

Energy flows are shown in energy units as well as dollar values. Financial and technical management can now communicate by looking at data that is meaningful to both.

One of the optimization tools, TRD's Energy Flow Model, is available as software. It computes instantly and accurately the total energy costs of all types of energy used in a facility, in hourly, daily, monthly or yearly intervals, for any number of variables inside a facility and in the energy market.

The simplicity of TRD's software, which quickly and accurately projects potential financial gains, capital investment requirements and clearly identifies the effect of regulatory barriers, will almost guarantee the immediate participation in *energy usage and source flexibility* by some. Others will be forced to follow in order to stay competitive.

The newly developed software also enables TRD to quickly train consultants and client management in the application of *energy usage and source flexibility*. Therefore, a national distribution of these tools will provide a realistic basis for the projections made.

### Electricity Price and Supply Pattern

The attached chart "Localized Marginal Pricing (LMP) of Electricity" shows inter-utility trade prices in Delaware during July 1999, the hottest month within the last 10 years. High prices (yellow) represent high power grid loads, and low prices (black) low loads. It should be noted that prices went as low as \$0.00 (red) during night hours.

The chart "Annual LMP Averages 1999" shows hourly price averages for the entire year of 1999 in Delaware, a critical supply area in the Mid Atlantic region.

The pattern of low LMP prices during night hours continued through 2000. It is not likely that this pattern will change. Low prices during night hours are the result of enhanced competition because of low demand.

There is plenty of generation and transmission capacity in place to serve demand during most of the year. The supply is running short mainly during summer days between noon and early evening, in regions that experience extremely high temperatures over consecutive days.

The current crisis in California is the result of coincidental circumstances:

- Poor energy planning, poorly written deregulation rules and poor timing
- Approximately 30% of generation capacity down for overhaul
- Low water levels in hydro-electric facilities
- A surge in the use of electricity for heating purposes because of a cold winter
- Lack of sufficient transmission capacity inside and into California
- High natural gas prices, coupled with insufficient pipe line capacity
- The opportunity to manipulate the market

The real crisis in California may come this summer if temperatures are going to be above normal because capacity reserves, used during peak load periods, have been exhausted for 2001.

## Energy Cost Savings Opportunities

Case studies have shown that electricity costs can be reduced by over 50% with *energy usage and source flexibility* and the application of rates that are based on Localized Marginal Pricing or Real Time Pricing (terms used by Independent System Operators for pricing in the inter-utility trade). The attached chart "Trend of Electricity Costs" demonstrates that concept.

These savings quickly generate the capital for the purchase of on-site generation equipment that may be needed to secure operations during black-outs and brown-outs and to cap electricity costs during periods of high market prices.

*Energy usage and source flexibility* secures immunity from price peaks in the electricity market by giving the consumers of energy control over their *energy cost efficiency* through operational adjustments and standby generation.

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Energy cost reductions under *energy usage and source flexibility* are driven by four major factors:

1. Reduction of electricity usage during peak usage hours (usually daytime)
  - a. Improvement of equipment efficiencies
  - b. Improvement of the overall energy usage efficiency in a facility
2. Shifting of electricity usage to hours of the day when excess generation capacity is available in the market (usually nighttime)
  - a. Scheduling of batch type and single shift operations during night hours for 24-hour operations
  - b. Changing day shifts to night shifts for single shift operations
3. On-site generation of electricity
4. Sales of excess generation capacity during periods of high market prices, offsetting electricity costs

Over 90% of all conservation efforts, presently made, concentrate on equipment efficiency improvements. The rise in energy prices, as occurring in California and other states, will make the rate of return on investment for these projects appear more favorable. Nevertheless, investment in *energy usage and source flexibility* can reduce energy costs substantially, below current levels and thereby diminish the rate of return for equipment efficiency projects.

## Regulatory Barriers

The removal of regulatory barriers in prevailing electricity tariffs is important in order to guarantee the full success of *energy usage and source flexibility*. Traditional tariffs, that are still in effect everywhere (even in deregulated areas in form of distribution charges), penalize electricity usage when generation capacity is plentiful during most of the year due to rigid and excessively long on-peak hours.

Interruptible service riders may offer some incentives to reduce electricity usage during supply emergencies but in turn, peak demand charges (part of prevailing tariffs) will penalize the "catch-up need" for electricity usage after a voluntary load reduction.

Some states included penalties for the use of on-site generation in their deregulation rules.

### **Voltage Reductions - Brown Outs**

Voltage reductions have become common practice for balancing the demand and supply in case of temporary supply shortages. Voltage reductions usually precede power outages and there is no system in place to alert consumers. Voltage reductions that are within legal limits at the source can become extreme at the end of the line because of overloading. Distributing utilities have no reliable methods to identify coincidental load accumulations that occur in distribution systems, particularly during peak load conditions.

Voltage reductions put a strain on electrical equipment and therefore reduce its lifetime.

Most consumers are not aware of voltage reductions and do not suspect problems because of the excellent, past performance of the power industry in the US, when brown-outs were uncommon. Few consumers are even equipped to monitor the supply voltage.

It is difficult to assess the extent of damage frequent voltage reductions will cause. On-site generation capability is an effective protection against low voltage conditions.

### **Environmental Considerations**

Some thoughts about the environmental impact of *energy usage and source flexibility*. The total hours per year, when market prices for electricity exceed on-site generation costs and on-site generators will be running, are few. In 1999 there were 178 hours registered in Delaware and in 2000 less than 50 hours.

Load reductions and load shifting reduce the generator capacity needed. Therefore, the use of on-site generation equipment will probably cause less pollution than that caused by generation stations which are used for peak load reduction and are almost exclusively fossil fuel driven.

It should be noted that the planned additions to the generation capacity in the US through 2004 will consist almost exclusively of fossil fuel driven generators.

*Energy usage and source flexibility* will reduce the peak load on generation equipment and transmission lines throughout the US. This will secure an expansion of the US economy with the equipment in place.

Natural gas will be used by on-site generation equipment during the summer, when gas supplies are plentiful, and this equipment will be shut off during winter when electricity prices are usually low.

## Potential Electricity Peak Load Reduction

The Net Summer Generating Capability in the US in 1999 was 639,324 megawatts.<sup>1</sup>  
Assuming an average national capacity reserve of 10%, the peak summer load would be:

$$639,324 \text{ MW} \times 0.9 = 575,392 \text{ MW}$$

The electricity usage by sector in 1999 in 50 states was:

Sector:	Megawatt Hours	Percent of Total
All Sectors	3,235,899	100.00
Industrial	1,017,783	31.45
Commercial	970,601	30.00
Residential	1,140,761	35.25
Others	106,754	3.30

Assuming that the peak load contribution is distributed equally among all sectors, the peak load contribution of the industrial sector would be:

$$575,392 \text{ MW} \times 0.3145 = 180,960 \text{ MW}$$

There were 530,335 industrial consumers of electricity in the US in 1999. If 25 percent of all industrial consumers implement *energy usage and source flexibility* and reduce electricity usage to zero during peak load periods with a combination of load reductions and on-site generation, the potential electricity peak load reduction will be:

$$180,960 \text{ MW} \times .25 = 45,240 \text{ megawatts}$$

on a nationwide basis.

<sup>1</sup> Source of all data: DOE Energy Information Administration

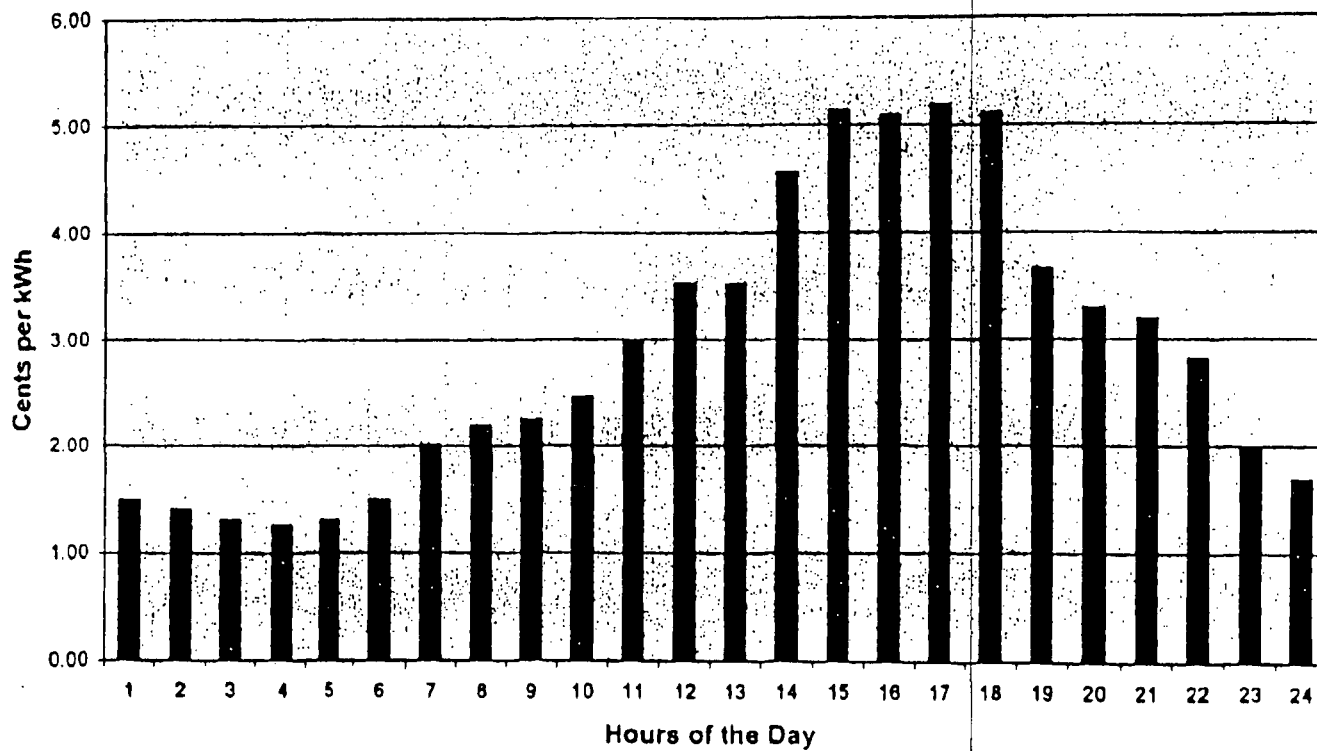
# Localized Marginal Pricing (LMP) of Electricity

