity and telecommunications links."

F. Lawerence Oaks, Executive Director of the Texas Historical Commission stated, "The Texas Historical Commission is happy to be a part of this cooperative effort that will strengthen our relationship with Mexico and provide an efficient process for providing natural gas pipelines. Working closely with Mexico on matters of this type makes good sense for Texas."
Communications that began in 1997 between the Mexican Energy Regulatory Commissioner Dr. Raul Monteforte and Railroad Commissioner Charles Matthews have focused on identifying barriers on both sides of the border. By streamlining the permitting process many of these barriers will disappear. Currently there are four state agencies a permittee has to go through to obtain permits for crossborder pipelines. The Railroad Commission will become the lead permitting agency.

The future of the North American energy industry would greatly benefit through the relationship between the Texas and Mexican regulatory agencies whose rules will help form the structure and practice of the trans-border industry. With the demand of natural gas in both the United States and Mexico increasing, these bi-directional pipelines will benefit both countries.

In this way, the foundations will be established for the natural gas and LPG transportation permitting process on both sides of the border to be carried out in a coordinated manner, thus avoiding paperwork delays and providing certainty to investors interested in developing this type of project.

"This is the first step. Our next step is to begin working with the various federal agencies to continue the process of streamlining the pipeline permitting process. Our goal is to help serve the increasing energy needs of both the United States and Mexico. We believe that these efforts will ultimately affect consumers by lowering the cost of natural gas for both countries," stated Matthews.
The Honorable Richard B. Cheney  
Vice President of the United States  
276 Dwight D. Eisenhower Executive Office Building  
Washington, DC 20501

Dear Vice President Cheney:

As our nation moves forward to develop and implement a comprehensive, balanced energy strategy, we at Westinghouse Electric Company believe that nuclear energy research and development can play an important role in achieving results that best meet the needs of the American people. Earlier this year, the Department of Energy launched an initiative to prepare a technology roadmap for guiding nuclear R&D activities that will lead to a new generation of new reactor technologies—referred to as Generation IV. Working groups (comprised of representatives from industry, laboratories, and academia) are carrying out this initiative under the guidance of the Nuclear Energy Research Advisory Committee (NERAC).

One particular activity within this technology roadmap initiative that needs the immediate attention of Congress and the Administration is the interim report recently released by the Near Term Deployment (NTD) Group. Just issued at the end of May, this report identifies activities that should be initiated right away—to address the complex, time-consuming regulatory hurdles that must be overcome by new, advanced nuclear plants. Specifically, the NTD Group’s report recommends that $36 million be included in the Department’s nuclear R&D budget for fiscal year 2002, to support efforts by NRC and industry to establish the new licensing processes needed for new plants. Although the NRC has already promulgated regulations to help streamline the licensing of new plants in 10CFR52 (for Early Site Permits, Combined Operating Licenses, and Design Certifications), most of these regulations have yet to be put to use and there are many details to be worked out before future applicants can be sure that the new licensing processes will work smoothly. There is also the need to work out new regulatory policies and procedures for handling the review of new advanced reactor technologies (e.g., the gas cooled reactor designs) and for approving design changes to already certified standard designs (e.g., uprating power level to improve economic efficiency).
As recommended by your National Energy Policy Development Group, developing these new licensing processes and resolving issues related to new advanced reactor technologies are essential to expanding the use of nuclear energy in the United States, while maintaining high levels of safety and environmental protection.

I strongly encourage your efforts to include the NTD Group's recommendations in the fiscal year 2002 budget. I apologize for the late timing of this letter; however, the NTD Group's recommendations were only recently released.

Sincerely,

Charles W. Pryor, Jr.
President and CEO
Westinghouse Electric Company

CC: The Honorable Spencer Abraham
From: DeHoratiis, Guido
Sent: Tuesday, March 20, 2001 3:06 PM
To: Kripowicz, Robert
Cc: Kelliher, Joseph; Anderson, Margot; Stevenson, Beverley; Porter, Robert; Furiga, Richard; Johnson, Nancy
Subject: RE: NPC report

I spoke with Eric and he was looking for FE's report, "Environmental Benefits of Advanced Oil and Gas Exploration and Production Technology," 1999. He located it on our website. I offered to send him a hard copy, but he was satisfied with the web site: http://www.fe.doe.gov/oil_gas/environ_rpt/index.html

-----Original Message-----
From: Kripowicz, Robert
Sent: Tuesday, March 20, 2001 1:31 PM
To: DeHoratiis, Guido
Subject: FW: NPC report

-----Original Message-----
From: Kelliher, Joseph
Sent: Tuesday, March 20, 2001 1:07 PM
To: Kripowicz, Robert; Anderson, Margot
Subject: NPC report

Bob McNally with the White House called asking about a NPC report from 1997-98 that described how the footprint from oil and gas development has shrunk dramatically. Please coordinate and respond to Bob through his assistant, Eric (456-5378). Get them a copy of any such report. I have a number of meetings so please deal with this directly. Thanks