Delaware, in July - 1999

Electricity Prices in \$/Megawatt

13.01	11.26	13.60	15.72	14.99	17.51	19.89	19.33	22.42	22.77	24.50	28.92	27.98	28.00	31.23	38.10	44.08	58.11	32.18	28.00	28.74	28.81	25.12	22.99	1-Jul	25.90
20.64	20.72	17.03	16.20	16.40	19.56	20.42	23.64	29.72	28.19	30.07	39.07	31.96	29.98	30.11	28.92	29.38	27.98	29.52	24.65	24.28	24.08	22.00	18.83	2-Jul	24.88
18.50	14.70	12.70	11.56	11.44	11.69	10.88	12.92	17.84	21.83	28.22	32.29	33.77	32.35	34.27	37.92	40.92	40.02	34.92	24.27	28.78	34.28	27.87	28.82	3-Jul	24.92
18.83	19.03	17.65	15.40	14.27	13.50	10.47	14.98	18.85	28.34	23.75	34.77	29.88	31.18	37.08	38.33	39.58	41.21	38.28	34.71	30.11	33.00	30.85	38.54	4-Jul	27.02
27.27	24.87	24.02	23.48	22.83	17.68	17.00	28.75	43.08	51.40	84.91	91.05	118.43	117.44	818.17	844.00	844.00	873.50	782.90	630.83	590.00	877.50	59.00	38.79	5-Jul	278.20
27.53	23.00	22.50	19.08	18.18	19.35	29.82	48.68	57.47	79.94	477.37	920.00	920.00	920.00	920.00	48.93	48.82	44.88	38.48	30.33	29.90	32.79	27.15	22.70	6-Jul	397.75
31.79	28.98	24.25	20.49	19.00	18.73	24.88	28.55	27.88	24.88	36.00	39.78	39.99	42.98	48.00	48.93	48.82	44.88	38.48	30.33	29.90	32.79	27.15	22.70	7-Jul	32.23
19.87	18.50	17.03	12.72	13.20	13.30	20.78	17.53	23.03	32.29	38.37	30.58	29.10	40.15	36.25	37.82	38.33	38.08	33.44	30.58	23.50	23.85	21.10	18.54	8-Jul	28.12
18.96	18.51	14.25	10.97	11.08	12.82	18.71	17.88	22.00	19.12	27.27	34.02	35.33	41.23	43.90	48.47	49.07	51.40	41.28	37.59	35.82	42.70	37.08	33.27	9-Jul	29.94
37.52	28.48	23.88	19.25	18.79	18.25	18.71	22.92	27.25	35.83	27.87	27.00	24.58	24.42	27.25	27.82	27.48	23.38	22.98	20.54	30.41	24.82	17.33	15.30	10-Jul	24.88
8.98	7.18	3.97	9.84	9.13			1.88	10.83	11.21	12.93	14.43	15.97	15.23	15.42	18.97	18.29	17.83	17.37	18.77	18.56	19.19	15.84	13.05	11-Jul	12.02
10.33	10.42	9.70	8.80	10.15	10.84	11.88	18.87	13.80	13.87	19.31	18.57	19.05	18.88	17.75	18.91	15.22	18.78	14.22	12.85	17.50	17.02	14.38	12.28	12-Jul	14.45
12.04	11.82	11.88	11.37	11.89	14.14	13.12	18.88	18.83	21.68	19.77	21.38	28.57	28.29	25.43	25.70	25.99	24.81	17.37	15.20	17.89	17.87	18.03	15.52	13-Jul	18.53
15.38	15.82	11.90	10.44	11.87	13.10	13.18	15.88	21.77	23.13	23.82	28.03	20.45	24.00	24.00	24.00	24.00	28.82	18.70	18.83	19.78	21.78	18.97	14.37	14-Jul	19.08
11.37	12.32	10.85	10.73	10.75	11.23	11.95	15.19	14.15	20.23	25.71	26.91	28.87	31.57	45.32	52.90	78.15	85.08	52.32	34.72	30.56	38.98	27.57	21.03	15-Jul	28.58
19.00	19.33	13.38	12.54	11.51	11.52	12.58	18.00	21.49	25.73	37.88	38.87	41.28	51.85	65.77	82.10	73.95	90.40	58.98	38.57	40.52	33.58	28.87	28.08	16-Jul	35.58
25.48	18.83	19.89	19.94	14.82	12.38	10.98	18.42	21.73	24.21	34.11	40.35	38.21	31.53	27.91	33.38	38.45	35.84	29.31	23.78	28.72	28.82	24.83	24.41	17-Jul	25.74
22.82	28.87	21.82	18.31	14.15	13.69	11.88	13.50	22.33	24.22	31.87	32.80	34.86	36.79	34.89	36.53	37.80	33.08	25.07	25.30	28.88	27.82	25.57	25.81	18-Jul	28.02
24.15	22.12	20.32	18.29	17.92	18.18	18.21	28.17	28.13	35.84	53.21	53.28	58.91	837.14	921.40	402.82	40.75	41.85	38.72	33.21	38.80	39.48	30.00	28.33	18-Jul	118.33
27.14	23.82	18.85	18.98	15.17	15.85	21.22	25.18	28.00	28.04	28.90	29.75	29.33	35.78	37.50	37.50	42.82	43.82	35.40	27.50	34.05	42.18	23.92	20.17	20-Jul	28.48
17.51	18.07	15.73	12.81	13.10	17.47	21.32	24.80	27.48	30.28	40.98	44.90	48.18	52.71	52.37	42.73	48.48	38.75	32.83	31.37	37.38	40.34	27.12	21.84	21-Jul	31.47
18.72	18.82	15.24	11.70	12.17	17.27	21.88	33.12	28.17	24.83	35.84	41.55	39.92	51.70	59.22	68.98	77.80	65.00	47.08	40.87	71.85	71.80	33.54	25.53	22-Jul	38.77
23.53	20.33	20.84	18.18	18.88	17.51	24.24	32.81	44.45	55.17	78.50	101.38	331.31	953.00	953.00	953.00	844.58	101.87	48.41	53.72	51.85	38.10	25.95	23-Jul	241.92	
23.30	21.52	18.83	17.33	18.82	19.70	15.93	23.25	35.88	51.08	52.31	59.85	58.57	57.50	64.54	83.36	71.04	88.34	58.92	54.20	68.38	60.23	38.33	28.80	24-Jul	44.87
28.87	22.51	17.81	18.82	18.57	15.38	13.98	18.98	23.28	34.00	41.79	48.07	51.82	80.12	87.87	82.81	59.80	59.80	58.45	47.33	49.35	38.08	27.18	23.85	25-Jul	37.81
21.04	19.38	18.55	18.32	12.42	13.53	18.34	31.15	41.85	51.04	74.47	788.87	30.78	310.80	818.58	583.33	220.83	484.17	68.75	81.70	58.81	54.41	38.83	27.52	26-Jul	159.76
20.22	19.83	17.23	15.90	15.00	15.38	18.10	32.20	34.30	41.43	51.73	55.82	82.48	84.15	820.08	838.00	835.00	838.00	842.90	818.81	58.81	54.41	48.57	30.78	27-Jul	231.85
23.99	24.05	24.20	20.11	17.83	17.55	28.22	41.83	48.72	68.88	303.88	450.00	542.50	835.00	835.00	835.00	807.92	92.97	78.72	98.28	103.02	43.02	25.14	28-Jul	282.32	
18.12	18.59	15.22	12.31	12.70	13.34	18.28	28.38	23.73	28.03	50.87	37.47	188.88	878.83	818.42	898.88	898.00	898.00	407.42	85.48	101.51	131.32	58.78	28.00	28-Jul	238.36
22.43	19.08	15.82	15.23	14.22	11.83	15.84	28.18	33.92	58.09	355.18	320.00	453.83	888.88	898.00	898.00	898.00	898.00	171.78	74.80	68.02	64.83	48.87	33.18	30-Jul	279.13
28.82	24.20	18.25	18.13	15.27	13.18	12.19	18.31	23.02	38.05	53.48	88.47	70.73	188.77	443.82	245.44	430.42	202.47	74.77	85.72	73.33	83.71	58.73	33.73	30-Jul	94.53
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	hrs	
21.0	19.4	17.0	15.2	14.5	14.8	18.8	22.8	27.2	33.8	65.2	114.9	112.8	215.3	269.5	282.8	267.8	251.1	135.7	102.9	64.0	67.9	32.6	24.8		82.88

# Annual LMP Averages 1999 for Delaware



## Trend of Electricity Costs

Case Study, Refrigerated Warehouse

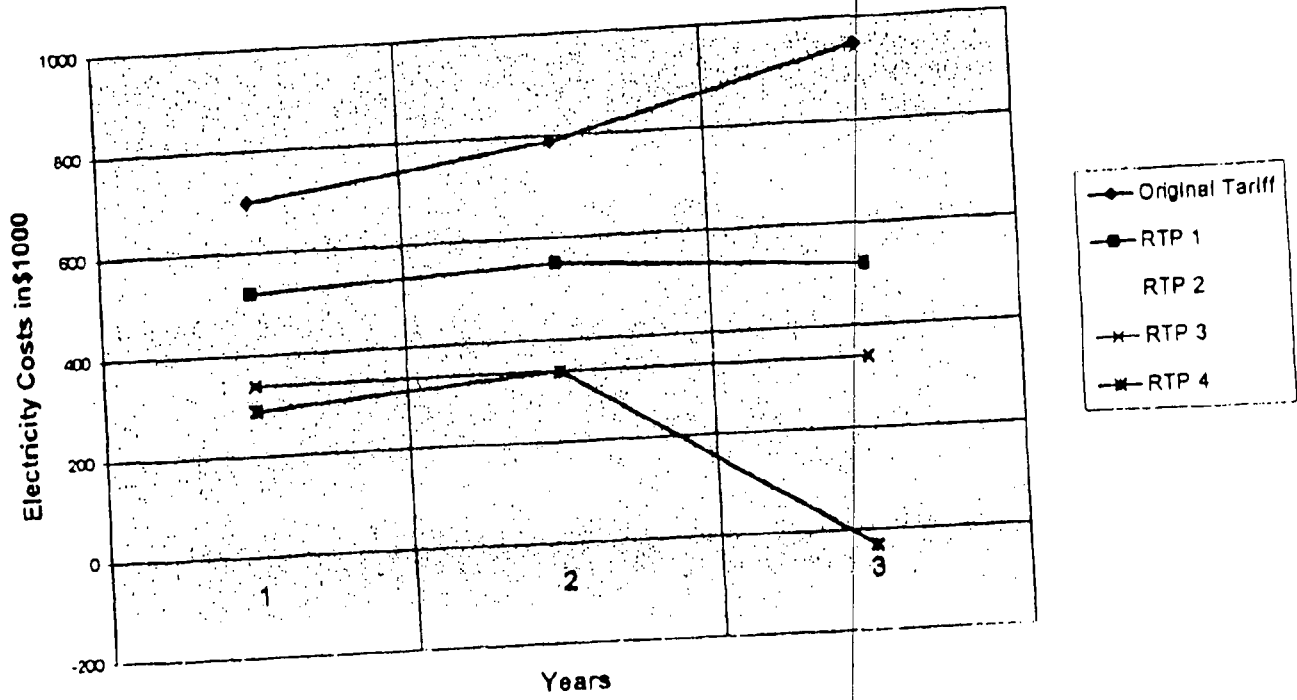
Electricity Costs for the Year:	1 1999	2 2000	3 2001
Original Tariff	700	789	950
RTP 1 - with generation and partial load shifting, without demand control	520	550	520
RTP 2 - with generation, maximum load shifting and demand control	365	365	365
RTP 3 = RTP 2 with efficiency improvements	340	340	340
RTP 4 = RTP3 with sales of excess generating capacity	290	340	-30

Electricity Costs are shown in \$1000  
 RTP 1 stands for "Real Time Pricing rate, scenario 1"  
 RTP is a term used in inter-utility trade pricing

It was assumed that the summer of 2001 will have several periods of extreme temperatures over consecutive days in the high 90 Degree Fahrenheit, were based on actual market prices.

Costs for 1999 and 2000

# Trend of Electricity Costs





152

**Kelliher, Joseph**

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**From:** Anderson, Margot  
**Sent:** Wednesday, February 21, 2001 12:39 PM  
**To:** Kelliher, Joseph  
**Subject:** RE: 97%

This appears to be the most recent data - a little more complicated than our text implies. From the CDC:

8-5

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Wednesday, February 21, 2001 12:32 PM  
**To:** Anderson, Margot  
**Subject:** RE: 97%

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Wednesday, February 21, 2001 12:18 PM  
**To:** Kelliher, Joseph  
**Subject:** RE: 97%

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Wednesday, February 21, 2001 12:16 PM  
**To:** Anderson, Margot  
**Subject:** RE: 97%

I will send it on. I have made some minor edits. Fact check: did "hundreds" of elderly die in Chicago that summer? I have a hard time believing that.

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Wednesday, February 21, 2001 12:13 PM  
**To:** Kelliher, Joseph  
**Subject:** RE: 97%

10883

DOE016-0635

---Original Message---

**From:** Kelliher, Joseph  
**Sent:** Wednesday, February 21, 2001 11:57 AM  
**To:** Anderson, Margot  
**Subject:** RE: 97%

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Wednesday, February 21, 2001 11:23 AM  
**To:** Kelliher, Joseph  
**Subject:** 97%

Sorry, I got called away to meeting with the chief of staff (on energy emergencies at DOE).

Margot

153

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Tuesday, February 20, 2001 7:18 PM  
**To:** Kelliher, Joseph  
**Subject:** toycing base

Joe,

Margot

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Tuesday, February 20, 2001 5:59 PM  
**To:** Anderson, Margot  
**Subject:** RE: almost

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Tuesday, February 20, 2001 5:57 PM  
**To:** Kelliher, Joseph  
**Subject:** almost

Joe,

I want to read for typos (working too fast) but here is the section and the regional stuff. Will take about an hour.

Margot << File: sec1 3 jk.DOC >> << File: regional effects next 6 months. doc.doc >>

2001-003075

(b)(6)

**Secretary, The**

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**From:**

**Sent:**

**To:**

**Subject:**

Secretary, The

Re: Alaskan Wildlife Refuge

(b)(6)



Energy Task Force.doc

Don't open up the protected lands.

See attached letter.

(b)(6)

(b)(6)

President Bush's Energy Task Force,

As a citizen of the United States, I fervently believe that the policy to open up the Alaskan Wildlife Refuge is a crime beyond belief. How dare our so called President break into his term by pushing a lightly veiled policy to benefit his oil cronies and not the American people or its land. The California energy crisis has nothing to do with needing to drill more oil. I warn you of this. **If this policy goes through, you will all go down in history as the administration that destroyed the environment. Push through the Kyoto Protocoll without greenhouse sinks in other countries and DO NOT open the protected lands to industry. Take the higher road, we are at a critical moment in world history where everything could change. We are watching you all very closely. I thank you for your time, and I hope we see a common goal.**

Cc:  
President Bush  
Christie Whitman  
Spencer Abraham  
Ann Veneman  
Paul O'Neill  
Donald Evans  
Norman Mineta  
Gale Norton

10887

DOE016-0639

2001-002942 2/2 P 4:05

(b)(6)

576

President Bush's Energy Task Force,

As a citizen of the United States, I fervently believe that the policy to open up the Alaskan Wildlife Refuge is a crime beyond belief. How dare our so called President break into his term by pushing a lightly veiled policy to benefit his oil cronies and not the American people or its land. The California energy crisis has nothing to do with needing to drill more oil. I warn you of this. If this policy goes through, you will all go down in history as the administration that destroyed the environment. Push through the Kyoto Protocall without greenhouse sinks in other countries and DO NOT open the protected lands to industry. Take the higher road, we are at a critical moment in world history where everything could change. We are watching you all very closely. I thank you for your time, and I hope we see a common goal.

Cc:  
President Bush  
Christie Whitman  
Spencer Abraham  
Ann Veneman  
Paul O'Neill  
Donald Evans  
Norman Mineta  
Gale Norton

10888

155

02/16/01 FRI 02:51 FAX

004677

001

Renewable and Appropriate Energy Lab  
University of California  
4152 Etcheverry Hall  
Berkeley, CA 94709  
Phone/Fax: (510) 643-2243

**FAX** 2001-004684 2/20 A 9:59

To: Secretary Abraham Fax: 202-586-4403

---

From: Kammen et al, RAHL Date: 2/16/01

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Re: National Clean Energy Strategy Pages: 10

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CC: List

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Urgent  For Review  Please Comment  Please Reply  Please Recycle

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Spencer Abraham  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585-0705

Dear Secretary Abraham,

I am writing to applaud the formation of the Federal Task Force on Energy. The mission of the Task Force is critical to both the economic and environmental future of the nation.

I am pleased to have the opportunity to submit the attached letter that presents a series of observations and policy recommendations that my colleagues and I hope the Task Force will find useful. A copy of this letter will also be sent by email and first class mail.

My colleagues and I would be pleased to discuss these issues further should that be of use to the Task Force, the Department of Energy, or other federal agencies.

Sincerely,

Daniel M. Kammen  
Associate Professor of Energy and Society  
Energy and Resources Group  
University of California, Berkeley

cc: The Hon. Richard Cheney, Vice President  
Governor Gray Davis, Governor of California  
Rosina Blumstein, Acting Director, Office of Science and Technology Policy  
Senator Frank H. Lautenberg, 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

10889

DOE016-0641

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SANTA BARBARA • SANTA CRUZ

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UNIVERSITY OF CALIFORNIA  
BERKELEY, CA 94720-3050  
ERC: <http://resources.berkeley.edu/erg>

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PERSONAL: <http://resources.berkeley.edu/~dkammen>  
RAEL: <http://resources.berkeley.edu/~rael>  
TEL (510) 642-1139 (OFFICE)  
TEL (510) 642-2243 (RAEL)  
FAX (510) 642-1085

February 16, 2001

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.
- **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: aherzog@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

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**Appendix: Supporting Materials and References**

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://socrates.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.

Duke, R. D., and Kammen, D. M. (1999), "The economics of energy market transformation initiatives", *The Energy Journal*, 20, pages 15 - 64

Kammen, D. M. and Margolis, R. M. (1999) "Evidence of Under-Investment in Energy R&D Policy in the United States and the Impact of Federal Policy," *Energy Policy*, 27 pages 575 - 584.

Margolis, R. M. and Kammen, D. M. (1999) "Underinvestment: The Energy Technology and R&D Policy Challenge," *Science*, 285, pages 690 - 693.

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.

Kemmen, Herzog, and Lippman - A National Clean Energy Strategy - Appendix Page 2 of 4**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.

Interlaboratory Working Group (2000) *Scenarios for a Clean Energy Future* (Oak Ridge, TN; Oak Ridge National Laboratory and Berkeley, CA; Lawrence Berkeley National Laboratory), ORNL/CON-476 and LBNT-44029, November.

**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.

Clemmer, S.L., Noguee, A., and Brower, M. (1999) "A Powerful Opportunity: Making Renewable Electricity the Standard," Union of Concerned Scientists, January.

**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

Kammen, Herzog, and Lippert - A National Clean Energy Strategy - Appendix Page 3 of 4

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.

Wan, Y. (1996) *Net Metering Programs*, NREL/SP-460-21651, National Renewable Energy Laboratory, December.

**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.

Dulcep, K. G. (1997) "Evolutionary and Revolutionary Technologies for Improving Fuel Economy," *Transportation, Energy, and Environment: How Far Can Technology Take Us?*, Edited by J. DeCicco and M. Delucchi, ACEEE, Washington, D.C.

Mark, J. (1999) "Greener SUVs: A Blueprint for Cleaner, More Efficient Light Trucks," Union of Concerned Scientists, July.

Office of Technology Assessment (1995) *Advanced Vehicle Technology: Visions of a Super-Efficient Family Car*, OTA-BTI-638, Office of Technology Assessment, U.S. Congress, Washington, D.C., September.

**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 it's backing, to reduce pollutant emissions from electricity generation. In the 106<sup>th</sup> 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.

Baer, P., Harte, J., Haya, B., Herzog, A.V., Holdren, J., Hultman, N.E., Kammen, D.M., Norgaard, R.B., and Raymond, L. (2000) "Equity and Greenhouse Gas Responsibility," *Science*, 289, page 2287.

Interlaboratory Working Group (2000) *Scenarios for a Clean Energy Future*, (Oak Ridge, TN; Oak Ridge National Laboratory and Berkeley, CA; Lawrence Berkeley National Laboratory), ORNL/CON-476 and LBNL-44029, November.

IPCC (Intergovernmental Panel on Climate Change) (2001) *Climate Change 2001: The Scientific Basis*, January.

Kinzig, A. P. and Kammen, D. M. (1998) "National trajectories of carbon emissions: Analysis of proposals to foster the transition to low-carbon economies", *Global Environmental Change*, 8 (3), pages 183 - 208.

Natural Resources Defense Council (2001) *A Responsible Energy Policy for the 21<sup>st</sup> Century*, February.



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**Kelliher, Joseph**

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**From:** Angulo, Veronica  
**Sent:** Monday, April 30, 2001 4:10 PM  
**To:** Kelliher, Joseph  
**Subject:** RE: Actions in Connection with Presidential Permitting Process and Gas Export Program

Joe,

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Monday, April 30, 2001 3:44 PM  
**To:** Angulo, Veronica  
**Subject:** RE: Actions in Connection with Presidential Permitting Process and Gas Export Program

-----Original Message-----

**From:** Angulo, Veronica  
**Sent:** Monday, April 30, 2001 11:26 AM  
**To:** Kelliher, Joseph  
**Subject:** RE: Actions in Connection with Presidential Permitting Process and Gas Export Program

Joe,

**From:** Kelliher, Joseph  
**Sent:** Friday, April 27, 2001 8:04 PM  
**To:** Angulo, Veronica  
**Subject:** RE: Actions in Connection with Presidential Permitting Process and Gas Export Program

-----Original Message-----

**From:** Angulo, Veronica  
**Sent:** Wednesday, April 25, 2001 5:39 PM  
**To:** Keliher, Joseph  
**Subject:** Actions in Connection with Presidential Permitting Process and Gas Export Program

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I am brainstorming about others.

157

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GLOBAL ENVIRONMENTAL SOLUTIONS  
P. Benjamin Underwood, Esq.  
Maritime Building, Suite 100G  
215 East Bay Street  
Charleston, S.C. 29401

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March 22, 2001

The Honorable Spencer Abraham  
Secretary  
United States Department of Energy  
1000 Independence Ave., SW  
Washington, DC 20585

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RE: Coordinating the National Energy Policy and the National Environmental Policy Act (NEPA)

Dear Secretary Abraham:

I congratulate you on your recent speech before the U.S. Chamber of Commerce at the National Energy Summit. Having arrived at the brink of a new energy crisis, due in large part to nearly a decade of political shortsightedness, I applaud your efforts to propose and implement a National Energy Policy. I would also like to propose a solution to a legal issue that you and the Administration will no doubt confront very soon.

As you and the Administration prepare to announce a proposed energy policy to the nation, I would suggest that there is a statutory tool that could serve you, the Energy Task Force, and the Administration quite well, if applied strategically. This statutory tool consists of the environmental process requirements within the National Environmental Policy Act (NEPA). Too often, Federal agencies forsake the opportunity to use the procedural requirements of NEPA to their full advantage, especially when confronting a new policy or plan. Instead, environmental compliance becomes an afterthought and the obligatory process fails to provide the political gains and legal protection of a well-designed NEPA strategy.

An objective reading of 40 CFR §1508.18(b) by your attorneys will confirm that NEPA applies to the adoption of a proposed national energy strategy. The critical question for the Administration, therefore, is not whether, but when and how to satisfy the procedural requirements of the statute. May I suggest that it would be to the Administration's strategic advantage to implement the procedural requirements of NEPA as soon as practicable and to utilize a policy-level approach to statutory compliance. The benefits of such a strategy would be many, including: 1) the immediate recognition that the Administration takes environmental requirements seriously; 2) reassurance to a suspicious public that the development of a national energy policy will be an above-board process with ample opportunity for public involvement; 3) an acceleration of the actual implementation of the new energy policy and ensuing site-specific actions; and 4) the

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establishment of a strong legal position from which to defend against the inevitable challenge.

DOE is fortunate to employ some of the best NEPA talent in the country. Carol Borgstrom, Bill Dennison, Marc Johnston, Steve Ferguson, to name just a few, are outstanding practitioners and counselors. Additionally, the staff at the Council on Environmental Quality (CEQ), which oversees NEPA compliance nationally, relies upon the exceptional guidance of Dinah Bear and others. Some of the other Federal agencies that would necessarily cooperate in the development of a national energy policy also have NEPA advisors with varying degrees of expertise. Nevertheless, with all this talent, designing an effective NEPA strategy to advance a national energy policy will be an enormous undertaking and require creative thinking "outside the box."

---

May I suggest that a policy-level document recently prepared by DOE's Bonneville Power Administration (BPA), which evaluates the alternative means to balance regional energy production and fish and wildlife mitigation, would serve as a useful analytical model for a NEPA process to support the national energy policy. This BPA NEPA process is an outgrowth of another policy-level NEPA document prepared for the Agency's business plan, which was lauded by the United States Court of Appeals for the Ninth Circuit as "superior." In my opinion, the methodology employed by BPA to examine energy and environmental issues in the Pacific Northwest could be modified and expanded to evaluate similar issues on a national scale.

To be completely candid, I assisted BPA, as a consultant, in the preparation of the aforementioned policy level NEPA document and am very proud to have contributed to the development of this unique document. I have approached bigger, more recognized NEPA consulting firms about jointly proposing a procedural solution for a national energy policy, but I sense that they either fear the vastness of this project or are unwilling to step "outside the box" to change their standard approach to NEPA compliance. In my opinion, however, it is the very enormity of the project that mandates a different procedural approach, as BPA was willing to do with respect to their analysis of energy production and endangered salmon.

It now occurs to me that DOE and the Administration may be further along than anticipated and, probably feared, in the development of a strategy that will satisfy an important environmental compliance requirement, involve and inform the public, advance an energy policy long overdue, and provide legal protection. I would further suggest that the cost of fulfilling these goals could be considerably less than some may propose. Much of the talent necessary to do the job is scattered around the country, but already on the government payroll. I predict that the challenge of being associated with such a substantial and unique NEPA project would be of great interest to these individuals. No doubt, such an endeavor would require a recommitment of resources, but the job need not cost the many millions that some will no doubt suggest.


In closing, as one who has seen good, bad and ugly NEPA processes, I strongly suggest that DOE, the Interior Department, CEQ, EPA and others begin to design a



NEPA strategy today that will position the Administration where it wants to be a year or two down the road. The sooner you start, the sooner you can actually begin to solve the problem to your greatest advantage.

I appreciate your valuable time.

Sincerely,



P. Benjamin Underwood, Esq.

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cc: The Honorable President of the United States George W. Bush  
The Honorable Vice-President of the United States and Chairman  
of the Energy Task Force Richard Cheney  
The Honorable Secretary of Interior Gale Norton

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2001-011566 May 4 p 4:05

## United States Senate

WASHINGTON, DC 20510

May 1, 2001

The Honorable Spencer Abraham  
Secretary of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Abraham:

We write to request that you ensure continued viability of the domestic uranium enrichment industry as part of the Administration's review of the U.S.-Russia HEU Agreement and the development of the Administration's Energy Policy. The sole domestic operating uranium enrichment plant in the U.S. is located in Paducah, Kentucky, and we are interested in your views regarding the best way to balance the national security aspects of the HEU agreement so that they do not jeopardize this component of our energy security.

Without question, the Russian HEU Agreement has had a beneficial impact on the national security of the United States. However, according to a recent GAO report in December 2000 (GAO-01-148), the HEU Agreement appears to be having a negative effect on American energy security. The USEC Privatization Act and the Energy Policy Act of 1992 were crafted so that "neither the privatization of USEC nor the implementation of the HEU Agreement would be harmful to the domestic uranium industry." The HEU Agreement, coupled with the way the privatization of USEC was implemented, has adversely affected U.S. nuclear fuel production. Unfortunately, the Enrichment Oversight Committee, created by Executive Order in the previous Administration, was largely passive in its responsibilities to prevent or mitigate the negative effects of the HEU Agreement, according to the GAO.

We understand that the National Security Council is reviewing the proposed agreement between USEC and Tenex to import additional enriched uranium from Russia consistent with the recommendations from the GAO. We would encourage the Energy Task Force to examine the domestic energy implications of the loss of the uranium enrichment industry, especially if nuclear power is going to be an important part of the energy portfolio of the United States. Given the concerns raised by GAO about the status of the domestic nuclear fuel industry and the two major reviews underway in the Administration on energy and national security, we seek clarification regarding the Administration's path forward:

1. What is the status of the review of the HEU Agreement being undertaken by the National Security Council discussed in the February 7, 2001 letter from NSC Chair Condoleezza Rice to the Energy and Commerce Committee Chairman Billy Tauzin? Will alternatives to importing additional commercial SWU from Tenex be evaluated?

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DOE016-0660

The Honorable Spencer Abraham

May 1, 2001

Page Two

2. Testimony before the House Energy and Commerce Committee, as well as several recent reports by the GAO and DOE, indicate that the U.S. is becoming increasingly dependent on the Russians for our supply of nuclear fuel as a result of the HEU Agreement. Moreover, the GAO has identified difficulties in implementation of the HEU Agreement that resulted in five interruptions in shipments. Is the Administration reviewing the extent to which the U.S. is becoming reliant on Russian supplies of nuclear fuel and the consequences to the U.S. economy in the event that such fuel supplies are interrupted? What contingency plans should be put in place to assure energy security?
3. The Gaseous Diffusion Plant at Paducah will soon be the only operating enrichment plant in the U.S. In its review of the HEU Agreement or development of the nuclear option in a new energy policy, is the Administration considering options to keep this plant open and operating until new competitive technology has been fully deployed?
4. Advanced technology is needed to replace the WWII-era gaseous diffusion process upon which the U.S. now depends. Are there sufficient private incentives for the development and deployment of such new technology? Is the Energy Task Force examining future uranium enrichment technology as part of its energy policy development? What options are being considered and under what time frames?
5. The previous Administration suggested that **granting Executive Agency status should be linked to operations of the plant at Paducah in the interests of U.S. energy security.** Does the Administration agree with that approach and what options are under consideration? If not, how will the U.S. deal with the probability that the U.S. could have no economic enrichment operations by 2003?
6. **Russia has proposed to export even more enriched uranium to the United States.** We are particularly interested in your evaluation of the effect the proposed import of additional commercial fuel from Tenex will have on the operations and economic viability of the one remaining enrichment plant at Paducah.