-----Original Message-----
From: Kripowicz, Robert
Sent: Monday, March 19, 2001 6:09 PM
To: Kelliher, Joseph; Kolevar, Kevin; Davis, Joseph
Subject: SPR exchange
Importance: High

Attached is a Q&A on the 30 million barrel exchange and the "net" effect of the transaction. If you want additional information, please let me know. << File: Sec-SPR.wpd >>
The Business Roundtable strongly supports many of the initiatives the Bush Administration has proposed as part of the National Energy Policy issued in May of this year. In particular, our members have a keen interest in the efforts by the U.S. Environmental Protection Agency (EPA) and the Department of Justice to review the program design and enforcement posture of the New Source Review (NSR) program under the Clean Air Act. The BRT feels that a prompt resolution of the NSR issue could greatly benefit the nation’s energy and fuel supply needs as well as improve the energy efficiency of domestic manufacturing.

We have attached a policy statement that reflects the Roundtable’s viewpoint on the issues that have arisen with this program and our recommendations for improving it in the future. We ask you to consider these views as the Administration considers administrative reforms to the program that will advance air quality goals without stifling technological innovation or imposing unnecessary burdens.

EPA has recently taken actions that represent a reinterpretation of the scope of the NSR program’s permitting and technical standards to include routine maintenance and replacement activities at industrial plants. These changes in EPA policy have been implemented through enforcement actions, rather than notice and comment rulemaking that would allow for a public dialogue on the program’s substantive policies. We believe that these policies do need a more public discussion because EPA’s current course with the NSR program can magnify burdens for industry, impose procedural delays and discourage technological innovation. Such policy changes should not be made through retroactive reinterpretation of the law or through enforcement actions.

It is important to emphasize that the Roundtable members support continuous improvement in reducing air emissions from industrial plants. We believe, however, that there are a range of strategies that EPA and the private sector can employ to achieve that goal without creating unnecessary burdens or chilling technology innovation. A number of constructive proposals for NSR reform have been offered to the Administration. We believe that many of these ideas hold great promise for improving environmental performance at plants while maintaining operational flexibility. As we have outlined in the attached paper, we urge the Administration to take a close look at those proposals and to address the improvements through the available administrative processes.
As the Administration proceeds with its efforts to reform the NSR program, the Roundtable urges the Administration to keep two considerations in mind. First, the implications of the program extend to a wide range of the American economy. There has been a tendency to focus on the implications of the program for electricity generating plants and petroleum refineries, in part because these facilities have been recent targets of EPA’s enforcement program. The Business Roundtable’s membership is quite diverse, and we can certainly affirm that companies in a variety of industries are concerned about the implications, and uncertainties, of the NSR program for their operations.

Second, it is important that the efforts you initiated produce tangible results in a reasonable period of time. Over the last several years, EPA has received a variety of proposals for reform but has not made any substantive changes in the NSR program. Thus, we were encouraged by the Bush Administration’s commitment, in the National Energy Policy, to conduct its review of the program in 90 days. On August 14, 2001, the EPA Administrator announced that EPA would be combining its NSR review with an effort to develop a “3 pollutant” proposal to reduce air pollution.

While we can understand why EPA would find it desirable to combine several efforts to change air pollution requirements, we are concerned about the implications of that decision for the timing of any meaningful changes in the NSR program. The NSR program is having tangible effects on industrial plants today. Therefore, we urge the Administration to proceed with its original plan to follow through on appropriate administrative changes to the NSR program.

We certainly believe that EPA should be afforded a reasonable opportunity to develop its more comprehensive proposal. However, given that the legislative process requires significant debate, we urge the Administration to proceed with its original plan to follow through on appropriate administrative and rulemaking changes to the NSR program as soon as practical.

The Business Roundtable stands ready to work with you on any of the elements of the attached policy statement. We appreciate your continuing involvement and leadership in these matters.

Sincerely,

Earnest W. Deavenport
Chairman and CEO
Eastman Chemical Company
Chairman, Environment, Technology & the Economy Task Force
The Business Roundtable

cc: The Honorable Spencer Abraham
    The Honorable John Ashcroft
    The Honorable Christine Todd Whitman
    Mr. Mitchell E. Daniels, Jr.
    Ms. Linda Fisher
    Mr. John D. Graham
    Mr. Lawrence B. Lindsey

Enclosure
Introduction

Without question, achieving environmentally sound economic growth in the next century will require innovative solutions. Our society is facing growing environmental challenges and energy demands. Whether we can respond effectively to these challenges will depend to a large extent upon our ability to apply technology and increase process and operational efficiency. The Business Roundtable strongly believes that our government needs to encourage companies to routinely maintain existing equipment and to incorporate technological improvements systematically, particularly as component parts are replaced.

Within the recent past, the EPA has taken actions that represent a fundamental shift in the Agency's New Source Review ("NSR") policy under the Clean Air Act("Act"). These actions are focused on imposing NSR permitting requirements on existing sources that heretofore have never been considered subject to NSR. In BRT's view, EPA is pursuing a course of action that is both environmentally and economically counterproductive. Most importantly, the Agency's actions reflect a reinterpretation of the law that threatens routine capital investments that increase neither capacity nor emissions rates, but only improve the reliability or efficiency of operations. This reinterpretation of existing rules implies that routine incorporation of new technology at existing facilities either is a violation of the Clean Air Act or requires a new lengthy permit approval process.

BRT believes that expanding the scope of the NSR program beyond its intended boundaries would significantly undermine constructive industry efforts to reform the basic NSR requirements. Congressional members have raised objections that including carbon dioxide emissions reductions as part of this program would violate Congress' express prohibition against implementation of the Kyoto Protocol prior to its ratification by the U.S.

A Badly Broken Regulatory Process

Under the NSR program, companies must install state-of-the-art controls if they plan to construct a major new facility. However, Congress did not require existing plants to meet the technology-based control requirements for new sources, unless the owner modified its facility in such a way as to increase significantly its capability to emit regulated air pollutants. But existing plants must always install whatever control requirements are necessary to comply with the applicable state implementation plan to meet ambient air quality standards. These standards are established to protect human health and the environment with generous margins of safety. Until recently, it was uniformly understood by industry that "routine repair and maintenance" did not constitute a "modification" that would trigger NSR. But through its reinterpretation of the NSR requirements, EPA has now created considerable misunderstanding and ambiguity where none existed before. EPA's recent reinterpretation of this NSR exclusion could not have been
anticipated by industry, and it fails to recognize how industry has consistently operated both before and since the Clean Air Act was enacted.

There is little disagreement that this reinterpretation of the NSR rule further increases the complexities of a program that already imposes unnecessary burdens on States and industrial sources. Applicants now face an extremely detailed and time-consuming permitting process. Moreover, this delay and related burdens create significant disincentives to new investment in more efficient and cleaner technologies and processes. In sum, the basic NSR program is in need of reform and an effort is presently underway to overhaul it through the rulemaking process.

EPA Rule Interpretations Threaten Reliability and Efficiency Investments

Through recent regulatory proposals and administrative and enforcement activities, EPA is reinterpreting existing law in two important ways. First, in its statements and enforcement actions, EPA is taking the position that any significant efficiency or reliability project constitutes a change that could trigger NSR, even though the project produces no corresponding increase in a source's achievable emissions rate. Second, in its 1998 NSR Notice of Availability, the Agency proposed that any change to an existing unit will create an irrefutable presumption that the change will result in an increase in future annual emissions requiring NSR.

Moreover, on November 3, 1999, EPA brought legal action against eight utilities throughout the Midwest and the South claiming that past efficiency and reliability improvement projects are now subject to NSR requirements. This is directly contrary to the common sense understanding of the term that EPA has historically applied. Recognizing that industry must undertake activities to maintain its facilities, the Agency has always allowed industry to undertake "routine maintenance, repair and replacement" projects that are customary to preserve safe, efficient and reliable generation. However, without providing any fair notice, EPA is now asserting that the electric utility industry has been violating the Clean Air Act for nearly three decades by performing such replacement and maintenance activities. EPA is claiming that projects done without any cloak of secrecy can be penalized now, regardless of how many years have passed since the work was done.

Adverse Effects of EPA's Actions

BRT believes that EPA's activities are environmentally and economically counterproductive. Essentially, its reinterpretation of NSR rules will dissuade companies from undertaking the types of projects that improve efficiency, reliability, and availability — projects that would result thereby in lower emission rates and more efficient use of capital. EPA's enforcement activities also amount to a bypassing of the regulatory process that is undermining constructive efforts to achieve real reform and consistent application of the NSR program. Similarly, Congressional members already have raised objections to EPA that expanding the scope of the NSR program to cover controlling carbon dioxide emissions would violate congressional directives.

Magnifying Burden: EPA's actions, which affect potentially thousands of projects, magnify the burdens already associated with this program. The Agency's current approach will
undoubtedly confuse companies about the legal status of planned replacements and jeopardize maintenance programs. For example, utility companies, many of which operate under state statutes mandating routine maintenance to keep generating plants in reliable condition, will have to decide whether to continue to make routine repairs on their plants or forego maintenance. This risks plant shutdowns or, if they keep their plants running, worker safety and forced outages.

Increasing Procedural Delays: EPA’s reinterpretation of long-standing law will now require prior Agency NSR review for even capital projects that are designed simply to prevent a deterioration in efficiency. Far from streamlining an already burdensome program, this approach will significantly increase the number of time-consuming “applicability” determinations that will have to be made before virtually any capital projects are initiated. Furthermore, it could take 18 months or longer for new permitting to be completed and even longer for new control equipment to be installed.

Disincentive to Innovate: EPA’s construction of the Clean Air Act’s requirements will seriously discourage innovation in equipment design and industrial processes to achieve efficiency improvements. This is largely because economic savings and reliability improvements from the projects will be far outweighed by the cost of having to undergo NSR or of having to limit annual emissions to past levels to avoid NSR, even though the source may be well below permitted emission levels. As a result, the price of this system will continue to be lost opportunities for energy, conservation and environmental gains, and employment lost to foreign competitors. Many foreign countries have lower wage scales than the U.S. and therefore enjoy lower standards of living. U.S. industries have been able to compete with these lower-wage countries because U.S. industry has consistently been able to use technological innovation to improve efficiency and productivity to offset any wage differential.