Our goal is to balance the need for both national security under the HEU Agreement, and energy security by maintaining an economic and reliable domestic uranium enrichment industry in the U.S. Unfortunately, these goals appear to be in growing conflict. It may require clear and determined policy decisions by the Federal Government to balance the national security and energy security interests to achieve these goals. We hope these concerns will be reflected in the Administration's new energy policy.

10909

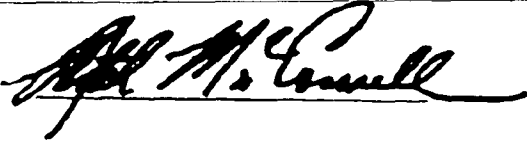
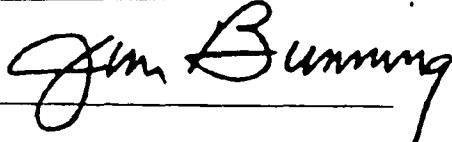

DOE016-0661

The Honorable Spencer Abraham  
May 1, 2001  
Page Three

Thank you for your careful attention to what we believe are vital concerns. We would request that given the importance of our questions, we receive a response no later than May 15.

Sincerely,

---

cc: Vice President Richard B. Cheney  
cc: National Security Advisor Condoleezza Rice

10910

DOE016-0662

162

margot

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Monday, April 30, 2001 6:49 PM  
**To:** Anderson, Margot  
**Subject:** RE: clean coal

Yes in addition. They want something like this (I guess):

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Monday, April 30, 2001 6:19 PM  
**To:** Kelliher, Joseph; Kripowicz, Robert  
**Cc:** Carter, Douglas; DeHoratis, Guido  
**Subject:** RE: clean coal

Joe,

Is this beyond what we already sent them (from FE) a few hours ago? If so, we should ask Doug Carter and/or Guido DeHoratis to answer (I note that Bob K. is out today). By when?

Margot

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Monday, April 30, 2001 6:16 PM  
**To:** Kripowicz, Robert  
**Cc:** Anderson, Margot  
**Subject:** clean coal

1753

2001-012447 May 17 p 3:38



ATMEL CORPORATION  
Tel: (719) 576-3300

Secretary of Energy, Spencer Abraham  
U.S. Department of Energy  
1000 Independence Ave, SW  
Washington DC 20585

Dear Mr. Abraham

May 11<sup>th</sup>, 2001

Approximately 3 months ago, I sent a letter to the Governor of Colorado, Bill Owens, Senators Wayne Allard and Ben Nighthorse-Campbell and United States Representative Joel Heffley. Today I write again, adding our very respected Vice President, Dick Cheney, who is working diligently with a "National Energy Task Force". My previous message addressed the concern that I have with escalating prices for electrical power and with the general condition that regardless of who wants to blame, we must take emergency and/or crisis level action to see that the present issues with energy shortfall and rising prices are addressed with long term corrective action and not "band-aids".

I write this letter as both a concerned American and as an Executive in the Semiconductor business with responsibility for a major manufacturing site of Atmel Corp. in Colorado Springs, CO. I believe this problem is as significant as was our need to put men in space ~40 years ago, and to say that we had better treat it in the same manner; with a vision given to the American people as to the real nature and size of the problem. Along with the vision of the problem must come a vision for solutions in the near, intermediate, and long term that allows our economic well-being to remain positive and full of hope in each of those forward looking time periods. This is not a smaller task than putting man in space and on the moon, and in reality it is even more important as it has "everything" to do with the American way of life, and the expectations of opportunity that we would wish all to have.

The issue is ENERGY! And as I stated above, at stake is the standard of living of every American, and those citizens of any other country who aspire for economic freedom and opportunity.

All economic issues, events, or situations are the result of the balance of a myriad of forces, to name some:

- Conservation and/or conservationists
- Productivity (Producing the most for the least, or preventing the loss of purchasing power by continuously producing at a higher rate than the underlying cost components)
- Exploration and Development (oil, natural gas, nuclear energy)
- Producing and Refining
- Automobiles being manufactured including a range from "lean machine" to "gas guzzler"

If not for a sustained period of low inflation and high productivity in place at this time, the present economic downturn could very easily have been a major recession. We are lucky and "everyone" had best admit it to themselves. In fact, I contend that this current downturn has the potential for greater retrenching if we don't build confidence that we have a plan in both areas of energy and taxes. Yes, tax relief is important, but the optimum solution to our energy situation and its'

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10912

DOE016-0664

potential influence on our economy is much, much more. We had better have the right answer this time, because this issue has only received "lip service" for the past 30 years, and we had better "sell" our "right answer" to the American public as though it is the emergency that it really is.

We have time to be in control of the play-out of all these opposing forces, but there will be "no more time", if we play "games" with the energy situation again.

Let's recognize with the wisdom of many of the prophets of biblical times, that from blessings can come self-confidence that can erode to arrogance, indulgence, greed, and apathy. We are not "above" the nature of humankind.

We in America have come to a point of economic prosperity and superiority that we believe we can "have our cake, and eat it too", that the "good times" will never run out, that at least is what we have come to expect. As a result, we want to believe that we can leverage all the "easy" forces in the equation, and ignore the harder or more distasteful ones.

Some for instances:

- If one SUV is big, then the next supplier makes a bigger one, and what does the consumer do...he follows in like step.
- If one conservationist wants their State to keep out all new power installations because of "their" more precious environment, then let's do it, ..."but" we don't want to pay higher prices, or do without the many things electrical power provides.
- Maybe the most classic is...."I want to eat any and all the food I want, but I don't want to gain a single pound".

What's the point? The point is that we don't have the time, nor can we get this done if we only do the "easy stuff". We must be willing to conserve in our homes, we must be willing to give up on these "tanker size" SUV's, we must be willing to give some ground, not in the fashion of compromise, but in order to "optimize" and achieve the end which allows the most economic viability; otherwise we will give it up in our standard of living. How do I know? We are already there. Californian's are suffering brownouts, with both gasoline and utility bills they can ill afford. Many lower income citizens, are giving up medicine, or even foods they might otherwise buy, because of "bills" that are now 30-100% higher than a year or two years ago. The bad news is "at the doorstep".

I'm sure that the talent, skill, and demonstrated qualifications of those on Vice President Cheney's Energy Task Force are very adequate to the task. But I do have some concerns, the primary one being that "it's hands off" to have the American citizen forego their existing lifestyle, or in any way require of them more discipline, or live with less options than they do today.

Folks, this is serious: we had best not leave one element aside that can be a contributing factor in this race. Also, is there anyone reading this that agrees with my position that this "IS" bigger than a "man in space", and is just as daunting in the magnitude of issues that we face whether technically, socially, or otherwise? We need to make this a "National Endeavor" and sell the vision of both the problem and the solution, and get our nation behind the program.

Some "must do's":

- Allow and encourage coal-fired power generating installations, by moderating/optimizing the amount of cost of capital equipment with less strict EPA regulations for the next 3-5 years.
- Have each State project both their planned use and capacity of electrical power from both public and private sources. Where critical gaps exist in some States, insure that there are

solutions that can be implemented to close those gaps: as a minimum, understand "where" the problems are and what is being done to remove them.

- Almost every area of the country has seen natural gas prices "double" over the past year. With a combined task force of government and energy company officials, require a composite look at the demand and capacity projected forward: what is required to bring forces into place, from all aspects...exploration, development, transport, delivery; that will mitigate this current rise, or as a minimum insure the present accelerated price trend is moderated. Insure, everything is "on the table", there should be no predatory pricing, or gouging, because of the present demand/supply scenario. If so, it's no different than the abhorrent looting that goes on in the aftermath of a tornado, or hurricane.
- Do the same thing for electrical power installations and generation, what's the plan, where are the gaps, how do we "head them off"?
- Do the same for oil, we face a much higher probability that oil supply shortfall compromises our economy and/or standard of living, than any potential military action.

So far, I've limited this discussion to the existing fossil fuel constraint; when it (fossil fuel) is gone ("fini"), the above arguments get really serious. The thoughts presented above only deal with the short and intermediate term, so why does anyone think that 30-50 years from now (when my grandkids are in their prime) isn't as demanding upon science and technology as was/is the effort by NASA and any associated enterprises in the era of space exploration? Sometimes I get the feeling that we have seen so many technological miracles that we find the one of delivering energy to our homes for heating and cooling in very different ways, or the one of providing fuel to an automobile, that is no longer oil based as a very boring and unimportant endeavor. Quite the opposite, this is as important as any key event in the history of our country, because left undone, it takes away our ability to continue the "productivity" curve such that "every American" has the opportunity before them.

Now, let me address another side of the coin. The last area our politicians want to take action in is the market place, i.e. influence or control prices. Let me touch on three areas where something can be done (if the courage is there to do it):

- 1) As individuals, families, or business enterprises, we are facing ludicrous increases in electrical rates in the year 2000/2001. Please refer to the attached chart, which depicts the price for the Colorado Springs Utilities to purchase power from other sources when used to supplement the existing power capacity available from this very efficient and well run public utilities provider. I think it goes without saying that from 1985 through 1999 those providers of supplemental power were operating on what they considered an acceptable profitability. So what happened? First of all natural gas prices increased, therefore that cost must be passed on. Secondly, nothing else happened except the power providers in the American west saw an opportunity with the California situation to "gouge" the consumer and industrial users of electricity. In fact, the Atmel site here in Colorado Springs will pay an additional ~\$1m for power in 2001 than even that in 2000. How many jobs does \$1m account for? At least 25-30 jobs. Why is it so unreasonable to give a Presidential order that no company in an unstable market environment can have greater than a 100% margin against their cost? The result of such an order would reduce the 2001 rate on the attached chart to less than 1/4 of that depicted, and for our new President, such an order would likely increase votes on his behalf in 2004 in California by a significant amount. That should not be President Bush's motivation, but regardless, it's a very likely result.



- 2) Now for gasoline, the present prices are ludicrous and predatory. A year ago oil prices went to \$37 per barrel, and gasoline prices went up dramatically; supposedly because of this huge price increase in basic supply, the many blends and regulations placed on refined gasoline, and the shortage of capacity to actually produce at the rates demanded. One year later, when the oil supply cost is at \$27-28 per barrel, and all other things are basically equal, the price for gasoline is far beyond it's peaks of last year, even though we are only early in the expanded driving season. In a period where consolidation of major "oil" corporations is rampant, due diligence requires the excessive profit rates of these corporations to be reviewed. Why is it that most of our high tech corporations are suffering serious revenue, profit, and stock value setbacks in a time that the major oil firms are more profitable than ever? Please don't try to convince me that we are seeing a huge increase in the "productivity" of our oil firms...they don't even understand the word.
- 3) On the other side, the American people still "wants it's cake and eat it too". I've attached two website renditions of the ever increasing SUV size. We are facing a terribly bleak picture in the near term for gasoline prices and for any real solutions to mitigate this issue to be found. Give an EPA mandate that "all" personal or family vehicles delivered in the year 2003 or 4, achieve 25 mpg on highway, and you will see things change. Will this really "cost" the American public anything? Not really. I myself actually own a 1997 Jeep Grand Cherokee, purchased well before I could read enough material to understand the current scenario being played out. Really, my concern is not with \$1.79-2.00 gas prices, my concern is that unless we do something our economy and our standard of living will be more like many countries around the world than the one that exceeds all expectations ever conceived. By the way, my Grand Cherokee is up for sale!

We are a proud nation, the "land of opportunity", where at some point "all" people will be limited only by their own desire, and personal drive. We face a real crisis and yes, we can't afford to "scare the public", but tell us, the American people, the truth, a complete picture. Show us what really happens if we don't act. Show us what can be done if we do. Show us the options and why you choose to do what you propose to do, we can come together when we "have to", when we must....as a Nation we always have.

Sincerely,



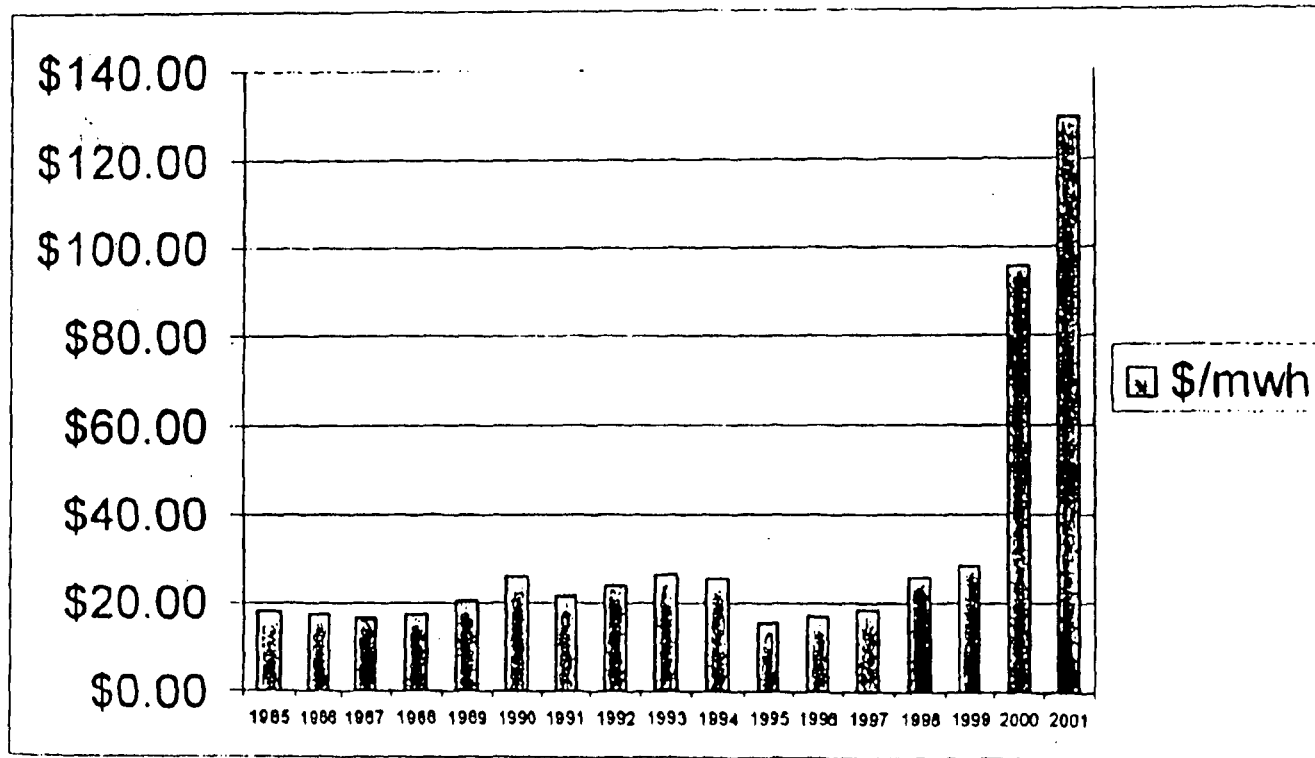
Ralph Bohannon  
Sr. Vice President  
Atmel Corp.