EPA’s Retroactive Reinterpretation of the Law through Enforcement Actions: The legal actions that EPA has brought against Midwest and Southern utilities represent only a part of the Agency’s nationwide enforcement initiative. In addition to electric utilities, EPA also is targeting the pulp and paper, petroleum refinery, and iron and steel industries. EPA’s allegation of massive noncompliance throughout all of these industrial sectors is ample evidence that its reinterpretation of NSR requirements has no validity. By retroactively reinterpreting the law and undertaking this massive enforcement effort, the Agency is seeking to effect changes through punitive actions, rather than providing leadership to the ongoing stakeholder process that is seeking to achieve real NSR reform. The NSR program needs balanced industry-wide solutions that are best developed through the rulemaking process rather than through enforcement mechanisms.

Industry Proposals Provide a Constructive Basis for Reform

BRT endorses the proposals that industry has crafted as the preferable approach to defining a basic NSR scheme. BRT believes that the Utility Air Regulatory Group, Plant-wide Applicability Limits, and complex manufacturing proposals provide a constructive basis for serious discussions between the Agency, the industry, and other stakeholders. Unlike earlier EPA proposals, which dwelled on specific aspects of the rule and took a line-by-line approach,
these proposals seek to achieve overall clarification, to strike an equitable balance between competing stakeholder concerns about the core issues, and to provide certainty about compliance obligations. These proposals (Utility Air Regulatory Group, complex manufacturing, and plant-wide applicability limits) would achieve the following:

- **Greatly simplify and clarify NSR applicability determinations.** In the case of the utility and complex manufacturing proposals, rationalize the accounting rules that determine whether modifications by existing sources trigger federal and state NSR controls.

- **Through systemic approaches substantially decrease the rate and amount of emissions from existing facilities.** Through programs designed to address the respective circumstances of the manufacturing and electric generating firms, the agency would achieve NSR levels of emission reductions at existing facilities efficiently and cost-effectively, rather than through piecemeal reductions on an ad hoc basis through selective enforcement of the NSR "modification" rule. (For example, existing electric generating units would be subject to new source levels of emission control over time, in a manner coordinated with the implementation of other existing source control programs and allowing trading among sources. The complex manufacturing proposal would improve the level of control at existing units over time by assuring the installation of controls on new units as capital stock turns over and on significantly changed existing units.)

- **By simplifying and clarifying NSR applicability determinations, significantly reduce disincentives in the current system for making plant changes that improve efficiency with corresponding emission reduction benefits.**

- **Provide facilities the flexibility to negotiate plant-wide applicability limits.**

- **Preserve the historical common sense understanding of "routine maintenance, repair, and replacement," allowing companies to take steps to maintain their plants in a safe, reliable, and efficient operating condition.**

- **Formalize EPA’s guidance issuance procedures to eliminate the potential for conflicting (and often unpublicized) advice from different Agency offices.**

**Conclusion**

BRT maintains that EPA’s attempts to reform the NSR program on an ad hoc basis through a retroactive reinterpretation and selective enforcement of the "modification" rule is counterproductive from the standpoint of the environment, economics and worker safety. This bypassing of the regulatory process will only serve to further delay any reasoned implementation of the NSR program. Moreover, it is unnecessary given industry’s willingness to work with the Agency and other stakeholders in developing a new basic NSR scheme. The approach that prevails will make the difference between opening opportunities for energy-efficiency improvement projects and increasing the obstacles for technology development and deployment.
TO:  
Ms. Carol A. Kennedy  
Executive Secretariat  
Room 7E-054 Forrestal Building  
Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20585

DATE:  
September 18, 2001

We are forwarding the enclosed constituent mail containing views and concerns about energy issues. It is not necessary to respond to our office regarding each reply.

Should you have questions about these procedures or need to provide updated contact information, you may reach me by telephone at 202.456.9002 or by fax at 202.456.7044.

Sincerely,

Cecelia Boyer  
Special Assistant to the Vice President  
for Correspondence
March 1, 2001

Honorable Richard B. Cheney
Vice President of the United States
Office of the Vice President
Dwight D. Eisenhower Executive Office Building
Washington, D.C. 20501

Dear Mr. Vice President:

We, the undersigned companies and organizations, congratulate you and look forward to working cooperatively and effectively with you, particularly on your efforts with the National Energy Policy Development Group.

Repeal of the Public Utility Holding Company Act of 1935 (PUHCA) remains an issue of enormous importance to a healthy and sound electric industry. We appreciate the Administration's understanding of the need for repeal. We are encouraged by then-Governor Bush's recognition that PUHCA "...limits the activities of existing utilities, discourages new entrants, and places undue burden on utilities regulated by it", as well as his assessment that repeal of PUHCA will contribute to lower prices and better services for consumers.

Over the past several Congresses, efforts to repeal PUHCA have enjoyed bipartisan support in both Houses of Congress. Every major piece of restructuring legislation has contained provisions for the repeal of PUHCA. The Securities and Exchange Commission (SEC), which enforces PUHCA, has consistently recommended repeal to Congress since the early 1980s. After lengthy analysis, the SEC concluded that the statute is unnecessary in view of the several other Federal and state statutory and regulatory provisions protecting shareholders, ratepayers and consumers.

The Congressional Budget Office has scored this legislation, indicating that repeal would not have an impact on the U.S. Treasury. In fact, repeal would very likely result
in savings to the government. Furthermore, societal costs of PUHCA have been consistently estimated in the billions of dollars.

Despite the need for repeal and the gains we have achieved, we need your support and leadership. For the sake of consumers and investors alike, we feel it is important that the Task Force not overlook the significance of PUHCA as a barrier to entry in electricity and gas markets. Every day that PUHCA remains on the books, innovation, competition and new market entry are thwarted and companies continue to labor under arcane and outdated restrictions resulting in unnecessary delays, additional expenses and uneconomic situations – the costs of which are ultimately borne by energy consumers.

We look forward to working with you and your team to accomplish PUHCA repeal within the first year of the new Administration.

Sincerely,

Thomas R. Kuhn
President
Edison Electric Institute

David N. Parker
President and CEO
American Gas Association

Alan I. Noia
Chairman, President, and CEO
Allegheny Energy, Inc.

E. Linn Draper
Chairman, President, and CEO
American Electric Power
James E. Rogers  
Chairman, President, and CEO  
Cinergy Corp.

Bill McCormick
William T. McCormick, Jr.  
Chairman and CEO  
CMS Energy

Corbin A. McNeill, Jr.  
President and Co-CEO  
Exelon Corporation

James L. Broadhead  
Chairman and CEO  
Florida Power & Light

Fred Hafer  
Chairman, President, and CEO  
GPU

David Sokol  
Chairman and CEO  
MidAmerican Energy Holdings Company

R. Steve Letbetter  
Chairman and CEO  
Reliant Energy

H. Allen Franklin  
President and CEO  
Southern Company
Wayne H. Brunetti  
President and CEO  
Xcel Energy

William Cavanaugh, III  
Chairman, President, and CEO  
Progress Energy

J. Wayne Leonard  
Chief Executive Officer  
Entergy

Erle Nye  
Chairman and Chief Executive  
TXU

Richard B. Priory  
Chairman, President, and CEO  
Duke Energy

John M. Derrick  
Chairman and CEO  
Pepco

Martin A. White  
Chairman, President, and CEO  
MDU Resources Group, Inc.

10862  
DOE016-0614
November 7, 2001

The Honorable Richard B. Cheney  
Vice President of the United States  
Eisenhower Executive Office Building  
Washington, DC 20501

Dear Mr. Vice President:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, respectfully requests that revisions to the New Source Review (NSR) program be proposed as expeditiously as possible. The current NSR program is unnecessarily complex and uncertain. Further, the program as implemented by EPA impedes increased domestic electricity production, fuel production, and energy efficiency.

As part of the May 16, 2001 Report, Reliable, Affordable, and Environmentally Sound Energy for America's Future, the National Energy Policy Development Group recommended that the President direct the Administrator of the U.S. Environmental Protection Agency (EPA), in consultation with the Secretary of Energy and other relevant agencies, to review NSR regulations and interpretations. This report was due to the President on August 17. The New Source Review program has been the source of much uncertainty and litigation. EPA has sued several electric utility companies and has challenged referees for allegedly avoiding air quality requirements. These enforcement actions, however, typically rely on a recently changed EPA interpretation of a key Clean Air Act permitting requirement. Thus, EPA attempts to retroactively penalize companies for facility operations over the last two decades.

EPA could rapidly issue a proposal that lists the problems with the NSR program and proposes administrative solutions. EPA has been considering this issue for the last decade. For example, in a 1997 White Paper, EPA suggested that certain specified changes to facility operations could be approved in advance as part of the Clean Air Act operating permit. It is essential that EPA quickly clarify the scope of the NSR program for energy, fuel, and manufacturing companies.
The NSR program, as presently constituted, is also a severe impediment to increasing domestic energy supply. Electric generating plants cannot make even minor changes to their operations without running the risk of ruinous enforcement actions that impose huge fines and enormous compliance costs on their facility. National energy policy, indeed national security, requires the removal of every administrative and regulatory obstacle to increased domestic energy and fuel production.

Revisions to the NSR program have become entangled, unnecessarily, with the Administration's forthcoming multi-pollutant strategy for old power plants. The requisite amendments to the Clean Air Act will require substantial debate. Defining what is and what is not a new source is not related to which and how much power plant emissions are to be controlled. In contrast, improvements in the NSR program would immediately benefit energy production, fuel production, and energy efficiency improvements independent of any emission policy review. Reducing the problems with the NSR program is vital, and such efforts should remain at the top of the Administration's regulatory and administrative reform agenda.