<p>Cc: Dick Cheney Joel Heffley Ben Nighthorse Campbell Wayne Allard George Perlegos  Bill O'Reilly</p>	<p>Vice President of the United States House Representative U.S. Senator U.S. Senator President &amp; Chief Executive Officer, Atmel Corporation Fox News Channel</p>
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10915



# Annual Purchase Power Prices






Dimensions & Specs	
Item	Description
Engine Type	AWD - High Output LQ9 6.0L OHV V8 2WD - 5.3L OHV V8
Fuel Delivery	AWD - Sequential fuel injection
Displacement	AWD - 364 / 5967 (cm3) 2WD - 327 / 5328 (cm3)
Compression Ratio	AWD - 10:1
Horsepower/Torque (lb-ft)	AWD - 345 @ 5200 rpm 380 @ 4000 rpm 2WD - 285 @ 5200 rpm 325 @ 4000 rpm
Transmission	AWD - 4L60-E HD 2WD - Four-speed electronic-shift overdrive automatic with torque converter clutch, 4L60
Towing Capacity*	AWD - 8,500 lbs. 2WD - 7,700 lbs.
Final Drive Ratio	AWD - 3.73
Back to top	
Fuel Economy	
Item	Description
EPA Estimated MPG	AWD - 12 City/16 highway* 2WD - 14 City/18 highway
Back to top	
Chassis Dimensions	
Item	Description
Wheelbase	116.0 in.
Tread (f/r)	65 in. /66 in.
Turning Diameter	39.54 ft.

- ▶ Specifications
- ▶ Fuel Economy
- ▶ Chassis Dimensions
- ▶ Interior Dimensions
- ▶ Exterior Dimensions

[http://www.cadillac.com/escalade/feat\\_r\\_dims.htm](http://www.cadillac.com/escalade/feat_r_dims.htm)

05/06/2001

10917



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## 360 VIEW

# ALL-NEW ENVOY ENGINEERED FOR SURPRISING COMFORT

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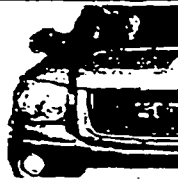
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**EXPERIENCE ENVOY**

Introducing the all-new GMC Envoy. The next generation Envoy not only provides you with the capabilities you demand in an SUV, it offers extraordinary comfort. Its remarkably smooth ride, expansive room, accommodating amenities, quiet interior and smooth engine performance work in concert to cradle you in comfort.



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### Envoy/4WD/SLT

**Engine:**  
 Vortec™ 4200 inline six-cylinder  
 Fuel type: Gasoline  
 Capacity: 4.2 liters  
 Bore and Stroke (mm): 80 x 102  
 Compression Ratio: 10:1  
 Valve Train: Double-overhead-cam with four valves per cylinder  
 Fuel Delivery: Sequential Fuel Injection

SAE Net Horsepower @ RPM (auto transmission): 270 @ 6000  
 SAE Net Torque @ RPM (I-R): 275 @ 3600

**Engines:**  
 (Click on engine for specifications.)  
 Vortec™ 4200 inline six-cylinder - Standard

**Transmission:**  
 - 4L80-E Hydramatic 4-speed automatic with overdrive.  
 Powertrain: available with and without traction control

**Specifications:**

Overall Length:	191.6"
Overall Height:	71.9"
Overall Width:	74.7"
Wheelbase:	113.0"
Gross Vehicle Weight Rating (lbs):	5,750
Front Suspension:	Double-A front arm
Front Axle capacity (total lbs):	2,950
Front Spring capacity (total lbs):	3,100
Rear Suspension:	5 link
Rear Axle capacity (total lbs):	3,200
Rear Spring capacity (total lbs):	3,200
Brakes:	Vented 4-wheel discs with anti-lock braking system
Steering:	Hydraulic power-assist rack-and-pinion system
Fuel Tank Capacity (gallons):	18.7
Battery:	Delco Freedom Standard Heavy-duty 60DCCA
Cold Cranking AMPS rating:	150 AMPS
Alternator:	150 AMPS
Maximum Trailering Weight (LBS):	6,200
TT:	
Axle Ratio:	3.42
Tongue Weight:	10% - 15% of trailer weight up to 750 lbs

.../specs.cgi?brand=envoy&model=Envoy&trim=SLT&option1=4WD&option2=&eng05/06/2001

10918

164

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Monday, April 30, 2001 6:16 PM  
**To:** Kripowicz, Robert  
**Cc:** Anderson, Margot  
**Subject:** clean coal

4/65

Exec. Sec.

014610

THE WHITE HOUSE OFFICE  
REFERRAL

2001-014610 6/19 P 3:23

June 13, 2001

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED: INFO COPY ONLY/NO ACTION NECESSARY

DESCRIPTION OF INCOMING:

ID: 488444  
MEDIA: LETTER, DATED MAY 23, 2001  
TO: PRESIDENT BUSH  
FROM: THE HONORABLE MIKE THOMPSON  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515  
SUBJECT: REQUESTS THE PRESIDENT TO IMPLEMENT THEIR RECOMMENDATIONS  
DIRECTING FEDERAL FACILITIES TO TAKE CONSERVATION MEASURES BY ISSUING  
AN EXECUTIVE ORDER

PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500

OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE

10920

DOE016-0672

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 488444  
PAGE 1

DATE RECEIVED: 05/25/2001

NAME OF CORRESPONDENT: THE HONORABLE MIKE THOMPSON

SUBJECT: REQUESTS THE PRESIDENT TO IMPLEMENT THEIR RECOMMENDATIONS DIRECTING FEDERAL FACILITIES TO TAKE CONSERVATION MEASURES BY ISSUING AN EXECUTIVE ORDER

ROUTE TO:		ACTION		DISPOSITION		
OFFICE/AGENCY	(STAFF NAME)	ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/05/25	NL	A	2001/6/6
ACTION COMMENTS: <i>(4/26/01 sent to additional signers</i>						
<i>Vice President (Domestic Policy)</i>		<i>AAR</i>	<i>01/01/13</i>			<i>1/1</i>
ACTION COMMENTS:						
<i>DD LAMO</i>		<i>I</i>	<i>01/01/13</i>			<i>1/1</i>
ACTION COMMENTS:						
<i>DOE</i>		<i>I</i>	<i>01/01/13</i>			<i>1/1</i>
ACTION COMMENTS:						

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 19 SIGNEES

5

ACTION CODES:  
A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

DISPOSITION CODES:  
A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

OUTGOING CORRESPONDENCE:  
TYPE RESP = INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OEOB) EXT 62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

10921

488444

June 6, 2001

Dear Representative Thompson:

Thank you for your recent letter urging the Administration to implement your recommendations to ameliorate electricity shortages by Executive Order as soon as possible. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Mike Thompson  
U.S. House of Representatives  
Washington, DC 20515

Bcc w/ copy for appropriate action: VPTF  
For Information: DP, DOE

010606

10922

DOE016-0674



Congress of the United States

Washington, DC 20515

488444

May 23, 2001

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President:

As members concerned about the energy crisis that is deepening in the Western United States, we would like to call to your attention additional measures that will help ameliorate electricity shortages anticipated this summer.

Experts widely believe that there will not be enough new generation online this summer to meet demand. Current estimates show that during these summer months California alone may experience shortages of 3,000 to 6,000 megawatts, which will likely lead to wider and longer-lasting rolling blackouts. Power supplies elsewhere in the Western region will be also extremely tight. And expected drought conditions will curtail generation capabilities while heat conditions will add to demand.

Your Executive Order directing Federal facilities to take conservation measures will help reduce energy usage and is, in our view, an important first step in fashioning near term solutions. But we strongly believe the federal government can and should do more.

The Department of Defense, for example, can further reduce its reliance on the civilian electric grid. It is the largest single consumer of electricity in California, accounting for about one percent or 420 megawatts of the state's peak load. According to a General Accounting Office (GAO) study completed at our request, the Department could immediately provide between 16 MW and 90 MW of additional generation capacity.

Based on the GAO findings, we ask that the Department of Defense provide additional assistance in mitigating some of the impacts of this energy crisis in three ways:

First, the military should fully utilize all of the on-site power plants located on western military bases in order to decrease demand on the western power grid. As a result of work requested by Congress, the GAO has identified about 16 MW of available generation which is not fully utilized (13.4 MW natural gas-fired and 2.6 MW diesel

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11/11/01

10923

DOE016-0675

fueled; 16 MW is available from 5 power plants: Vandenberg, Onizuka and Beale Air Force Bases and Naval Air Station North Island) out of the total of about 109 MW located across the West. With the dire predictions of summer shortages, it is imperative that the military take all necessary steps to make this generating capacity available to California.

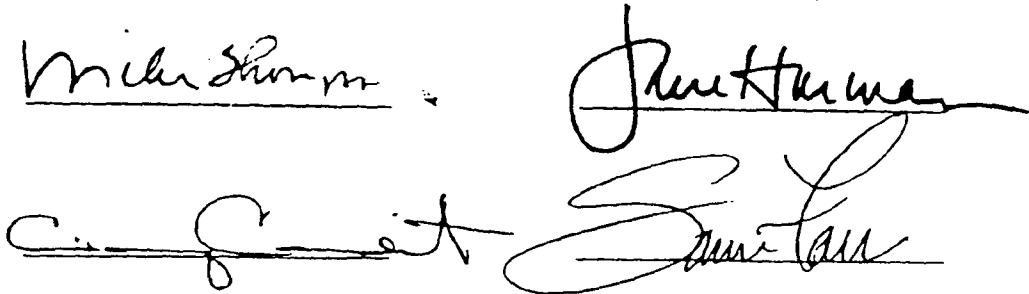
Second, the Department should conserve energy, in all forms, this summer across the West by eliminating all non-essential activities that do not jeopardize mission preparedness or public health and safety. Reduced energy consumption by the military could benefit the electricity market by reducing overall demand. This reduced consumption could increase the amount of supplemental energy available from military-owned power plants, above and beyond the 16 MW identified by GAO.

Third, the Department should develop a plan to deploy available mobile generation facilities, estimated by GAO to equal about 74 MW of capacity, in the event of a serious energy emergency this summer. This plan should: (1) assure that units remain available for deployment to California in least-cost ways; (2) identify and prepare sites and interconnection facilities to permit their operation in environmentally and operationally optimal ways; (3) coordinate with the California Independent System Operator (ISO) to develop operational and management agreements to provide the ISO with maximum flexibility; (4) summarize actions required by the state and federal government to deploy and provide compensation for the use of these units; and (5) develop environmental proposals or arrangements to allow these facilities to be used in the state.

While these measures will not solve the energy crisis, the additional energy saved and generated can help reduce and prevent electricity disruptions in the West this summer.

Mr. President, this a matter of great urgency, and we request that you implement these recommendations immediately by Executive Order.

Sincerely,



Nancy Pelosi

Lynn Wolsey

Joe Baca

Liz Capps

Yam Sun

Bob Filner

Martine Waters

Mike Honda

Juanita Guillot and Chris Pomar

Hilda Solis

Bob Latta

Keene Darscher

Aaron Davis

Grace S. Napolitano

Bob Sherman

Ed Blum

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2001-014848 Jun 22 A 11:03

LARRY COMBEST  
15TH DISTRICT, TEXAS

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CHAIRMAN  
COMMITTEE ON AGRICULTURE

---

COMMITTEE ON SMALL BUSINESS

---

ROOM 1029  
LONGWORTH FEDERAL OFFICE BUILDING  
WASHINGTON, DC 20515-4318  
(202) 225-6005

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HTTP://WWW.HOUSE.GOV/COMBEST

**Congress of the United States**  
**House of Representatives**

June 18, 2001

DISTRICT OFFICES

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SUITE 818  
GEORGE H. MASON  
FEDERAL BUILDING  
LUBBOCK, TX 79401-8088  
(806) 763-1811

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SUITE 205  
3800 E. ALAMO STREET  
ODessa, TX 79762-6841  
(915) 960-6742

---

SUITE 205  
3809 S. WESTERN  
AMARILLO, TX 79110-3628  
(806) 353-3943

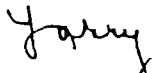
Mr. Andrew Lundquist  
U.S. Department of Energy  
Energy Task Force  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20001

Dear Mr. Lundquist:

I am extending an invitation for you to join me in Midland, Texas, during the July District Work Period when I will be meeting with local oil and gas producers to discuss President Bush's National Energy Policy. This portion of my district is in the heart of the oilpatch and would be excited to hear from you about the National Energy Policy, and in particular, the NEPD Group recommendation to the Secretaries of Energy and the Interior to promote enhanced oil and gas recovery from existing wells through new technology. Like many of the fields in the U.S., those in the Permian Basin region are mature and declining, but operators there are already doing much to keep existing wells productive. I believe the meeting, and especially your participation, would be a good opportunity to exchange information about enhanced oil and gas recovery efforts and technologies, and how they can help the U.S. meet its energy needs.