Accordingly, the U.S. Chamber concludes that immediate NSR administrative reform is needed. We request your efforts to ensure a prompt response from EPA, DOE, and other relevant agencies.

Thanks and best wishes.

Sincerely,

Thomas J. Donohue

cc: The Honorable Spencer Abraham
    The Honorable John Ashcroft
    The Honorable Thomas Ridge
    The Honorable Christine Todd Whitman
    Mr. Lawrence Lindsey
    Mr. Andrew D. Lundquist
Dear Mr. Vice President,

I am writing to express concerns about the growing impact on energy reliability resulting from reinterpretations of the New Source Review Program (NSR) under the Clean Air Act, and the specific threats to energy reliability in my community due to fears about making routine maintenance and repairs at electric utilities.

Utility managers are unsure of how to proceed with routine maintenance and repairs at their fossil-fuel electricity generation plants. Under EPA's new reinterpretation of NSR, EPA has alleged that all but the very simplest of repairs and routine maintenance cannot be made without triggering costly and unfair retrofit controls to reduce pollutants. As a result, utility managers are discouraged from making important maintenance, safety and performance improvements to their plants. This uncertainty could impact how a utility responds to electricity outages or in making seasonal repairs. Failure to undertake these activities could be a danger to the reliability of electricity supply, to the facility employees and the community.

In light of these repair problems, I am concerned about energy reliability in my state — for residential, commercial, and industrial customers. Given our current economic and international situation, I urge you to break the ten-year logjam with the U.S. EPA on simplification and reform of this program.

There is a straightforward solution that would allow for immediate repair and maintenance activities to move forward in the short-term while the U.S. Environmental Protection Agency works on the larger issues contained in the NSR program. The utility industry needs a simple cost test to enable routine maintenance and repair decisions to be made without confusion or delays which could lead to reliability problems. This cost test should not discriminate between investor-owned electric utilities, publicly owned electric utilities, or cooperatively owned electric utilities. All energy sources are needed as we face the winter of 2002 with growing international demands on domestic energy supplies.
I urge your office to communicate the immediate need for a cost test on NSR to the U. S. EPA.

Thank you for your attention to this very important matter.

Sincerely,

George A. Gant
Mayor
City of Kissimmee

cc: Administrator Christine Todd Whitman
U. S. EPA
1800 Pennsylvania Avenue, NW
Washington, D. C. 20460

Secretary Spencer Abraham
Secretary of Energy
Room 7A-257 Forrestal Building
1000 Independence Avenue, NW
Washington, D. C. 20585
Vice President Richard Bruce Cheney  
The White House  
Washington, D.C.  

Dear VP Cheney:

Let me start by indicating my delight at our new administration, and your new VP position. I have supported you and President Bush, and have been pleased at the material received from you and the President thanking me for my support.

My reason for this letter is to provide important information for you as head of the new energy task force. My topic involves the need to reestablish nuclear energy in this country. As you can see from the brief enclosed biography, I am knowledgeable about the subject. I should note that I have no personal reason to support nuclear energy except for the welfare of the nation, the world, and my children and grandchildren.

Before the Arab oil boycott of 1973, energy in this country was doubling every ten years and nuclear energy was being supported by the environmental movement because of need, and concern over the detriments of the other available energy sources. After the boycott, energy growth slowed to a doubling every 35 years; and because of the orders placed before 1973 there has until recently been a surplus of energy plants in this country. The environmental movement since 1973 has been against all new energy plants; and because of the surplus, it has not mattered until recently. But for the past couple of years there have been shortages, and, in particular, California is now under deep trouble from lack of needed electricity.

Mr. Cheney, the situation will get much worse with time. The Energy Information Agency predicts an increase of 30-40% of energy use in this country in the next two decades. More troublesome is the increase in the third world population, and because of the average increase in per person energy use worldwide, it is projected that world energy use will double to quadruple in the next fifty years. This will put a major problem on the cost and availability of gas and oil, which is predicted to be depleted in this century (coal next century). Furthermore, increased use of fossil fuels is projected to lead to global warming catastrophes. If the above concerns are real, there is only one available means to mitigate or eliminate these problems, and that is with a major increase in the use of nuclear energy, worldwide. Advanced nuclear power has the capacity to provide clean world energy for thousands of years.

In this country nuclear power has been dying; primarily from lack of need; and from resulting US government impediments, which caused new nuclear plants to be uneconomic because it took 10 to 20 years to build them here. Overseas, US companies build plants in an economic 4 or 5 years. The Nuclear Regulatory Commission recognized its licensing impediments and has recently adopted new procedures which are intended to allow new plants to be built here economically.
The problem is that these new procedures have not been demonstrated to be workable, considering the anti-nuclear suits likely to be filed. Thus, to provide the ability to revive nuclear power here, and to lead the world on a sensible means to utilize non-greenhouse gas nuclear power, we should be demonstrating that we can now build nuclear plants efficiently here. With the increased price of gas, nuclear energy can be the lowest cost energy source available. In this country and the west, it has been the safest.

Mr. Cheney, the point of this letter is bring forth the major need for nuclear energy in the US and the world in the future; and the need to move now in the US to take away unnecessary impediments, and to demonstrate that we can be world leaders in the needed nuclear expansion. If we had built new nuclear plants in this country we might have avoided our present energy problem; should we wait for the new disasters before moving?

I hope the material above will be of use to you. I have previously written to Sec. Abraham, and will also communicate with Sec. Norton. Mr. Vice President, if I can be of further aid to you please contact me. I would be pleased to come to Washington if you think it would be of help.

cc: Sec Abraham; Sec Norton

I am appending a brief biography; and a copy of a recent Op-Ed piece that was published in the LA Times.
Dr. Bertram Wolfe is a pioneer in the development of peaceful nuclear energy. He is presently an independent Consultant in the fields of business, energy, and nuclear energy. He has been on the Boards of Directors of Houston Industries and Houston Lighting and Power Co.; and is on the Boards of Urenco Inc. and Urenco Investments Inc.. He is also on a number of industry and academic advisory committees. These activities follow a career of over thirty five years with General Electric, from which he retired in 1992 as a Vice President and General Manager of GE's Nuclear Energy Business.

Dr. Wolfe received a BA in physics from Princeton U and a Ph.D. in Nuclear Physics from Cornell U. He joined GE in 1955; has since worked in almost all technical phases of peaceful Nuclear Power and has had responsibility for a number of successful nuclear reactor projects. In 1987 he was appointed a Vice President of GE and Manager of its Nuclear Energy Division.

Dr. Wolfe was elected to the National Academy of Engineering in 1980 and has served on several NAE Boards. He was elected President of the American Nuclear Society in 1986-7; was the recipient of the Walter Zinn technical accomplishment award in 1990; was honored with the Henry DeWolf Smyth nuclear statesman award in 1992; and was presented with the Tommy Thompson Nuclear Safety Award in 1997. He is a fellow of the American Nuclear Society, and a Professional Engineer in the state of California. He has been a member of a number of electric power industry advisory boards; has written well over a hundred publications on energy and nuclear energy; and is well known as a spokesman on energy and nuclear energy.
State’s Energy Problem Has Roots Nationwide

By BERTHA WOLF
and CHAUNCEY STARR

Why is California now suffering from a lack of affordable electricity? The answer is that California and the nation have not looked responsibly to the future.

In the late 1960s and early 70s, the United States was doubling its electricity use every 10 years. To meet coming needs, utilities were placing major orders for new generating plants. In 1973 the situation changed. The Arab oil boycott and the resulting higher energy costs slowed the growth of electricity use in a doubling in 35 years. As a result, the new plants ordered before 1973 were subsequently placed in a surplus of electrical supply.

That nationwide surplus, which is now gone, is what California officials were counting on when deregulation was approved in 1996—a robust, competitive market of wholesale electricity supply from generating companies outside the state. That expectation failed. Why?

Before 1973, the Sierra Club supported nuclear power. Since then, the influential “environmental” organizations have opposed oil, gas, coal and nuclear plants, as well as dams and even geothermal plants. They argue that new nuclear power is too expensive; which on a large scale is impractical because of their immense land use and their intermittent availability; and, on such a scale they are environmentally detrimental. However, with a surplus of energy supply, it didn’t matter.

But the electrical surplus has vanished. In the U.S. we now need new energy capacity to meet our present and future needs. On a world basis, population in the next 30 years is projected to increase from 8 billion to 10 billion. If the average personal energy use reaches only one-third of that in the U.S. today, world energy use will treble. Thus we now face both serious near-term national and coming world energy problems.

In this country we must decide how to meet our energy needs. The Energy Information Administration projects a continued U.S. increase of electricity needs of 4% in the next 20 years, and the needed replacement of 25% of our current capacity.

There are problems that must be addressed. The price of natural gas has quadrupled in the past year. New gas-fired electricity plants, which were the least expensive source of electricity, are now the most expensive. Natural gas supply will remain tight for the foreseeable future, with accompanying price volatility depending on weather and import availability from Canada and Mexico. Oil is subject to serious overseas political problems, and costs that have gone up and down. Coal, which is among the most plentiful and least costly energy sources, has environmental problems: large emissions of CO2 and other pollutants, including small particles.

Nuclear energy, which has no significant environmental impact, can also be among the lower-cost energy sources, but it has political barriers to overcome. The 103 existing nuclear plants (ordered before 1973) remain a vital, safe, electricity source in California and in the U.S. But since 1973 a has taken an unwise 10 to 20 years to build the previously ordered nuclear plants in this country, whereas U.S. firms build nuclear plants abroad (and used to build them here) economically in four or five years. Similarly, a situation has occurred in which a firm has been forced to go abroad (and used to build them here) economically in four or five years.

Similarly, environmental concerns have undermined efforts to move ahead and provide the necessary capacity. This is not a unique problem; it affects all countries. The electric utility in which California now finds itself is a consequence of the national trend across the country. Weather has increased demand in the Western U.S., as California cannot depend on low-cost electricity purchases from neighboring states. The political response has been a first-in-class rate for long-term investment by electricity generators.