I would be glad to work with you if you are interested in a mutually agreeable date to travel to Midland. Please contact Shanna Brown of my staff to indicate whether you will be able to join me, or if you have any questions.

Sincerely,

  
Larry Combest

10927

DOE016-0679

167

**Kelliher, Joseph**

---

**From:** Carter, Douglas  
**Sent:** Friday, April 20, 2001 1:15 PM  
**To:** Anderson, Margot; Vemet, Jean; Kripowicz, Robert  
**Cc:** Conti, John; Kelliher, Joseph  
**Subject:** RE: NSR

Margot -

Doug

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Friday, April 20, 2001 12:36 PM  
**To:** Vemet, Jean  
**Cc:** Carter, Douglas; Conti, John; Kelliher, Joseph  
**Subject:** RE: NSR

<< File: env't chapter 2-21.wpd >> << File: March 27 DOE comments Chapter 4.doc >>

-----Original Message-----

**From:** Vemet, Jean  
**Sent:** Friday, April 20, 2001 11:36 AM  
**To:** Anderson, Margot  
**Cc:** Carter, Douglas; Conti, John  
**Subject:** RE: NSR

Margot: Report from the call. Brenner, Gibson, and Schmidt on call

Bottom line:

10928

DOE016-0680

Jean

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Friday, April 20, 2001 9:15 AM  
**To:** Vernet, Jean  
**Subject:** RE: NSR

Thanks. I won't be there. I am swamped with WH orders for the NEP. I called Joe to tell him. Unless he insists, I am tying myself to my computer.

-----Original Message-----

**From:** Vernet, Jean  
**Sent:** Friday, April 20, 2001 8:55 AM  
**To:** Anderson, Margot  
**Subject:** RE: NSR

See you then.

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Friday, April 20, 2001 8:42 AM  
**To:** Vernet, Jean  
**Subject:** RE: NSR

Nope. Just Joe's note.

-----Original Message-----

**From:** Vernet, Jean  
**Sent:** Friday, April 20, 2001 8:37 AM  
**To:** Anderson, Margot  
**Subject:** RE: NSR

Certainly. Do we have any more info?

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Friday, April 20, 2001 8:35 AM  
**To:** Vernet, Jean  
**Subject:** RE: NSR

Can you attend the meeting in Joe's office at 10:00?

-----Original Message-----

**From:** Vernet, Jean  
**Sent:** Friday, April 20, 2001 7:05 AM  
**To:** Anderson, Margot  
**Subject:** RE: NSR  
**Importance:** High

I'm here.

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Thursday, April 19, 2001 5:37 PM  
**To:** Vemet, Jean  
**Subject:** FW: NSR  
**Importance:** High

Jean,

You going to be around in the morning?

Margot

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Thursday, April 19, 2001 5:35 PM  
**To:** Anderson, Margot  
**Subject:** NSR  
**Importance:** High

Who is our smartest NSR person? Can you and that person (and it may well be you, be frank and admit it if that is the case) be in my office at 10 tomorrow for a conference call with our brothers at EPA on NSR? Let me know. They just called about this. Thanks.



168

**Kelliher, Joseph**

---

**From:** Charles\_M.\_Smith@ovp.eop.gov%internet [Charles\_M.\_Smith@ovp.eop.gov]  
**Sent:** Monday, April 30, 2001 10:25 PM  
**To:** Kelliher, Joseph; Anderson, Margot; Moss.Jacob@epamail.epa.gov%internet;  
William\_bettenberg@ios.doi.gov%internet; Tom\_fulton@ios.doi.gov%internet  
**Cc:** Kjersten\_drager@ovp.eop.gov%internet; Andrew\_D.\_Lundquist@ovp.eop.gov%internet;  
Karen\_Y.\_Knutson@ovp.eop.gov%internet  
**Subject:** chapter 3

Charlie

169

**Kelliher, Joseph**

---

**From:** Charles\_M.\_Smith@ovp.eop.gov%internet [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@ovp.eop.gov%internet  
**Subject:** Clean up of Chapter 1

170

**Kelliher, Joseph**

---

**From:** Charles\_M.\_Smith@ovp.eop.gov%internet [Charles\_M.\_Smith@ovp.eop.gov]  
**Sent:** Friday, April 20, 2001 9:34 AM  
**To:** Kelliher, Joseph  
**Subject:** One-pager on Vitrification/Glassification

Joe:

Charlie

171

**Kelliher, Joseph**

---

**From:** Charles\_M\_Smith@ovp.eop.gov%internet [Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Monday, April 09, 2001 3:52 PM  
**To:** Kelliher, Joseph; Anderson, Margot; Dina.Ellis@do.treas.gov%internet;  
Galloglisj@State.gov%internet; McManusmt@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; Commcoll@aol.com%internet  
**Subject:** Photographs for NEPDG Report

As a pointed reminder. All photographs that you are proposing for use in the National Energy Policy Development Group's Report must be submitted in either print, slide, or transparency format. If you don't have access to prints, slides, or transparencies, then you've got to select another image. And if that's the case, we need to know now and we need to know your completion date. A number of you have submitted prints from a digital file and that is not going to work.

I'd like a status by noon, Tuesday, April 10, 2001. Thanks.

Charlie

172

**Kelliher, Joseph**

---

**From:** Charles\_M.\_Smith@ovp.eop.gov%internet [Charles\_M.\_Smith@ovp.eop.gov]  
**Sent:** Wednesday, April 04, 2001 1:46 PM  
**To:** Kelliher, Joseph  
**Cc:** Andrew\_D.\_Lundquist@ovp.eop.gov%internet; Karen\_Y.\_Knutson@ovp.eop.gov%internet;  
John\_fenzel@ovp.eop.gov%internet  
**Subject:** Transmission Bottlenecks

Joe

Charlie

**10935**

DOE016-0687

173

**Kelliher, Joseph**

---

**From:** Charles\_M\_Smith@ovp.eop.gov%internet [Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Monday, April 02, 2001 6:57 PM  
**To:** Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Galloglysj@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.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  
**Subject:** 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.

-----

Charlie

174

**Kelliher, Joseph**

---

**From:** Charles\_M\_Smith@ovp.eop.gov%internet [Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Friday, March 23, 2001 8:31 AM  
**To:** Kelliher, Joseph; Anderson, Margot  
**Cc:** Andrew\_D\_Lundquist@ovp.eop.gov%internet; Karen\_Y\_Knutson@ovp.eop.gov%internet  
**Subject:** Ch. 6 -- energy efficiency

Joe  
Margot

Some observations from John Howard re. chapter 6  
----- Forwarded by Charles M. Smith/OVP/EOP on  
03/23/2001  
08:27 AM -----

John L. Howard Jr.  
03/23/2001 07:15:38 AM

Record Type: Record

To: Charles M. Smith/OVP/EOP@EOP  
cc: Karen Y. Knutson/OVP/EOP@EOP  
Subject: Ch. 6 -- energy efficiency

175

Exec. Sec.

014609

THE WHITE HOUSE OFFICE  
REFERRAL

2001-014609 6/19 P 3:23

June 13, 2001

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED: INFO COPY ONLY/NO ACTION NECESSARY

DESCRIPTION OF INCOMING:

ID: 488437  
MEDIA: LETTER, DATED MAY 18, 2001  
TO: PRESIDENT BUSH  
FROM: THE HONORABLE TIM HUTCHINSON  
UNITED STATES SENATE  
WASHINGTON, DC 20510  
SUBJECT: EXPRESSES SUPPORT FOR THE PRESIDENT PROPOSED NATIONAL ENERGY  
POLICY AND SHARE A THOUGHTS ON ALLEVIATING THE ECONOMIC STRAIN  
CAUSED BY ENERGY SHORTAGES IN THE WESTERN STATES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500

OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE

10938

DOE016-0690



**THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

ID# 488437  
PAGE 1

DATE RECEIVED: 05/25/2001

NAME OF CORRESPONDENT: THE HONORABLE TIM HUTCHINSON

SUBJECT: EXPRESSES SUPPORT FOR THE PRESIDENT PROPOSED NATIONAL ENERGY POLICY AND  
SHARE A THOUGHTS ON ALLEVIATING THE ECONOMIC STRAIN CAUSED BY ENERGY  
SHORTAGES IN THE WESTERN STATES

ROUTE TO:		ACTION		DISPOSITION		
OFFICE/AGENCY	(STAFF NAME)	ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/05/25	NC	A	05/26/01
ACTION COMMENTS:						
VOTE domestic policy		A	01/06/13			1/1
ACTION COMMENTS:						
DP		I	01/06/13		C	1/1
ACTION COMMENTS:						
DOE		I	01/06/13		C	1/1
ACTION COMMENTS:						

**COMMENTS**

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE:

5

**ACTION CODES:**  
A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

**DISPOSITION CODES:**  
A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

**OUTGOING CORRESPONDENCE:**  
TYPE RESP = INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OE08) EXT-62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

10939

DOE016-0691

488437

June 6, 2001

Dear Tim:

Thank you for your recent letter expressing support for the Administration's National Energy Policy and recommending a few ideas that might alleviate high energy prices in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Tim Hutchinson  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: DP, DOE

010606

10940

DOE016-0692

TIM HUTCHINSON  
ARKANSAS  
COMMITTEES  
AGRICULTURE, NUTRITION,  
AND FORESTRY  
ARMED SERVICES  
HEALTH, EDUCATION, LABOR,  
AND PENSIONS  
VETERANS' AFFAIRS

## United States Senate

WASHINGTON, DC 20510

488437  
WASHINGTON OFFICE  
239 DIRKSEN SENATE OFFICE BUILDING  
WASHINGTON, DC 20510  
(202) 224-2753

<http://hutchinson.senate.gov>  
E-mail: [senator.hutchinson@hutchinson.senate.gov](mailto:senator.hutchinson@hutchinson.senate.gov)

May 18, 2001

The Honorable George W. Bush  
The White House  
1600 Pennsylvania Avenue, Northwest  
Washington, D.C. 20500

Dear Mr. President:

I am writing to you to express my strong support of your proposed National Energy Policy and to share with you a few thoughts on alleviating the economic strain caused by energy shortages in the western states.

While there is no doubt that a long-term solution is needed to provide for our nation's growing energy needs, and that increased and diversified production is the logical solution, I feel that it is important that we consider a few short-term measures to alleviate the astronomical prices being faced by consumers throughout our country. Such compassionate measures could diminish much of the negative rhetoric that has been circulating since the plan was made public. Partial relief from these high prices may also garner the grass-roots public support necessary for congressional approval of many of the long-term provisions of the plan.

Recently, I spoke with a constituent in Arkansas who proposed a one-year tax deduction for electricity costs in the western states. Under this proposal, yearly electricity costs in excess of the average total electricity costs for the past two years could be deducted from an individual's income taxes. While mindful of the potential cost of this proposal, I think the concept has merit for specifically targeted areas where electricity costs have reached staggering levels that may force the poor and elderly citizens to make difficult financial decisions that may have health risks associated with them.

Please be assured of my continued commitment to working with the Administration and my colleagues in the Senate to win passage of much needed legislation to promote a responsible national energy policy. I thank you for your time and consideration, and I look forward to hearing from you in the near future.

With kind regards,

Sincerely,



Tim Hutchinson  
United States Senator

TH:mz

ROOM 2527, FEDERAL BUILDING  
LITTLE ROCK, AR 72201  
(501) 324-6336

101 NORTH WASHINGTON, SUITE 406  
EL DORADO, AR 71730  
(870) 863-6406

1 EAST CENTER, SUITE 212  
FAYETTEVILLE, AR 72701  
(501) 587-1935

ROOM 120, FEDERAL BUILDING  
JONESBORO, AR 72401  
(870) 935-5022

1201699

10941

DOE016-0693

**THE WHITE HOUSE OFFICE  
REFERRAL**

2001-014701 Jun 20 p 2:40

June 14, 2001

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: APPROPRIATE ACTION**

**DESCRIPTION OF INCOMING:**

**ID: 488535**

**MEDIA: LETTER, DATED MAY 31, 2001**

**TO: PRESIDENT BUSH**

**FROM: THE HONORABLE TOM HARKIN  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515**

**SUBJECT: URGES THE PRESIDENT TO DIRECT THAT ALL FLEXIBLE-FUEL VEHICLES IN THE  
FEDERAL FLEET BE OPERATED WITH E-85 FUEL TO THE MAXIMUM EXTEND  
POSSIBLE AND TO EXTEND AND EXPAND THE \$300 MILLION USDA BIO-BASED  
ENERGY INCENTIVE PROGRAM & DENY CALIFORNIA REQUEST FOR WA**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**10943**

DOE016-0695

June 12, 2001

Dear Senator Harkin:

Thank you for your recent letter requesting that the President increase the role of ethanol and biodiesel in our nation's fuel supply and that California's request for an oxygenate waiver be denied.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Tom Harkin  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPDP  
For Information: DOE,AG-USDA,EPA

010614

10944

DOE016-0696

MEMBERS OF THE COMMITTEE  
CHAIRMAN  
JESSE HELMS NORTH CAROLINA  
THAD COCHRAN MISSISSIPPI  
MITCHELL COFFIELD KENTUCKY  
PAT ROBERTS KANSAS  
PETER FITZGERALD ILLINOIS  
CRAIG THOMAS KENTUCKY  
ALBANE ALBERTO TENNESSEE  
TOM HUTCHINGS ARIZONA  
MIKE CRAIG IOWA

# United States Senate

COMMITTEE ON  
AGRICULTURE, NUTRITION, AND FORESTRY

WASHINGTON, DC 20510-6000

202-224-2035

TTY/TDD 202-224-2587

May 31, 2001

STAFF  
DIRECTOR  
DEPUTY DIRECTOR  
ADMINISTRATIVE ASSISTANT  
LEGISLATIVE ASSISTANT  
PUBLIC AFFAIRS ASSISTANT  
RECORDS AND COMMUNICATIONS ASSISTANT  
OFFICE MANAGER  
CLERK

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President:

Apart from the longer-term debate about our nation's energy policy, there is an urgent need for immediate steps to address the huge runup in motor vehicle and other energy prices. Without a doubt, renewable energy sources like ethanol and biodiesel can play a substantial role in both the near term and the longer term in contributing to our nation's fuel supplies.

There are nearly 17,000 vehicles within the federal fleet capable of using what is called E-85 fuel (a mixture consisting of 85 percent ethanol, 15 percent gasoline). If at least half of these flexible-fuel vehicles were to use E-85 fuel instead of conventional or reformulated gasoline, that would free up millions of gallons of gasoline in a year's time. I therefore urge you to direct that all flexible-fuel vehicles in the federal fleet be operated with E-85 fuel to the maximum extent possible. In addition, vehicles in the federal fleet that use diesel fuel should be directed to use biodiesel blends to the maximum extent possible.

To provide stronger incentives for ethanol production, I encourage your administration to extend and expand the \$300 million USDA bio-based energy incentive program that was started by the previous administration. This program, which was created under the authority of the Secretary of Agriculture to manage surplus agricultural commodities, reimburses renewable fuel producers for a portion of the costs of the grain or oilseeds used to increase production. This program has been especially important to smaller, farmer-owned renewable fuel producers as they expand their production. Extending this program will give these renewable fuel producers additional support for increasing their output and thereby adding significantly to our nation's fuel supplies.

Finally, it is critically important that you resolve the long-standing issue of the California request to waive the oxygenate requirement of the Clean Air Act. There is no legal or scientific basis for the requested waiver and it should be denied. The oxygen standard has delivered clean air benefits, and it also provides an important opportunity for renewable fuel. We know that ethanol can replace MTBE in the California market. A denial of the waiver would pave the way

10945

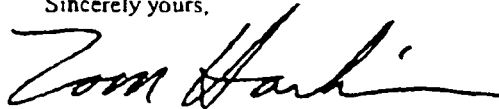
DOE016-0697

The Honorable George W. Bush  
May 31, 2001  
Page two

for ethanol producers to expand with confidence that the California market will grow to consume the additional ethanol they are well-positioned to produce.

Thank you for considering my views on these very important matters.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tom Harkin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom Harkin  
Ranking Democratic Member

10946

DOE016-0698

**THE WHITE HOUSE OFFICE  
REFERRAL**

014919

2001 JUN 25 A 11:43 <sup>June 19, 2001</sup>

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: DIRECT REPLY W/COPY**

**DESCRIPTION OF INCOMING:**

**ID: 483785**  
**MEDIA: LETTER, DATED MAY 17, 2001**  
**TO: PRESIDENT BUSH**  
**FROM: THE HONORABLE RUSS FEINGOLD  
UNITED STATES SENATE  
WASHINGTON, DC 20510**  
**SUBJECT: LISTS FIVE THINGS THE ADMINISTRATION CAN DO NOW TO ADDRESS HIGH  
ENERGY PRICES**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**10947**



**THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

ID# 483785  
PAGE 1

DATE RECEIVED: 05/22/2001

NAME OF CORRESPONDENT: THE HONORABLE RUSS FEINGOLD

SUBJECT: LISTS FIVE THINGS THE ADMINISTRATION CAN DO NOW TO ADDRESS HIGH ENERGY PRICES

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD

LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/05/22	NC	A	2001/5/24
---------------------	------------	-----	------------	----	---	-----------

ACTION COMMENTS: *Please send a copy of your response to Leg Affairs*

✓ VP Task Force (A. Lundquist) *CR 0196,01* *C 6/15/01*

ACTION COMMENTS: \_\_\_\_\_

*LEQ* \_\_\_\_\_ *I* \_\_\_\_\_ *1* \_\_\_\_\_ *1* \_\_\_\_\_

✓ *DOE* ACTION COMMENTS: *010619*  
*CR R to both* \_\_\_\_\_ *1* \_\_\_\_\_

ACTION COMMENTS: *Thoughtful letter that should get thoughtful response.*

**COMMENTS**

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE:

- ACTION CODES:**  
 A - APPROPRIATE ACTION  
 C - COMMENT/RECOMMENDATION  
 D - DRAFT RESPONSE  
 F - FURNISH FACT SHEET  
 I - INFO COPY/NO ACT NECESSARY  
 R - DIRECT REPLY W/ COPY  
 S - FOR SIGNATURE  
 X - INTERIM REPLY

- DISPOSITION CODES:**  
 A - ANSWERED  
 B - NON-SEPC-REFERRAL  
 C - COMPLETED  
 S - SUSPENDED

- OUTGOING CORRESPONDENCE:**  
 TYPE RESP = INITIALS OF SIGNER  
 CODE - A  
 COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OEOB) EXT-42590  
 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

*S*

10948

483785

May 24, 2001

Dear Senator Feingold:

Thank you for your recent letter recommending five things that you feel the Administration should do to reduce the high price of energy. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Russell Feingold  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: CEQ

010525

10949

DOE016-0701

RUSSELL D. FEINGOLD  
WISCONSIN

710 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510  
(202) 224-6323  
(202) 224-1280 (TDD)

## United States Senate

WASHINGTON, DC 20510-4904

4/22/185  
COMMITTEE ON THE JUDICIARY  
COMMITTEE ON FOREIGN RELATIONS  
COMMITTEE ON THE BUDGET  
SPECIAL COMMITTEE ON AGING  
DEMOCRATIC POLICY COMMITTEE

May 17, 2001

The Honorable George W. Bush  
President  
The White House  
Washington, DC 20500

Dear President Bush:

Today, you begin in earnest to seek to promote changes within your Administration and in federal law to establish a comprehensive national energy strategy. While I do not agree with every element of your strategy, I embrace and welcome this opportunity to work together to develop such a strategy which is acutely needed, and, indeed, overdue.

However, as you work with Congress over the 107<sup>th</sup> Session to refine and pass legislation to enact pieces of your long-term energy strategy, I believe your Administration can and must do more today to address the real suffering that high energy prices are imposing upon the people of Wisconsin and of the country. In my view, there are several things the Administration can and must do right now:

1. **Use Federal authority to ensure production at refineries is not interrupted by power or repair problems.** As you know, with gasoline stocks at low levels, refinery outages can cause extreme volatility in gasoline prices. The Administration has been aware of market tightness in gasoline supply in the Upper Midwest since January, when a major Midwest refiner announced it would close, reducing gasoline production by two million gallons per day. Today, gasoline prices have climbed to over \$2.00 per gallon in certain areas of the Midwest. The Administration should be prepared to use federal authority to ensure that refineries are un-interruptible energy customers if blackouts and brownouts occur in western states. Such action will reduce the need for regional fuel shifting away from already constrained areas to assist the west, and should be prepared to aid refiners in keeping up and running this summer.
2. **Insist that all segments of the gasoline supply chain maximize production and distribution of fuels of the needed quality and quantity.** Though the Federal Trade Commission report on last summer's price increases in Chicago and Milwaukee did not document technical violations of the Sherman Antitrust Act, it did report troubling evidence that some companies did not do all they could to help reduce acute consumer prices. As this Administration regards the current energy

○ 8383 GREENWAY BOULEVARD  
MIDDLETON, WI 53562  
(608) 878-1200  
(608) 878-1215 (TDD)

○ 517 E. WISCONSIN AVENUE  
ROOM 408  
MILWAUKEE, WI 53202  
(414) 276-7282

○ 317 First Street  
ROOM 707  
WAUSAU, WI 54403  
(715) 848-8880

○ 425 STATE STREET  
ROOM 225  
LA CROSSE, WI 54601  
(608) 782-5485

○ 1640 MAIN STREET  
GREEN BAY, WI 54302  
(920) 485-7500

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DOE016-0702

President Bush, pg. 2  
May 17, 2001

situation as requiring a long term policy that needs the Wisconsin public's support, it should also press upon all market players that in times of high prices they should be doing all they can to supply needed fuels.

3. **Require Federal facilities to use available off-the-shelf energy efficiency technologies.** I am pleased that you have instituted efficiency measures at the federal level, and are considering more initiatives to develop long term efficiency strategies. However, more can be done in the short term to enhance efficiency of federal facility operations and to require vehicles in the Federal fleet that can use alternative fuel to do so. I have been pleased to cosponsor legislation authored by my Wisconsin colleague, Senator Kohl, which would create a federal energy bank in the Treasury to allow federal agencies to purchase off the shelf technologies immediately and repay the bank with their saved energy costs. For this summer, easily implemented efficiency measures should be adopted.
4. **Support appropriated programs to assist consumers and prepare for summer fund releases and high temperature situations.** You should act in the next two weeks to release emergency cooling funds from the Low Income Energy Assistance Program to states for the summer cooling season. In addition, this summer may require coordinated emergency response for areas that experience high temperatures, and the Department of Defense and the Federal Emergency Management Agency, as well, as other federal agencies, should be convened now to review plans for providing emergency shelter, water, power and cooling should that assistance be required.
5. **Continue diplomatic pressure on the Organization of Petroleum Exporting Countries (OPEC) to increase short term supply.** Even with a long-term strategy, the United States' continued relationship with OPEC nations is critical to short term supply. OPEC's market actions continue to be unfair, they would be illegal if undertaken in the United States, and our nation should respond appropriately and aggressively to their efforts to manipulate world oil prices.

Again, I appreciate your efforts to focus the nation on the importance of an energy strategy. I am committed to working with you on that goal, and I appreciate your consideration of my views.

Sincerely,

  
Russell D. Feingold

10951

**THE WHITE HOUSE OFFICE**

**REFERRAL**

014920

2001 JUN 25 AM 11:43 2001

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: DIRECT REPLY W/COPY**

**DESCRIPTION OF INCOMING:**

**ID: 483740**

**MEDIA: LETTER, DATED MAY 15, 2001**

**TO: PRESIDENT BUSH**

**FROM: THE HONORABLE PAUL WELLSTONE  
UNITED STATES SENATE  
WASHINGTON, DC 20510**

**SUBJECT: URGES THE PRESIDENT TO MAKE A SUBSTANTIVE COMMITMENT TO ENERGY  
CONSERVATION AND TO RENEWABLE ENERGY DEVELOPMENT AND FUNDING  
WHEN HE ANNOUNCE THE ADMINISTRATION'S ENERGY PROPOSALS**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**10952**

**THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

ID# 483740  
PAGE 1

DATE RECEIVED: 05/18/2001

NAME OF CORRESPONDENT: THE HONORABLE PAUL WELLSTONE

SUBJECT: URGES THE PRESIDENT TO MAKE A SUBSTANTIVE COMMITMENT TO ENERGY CONSERVATION AND TO RENEWABLE ENERGY DEVELOPMENT AND FUNDING WHEN HE ANNOUNCE THE ADMINISTRATION'S ENERGY PROPOSALS

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/05/18	NL	A	2001/5/22

ACTION COMMENTS: *Please send a copy of your response to Reg Affairs  
Response sent to attached copies*

✓ Vice President's Task Force (DP) C/R 010601 C 6/15/01 JL

ACTION COMMENTS: \_\_\_\_\_

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ACTION COMMENTS: \_\_\_\_\_

✓ DOE C/R 010619 6/15/01 11

ACTION COMMENTS: \_\_\_\_\_

**COMMENTS**

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 1 SIGNEE

- ACTION CODES:**  
 A - APPROPRIATE ACTION  
 C - COMMENT/RECOMMENDATION  
 D - DRAFT RESPONSE  
 F - FURNISH FACT SHEET  
 I - INFO COPYING ACT NECESSARY  
 R - DIRECT REPLY W/ COPY  
 S - FOR SIGNATURE  
 X - INTERIM REPLY

- DISPOSITION CODES:**  
 A - ANSWERED  
 B - NON-SEPC-REFERRAL  
 C - COMPLETED  
 S - SUSPENDED

- OUTGOING CORRESPONDENCE:**  
 TYPE RESP = INITIALS OF SIGNER  
 CODE = A  
 COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OE08) EXT-62500  
 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

10953

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May 23, 2001

Dear Senator Wellstone:

Thank you for your recent letter supporting energy conservation, as well as renewable energy development and funding. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Paul Wellstone  
United States Senate  
Washington, DC 20510

010524

10954

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May 23, 2001

Dear Senator Dayton:

Thank you for your recent letter supporting energy conservation, as well as renewable energy development and funding. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Mark Dayton  
United States Senate  
Washington, DC 20510

010524

10955

DOE016-0707



4-3740

# United States Senate

WASHINGTON, DC 20510

May 15, 2001

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President:

In advance of your appearance in Minnesota this week to announce the Administration's energy proposals, we are writing to urge you strongly to make a substantive commitment to energy conservation, as well as to renewable energy development and funding.