The recent electricity problems in California make it clear that we must take action to prevent future energy disasters. In the next few years we are only going to provide the needed electricity if we expand the capacity of gas- and/or coal-powered plants, with their financial and environmental problems. We should demonstrate now that nuclear plants can be built here as efficiently as they can be built abroad and move to get our waste repositories moving. We need government commitment and action to ensure that we can meet our near-term and long-term energy needs in California and nationally.

The one available solution is a major increase in the utilization of nuclear energy.
January 31, 2001

Ms. Majida Dandy  
US Department of Energy  
1000 Independence Avenue  
Washington, DC 20585

Dear Ms. Dandy:

Attached is a letter with support material addressed to Mr. Spencer Abraham. The subject is solutions to the energy crisis. TRD professionals are applying these solutions on a small scale. We wish to make our experiences and software available to the US Department of Energy for national exposure.

A copy of this letter has been sent to Vice President Richard Cheney, who is heading an energy task force.

Your name was given to me as the person who can assure that this letter will come to the attention of Mr. Abraham before he possibly may be contacted by Vice President Cheney in this matter.

Thank you for your kind assistance.

Sincerely,

[Signature]

Walter A. Hans  
President

Phone: (956) 667-3342  Fax: (956) 667-6168  
E-Mail: TRDCORP@AOL.COM  
P.O. Box 2820 – Cherry Hill, NJ 08034-0246

10872

DOE016-0624
January 31, 2001

Mr. Spencer Abraham, Secretary of Energy
US Department of Energy
Washington, DC 20585

Dear Mr. Secretary:

Electricity supply and price problems can be solved swiftly and competition among energy providers can be enhanced by eliminating barriers to free market forces and informing consumers how to use energy cost-effectively.

Industrial plants alone can reduce electrical peak loads sufficiently throughout the nation to prevent power shortages. The combined load reduction capacity of industrial plants is more than 45,000 megawatts. A large portion of this reduction is accessible immediately through market driven incentives and does not require any capital investment.

The above mentioned load reduction is equivalent to approximately 7 percent of the total 1999 net summer generation capacity in the US and more than the planned capacity additions for the years 2000 through 2004. This reduction is being accomplished through energy usage and source flexibility, mainly through operational adjustments and/or the use of on-site generation (see “Solving the Energy Crisis with Market Driven Incentives”).

For over 20 years, TRD professionals have developed and tested methodologies and tools for improving the overall technical operating efficiency and enhancing energy usage and source flexibility in industrial plants.

TRD wishes to make its expertise and software available to the US Department of Energy.

In my opinion, the US Government is the only body that can initiate an immediate promotion of the energy usage and source flexibility concept on a national basis and issue guidelines for individual states to remove regulatory barriers that impair full benefits for the consumer.

I am prepared to provide further details and make a presentation about the subject to your agency. Please have me contacted personally.

Sincerely,

Walter A. Hans
President

Phone: (856) 667-3342  Fax: (856) 667-8168
E-Mail: TROCORP@AOL.COM
P.O. Box 2820 - Cherry Hill, NJ 08034-0246

cc: Vice President Richard Cheney
Solving the Energy Crisis with Market Driven Incentives

Industrial plants alone can reduce electrical peak loads sufficiently throughout the nation to prevent power shortages for years to come. The combined load reduction capacity of industrial plants is more than 45,000 megawatts. A large portion of this reduction is accessible immediately through market driven incentives and does not require any capital investment.

The above mentioned load reduction is equivalent to approximately 7 percent of the total 1999 net summer generation capacity in the US and more than the planned capacity additions for the years 2000 through 2004.

Similar results can be achieved in the commercial sector. Educational tools are being developed by TRD to make curtailment of electricity usage during peak load conditions financially attractive in the residential sector.

The Peak Load Reduction Potential

The reduction of the peak load by 45,000 megawatt in industrial facilities alone was based on the assumption that 25 percent of all industrial operations in the US will convert to *energy usage and source flexibility* (see attached table “Potential Electricity Peak Load Reduction”).

*Energy usage and source flexibility* is a combination of load reductions, load shifting and on-site generation, used to reduce electricity usage during peak load conditions and control energy costs.

Some industrial plants with critical operations and many institutional facilities, such as hospitals and banking centers, have standby generation equipment already in place.

The California power crisis will accelerate the trend toward power self-sufficiency for those operations that suffer consequential losses from power outages, which includes almost all industrial plants.

Facilities with full standby generation capacity can reduce their electricity usage to zero during peak load conditions without incurring any significant expenses. To the contrary, market driven incentives offer large benefits.

Many of these facilities do not participate in load reduction programs, offered by utilities, because of unrealistic requirements, poor incentives, penalties for non-compliance and penalties for intensified electricity usage after a load reduction. The use of load reduction programs for price control purposes, which is becoming more frequent, is quickly reducing participation.

One of TRD’s main accomplishments is simplifying the way complex interrelations, such as energy flows in large industrial plants, are viewed and managed. TRD’s optimization tools make energy flows visible, understandable and therefore easily manageable.