Your Budget for fiscal year 2002 proposed cutting federal funding for renewable energy research and development by 50 percent, and it proposed cutting funding for energy conservation research and development by 46 percent. It further proposed cutting by 48 percent the federal energy management program, which seeks both to conserve energy and to reduce federal costs through "advancing energy and water conservation" in the government's own buildings, vehicles and operations. You now have an opportunity to recommend restoring these cuts through the Vice President's task force report. We hope you will do so.

Investments in conservation and renewable energy development have never been more important, particularly for a state such as Minnesota, which is situated at the consuming end of the pipeline for non-renewable fossil fuels. Contrary to the widely reported suggestion by the Vice President that conservation is little more than "a sign of personal virtue," a recent report by scientists at our national laboratories concluded that improved energy efficiency could reduce growth in electricity demand by nearly 50 percent. Furthermore, wind power in Minnesota, currently producing electricity for three to six cents per kilowatt-hour, is competitive with the cost of electricity from new coal-fired power plants, which appear to be favored by the Vice President's task force. Through additional research and development investments, it has been estimated that the price of Minnesota wind power could go as low as 2.5 cents a kilowatt hour within a few years. Development of such renewable energy sources promotes keeping capital investments in Minnesota, rather than continuing to rely on the importation of what is now approximately \$6 billion worth of coal, oil and nuclear fuel each year. Renewable energy production from wind and biomass also helps boost Minnesota rural communities economically. Creating jobs in home-grown, forward-looking, innovative industries is key to the prosperity of Greater Minnesota, where the farm economy continues to struggle under low commodity prices and poor federal agriculture policy.

Minnesota is a national leader in the development of renewable fuels, such as biodiesel and ethanol - increasingly important sources of transportation fuel. Ethanol production in Minnesota already

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exceeds 250 million gallons a year. As the state's 14 farmer-owned cooperative ethanol plants continue to invest in value-added processing, production is expected to top 300 million gallons this year. Ethanol and biodiesel fuels reduce dependence on imported petroleum products, improve air quality and help revitalize the rural economy. As in the separate, bipartisan letter sent to your Administration today by a number of Senators, we again urge you to include among your proposals a recommendation to utilize biofuels to meet at least 3 percent of the nation's motor fuel market within 10 years.

We understand that these recommendations may not be looked upon favorably by oil, coal or utility industry leaders. However, we believe they are central to any forward-looking and balanced long-term energy strategy. Clean supply-side technologies should be combined with conservation to address our current over-reliance on non-renewable energy sources. Mr. President, we hope that we can find common ground to establish sound, sustainable, affordable energy policy for Minnesota and for the country's future.

Sincerely,



Paul D. Wellstone  
United States Senator



Mark Dayton  
United States Senator

**THE WHITE HOUSE OFFICE**

**REFERRAL**

014923

2001 JUN 25 12:11:13

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: DIRECT REPLY W/COPY**

**DESCRIPTION OF INCOMING:**

**ID: 483732**  
**MEDIA: LETTER, DATED MAY 10, 2001**  
**TO: PRESIDENT BUSH**  
**FROM: THE HONORABLE JEFF BINGAMAN  
UNITED STATES SENATE  
WASHINGTON, DC 20510**  
**SUBJECT: EXPRESSES CONCERN ABOUT GASOLINE PRICES AND OUTLINE 5 THINGS THE  
ADMINISTRATION CAN DO ABOUT GASOLINE PRICES AND WOULD LIKE TO KNOW  
THAT ACTIONS THE ADMINISTRATION IS PLANNING TO TAKE IN THE SHORT TERM  
TO ADDRESS RISING PRICES IN VARIOUS REGIONS OF THE CO**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**10958**

**THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

ID# 483732  
PAGE 1

DATE RECEIVED: 05/18/2001

NAME OF CORRESPONDENT: THE HONORABLE JEFF BINGAMAN

SUBJECT: EXPRESSES CONCERN ABOUT GASOLINE PRICES AND OUTLINE 5 THINGS THE ADMINISTRATION CAN DO ABOUT GASOLINE PRICES AND WOULD LIKE TO KNOW THAT ACTIONS THE ADMINISTRATION IS PLANNING TO TAKE IN THE SHORT TERM TO ADDRESS RISING PRICES IN VARIOUS REGIONS OF THE CO

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD

LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/05/18	NL	A	2001/5/22
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ACTION COMMENTS: *Please send a copy of your response to Leg Affairs upon receipt of official signature*

✓ VP's Domestic Policy (A. Lundquist) *R* *6/15/01* *C* *6/15/01*

ACTION COMMENTS:

LEQ		I	1/1			1/1
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ACTION COMMENTS:

✓ DOE *C* *R* *010619* *6/15/01* *1/1*

ACTION COMMENTS:

**COMMENTS**

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 24 SIGNEES

*S*

**ACTION CODES:**  
A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

**DISPOSITION CODES:**  
A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

**OUTGOING CORRESPONDENCE:**  
TYPE RESP = INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OE08) EXT-62300  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

10959

483732

May 23, 2001

Dear Senator Bingaman:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Jeff Bingaman  
United States Senate  
Washington, DC 20510

010524

10960

453722

# United States Senate

WASHINGTON, DC 20510

May 10, 2001

President George W. Bush  
The White House  
Washington, DC 20500

Dear Mr. President:

We are concerned that with gasoline stocks at low levels and no end in sight for high crude oil prices, problems such as refinery outages or pipeline disruptions could cause extreme volatility in gasoline prices. The Administration has been aware of this problem since January, when a major Midwest refiner announced it would close, reducing gasoline production by two million gallons a day. Today, gasoline prices have already climbed to over \$2.00 a gallon in certain areas of the Midwest.

It was not until April 27 that the Secretary of Energy wrote to members of Congress regarding the risk of price spikes in the gasoline market due to below-average levels of gasoline stocks. Unfortunately, the Secretary did not propose any actions that could avert or even ameliorate this potential crisis. While oil producers continue to experience record profits, the average American consumer will suffer from high prices at the gas pump.

In this light, it was particularly disturbing to hear Vice President Cheney indicate, once again, that he does not believe there is anything the Administration can do about gasoline prices this summer.

In our view, there are at least 5 things that the Administration can do right now:

- Develop a streamlined system of gasoline specifications to ensure flexibility in the market.
- Use Federal authority to ensure production at refineries is not curtailed during rolling blackouts.
- Require vehicles in the Federal fleet that can use alternative fuels to use those fuels.
- Insist that all segments of the gasoline supply chain maximize production and distribution of fuels of the needed quality.
- Ensure the Energy Information Administration has adequate resources to provide timely data on energy markets.


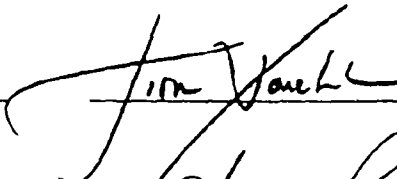
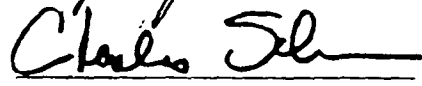
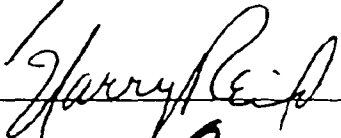

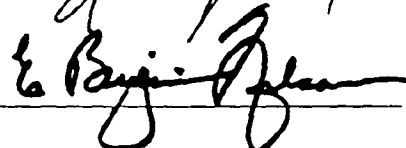
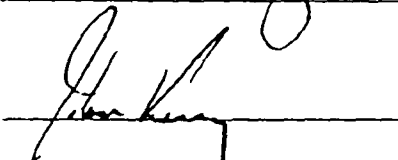
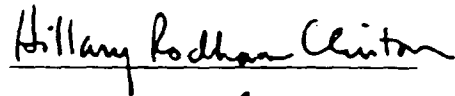
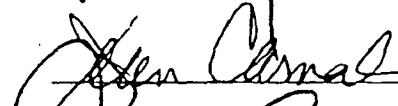


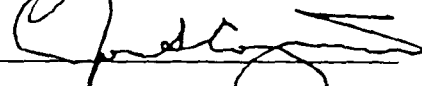
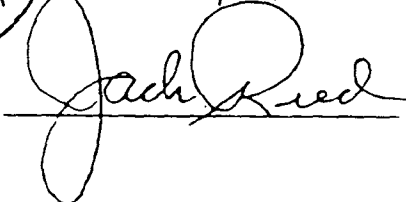
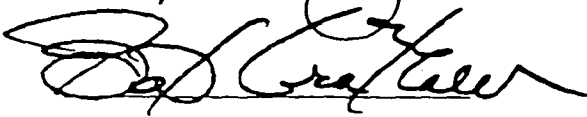
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We would like to know what actions the Administration is planning to take, in the short term, to address rising gasoline prices in various regions of the country. Not only is it important that the Energy Department keep everyone informed about rising energy costs this summer, we believe it is the Administration's responsibility to proactively develop a strategy to alleviate this looming problem.

We look forward to hearing from you in the near future regarding your gasoline price strategy and would be pleased to work with you on its implementation.

Sincerely,

Paul Herbert      John Dinkin

~~Maria Cantano~~      Carl Levin

Pat Murray      Paul Hollen's

Mark Dyer      Tom Canyon

Byron L. Ferguson      Joe Baker

~~Bill Baker~~

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May 23, 2001

Dear Mr. Leader:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Thomas Daschle  
United States Senate  
Washington, DC 20510

010524

10964

May 23, 2001

Dear Chuck:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Charles Schumer  
United States Senate  
Washington, DC 20510

010524

10965

DOE016-0717

May 23, 2001

Dear Senator Reid:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Harry Reid  
United States Senate  
Washington, DC 20510

010524

10966

DOE016-0718

May 23, 2001

Dear Evan:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Evan Bayh  
United States Senate  
Washington, DC 20510

010524

10967

May 23, 2001

Dear Senator Nelson:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Ben Nelson  
United States Senate  
Washington, DC 20510

010524

**10968**

DOE016-0720

May 23, 2001

Dear Senator Feinstein:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Dianne Feinstein  
United States Senate  
Washington, DC 20510

511252

10970

DOE016-0722

May 23, 2001

Dear Senator Graham:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Bob Graham  
United States Senate  
Washington, DC 20510

010524

10971

DOE016-0723

May 23, 2001

Dear Senator Cantwell:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Maria Cantwell  
United States Senate  
Washington, DC 20510

010524

10972

DOE016-0724



May 23, 2001

Dear Senator Murray:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Patty Murray  
United States Senate  
Washington, DC 20510

010824

10973

DOE016-0725

May 23, 2001

Dear Senator Dayton:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Mark Dayton  
United States Senate  
Washington, DC 20510

010524

10974

DOE016-0726

May 23, 2001

Dear Tom:

Thank you for your recent letter regarding the price of gasoline and five steps you feel the Administration could take to reduce the price in the short term. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Thomas Carper  
United States Senate  
Washington, DC 20510

010524

**10975**

DOE016-0727

THE WHITE HOUSE OFFICE  
REFERRAL

June 22, 2001

2001-015497 Jul 2 A 8:31

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED: APPROPRIATE ACTION

DESCRIPTION OF INCOMING:

ID: 488582  
MEDIA: LETTER, DATED JUN 05, 2001  
TO: PRESIDENT BUSH  
FROM: THE HONORABLE OLYMPIA SNOWE  
UNITED STATES SENATE  
WASHINGTON, DC 20510  
SUBJECT: URGES THE PRESIDENT NOT TO REPEAL THE MORATORIUM ON OIL AND GAS  
EXPLORATION ON THE GEORGES BANK

PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500

OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE

10976

DOE016-0728

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 488582  
PAGE 1

DATE RECEIVED: 06/11/2001

NAME OF CORRESPONDENT: THE HONORABLE OLYMPIA SNOWE

SUBJECT: URGES THE PRESIDENT NOT TO REPEAL THE MORATORIUM ON OIL AND GAS EXPLORATION  
ON THE GEORGES BANK

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/06/11	NL	A	2001/6/18
ACTION COMMENTS						
VP Domestic Policy		R	11			11
ACTION COMMENTS:						
Dept. of Energy		AA	0622			11
ACTION COMMENTS:						
CEQ		I	0622			11
ACTION COMMENTS:						

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 4 SIGNEES

S

ACTION CODES:

A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

DISPOSITION CODES:

A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

OUTGOING CORRESPONDENCE:

TYPE RESP - INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OE08) EXT-62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

10977

DOE016-0729

June 18, 2001

Dear Olympia:

Thank you for your recent letter expressing your opposition to a proposal that would lift the moratorium on oil and natural gas exploration off of the Georges Bank in the North Atlantic Ocean. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Olympia Snowe  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: CEQ, DoE

010620

10978

DOE016-0730

June 18, 2001

Dear Susan:

Thank you for your recent letter expressing your opposition to a proposal that would lift the moratorium on oil and natural gas exploration off of the Georges Bank in the North Atlantic Ocean. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Susan Collins  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: CEQ, DoE

010620

10979

DOE016-0731

June 18, 2001

Dear Linc:

Thank you for your recent letter expressing your opposition to a proposal that would lift the moratorium on oil and natural gas exploration off of the Georges Bank in the North Atlantic Ocean. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Lincoln Chafee  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: CEQ, DoE

010620

10980

DOE016-0732



June 18, 2001

Dear Judd:

Thank you for your recent letter expressing your opposition to a proposal that would lift the moratorium on oil and natural gas exploration off of the Georges Bank in the North Atlantic Ocean. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Judd Gregg  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: CEQ, DoE

010620

10981

DOE016-0733

June 18, 2001

Dear Bob:

Thank you for your recent letter expressing your opposition to a proposal that would lift the moratorium on oil and natural gas exploration off of the Georges Bank in the North Atlantic Ocean. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Bob Smith  
United States Senate  
Washington, DC 20510

Bcc w/ copy for appropriate action: VPTF  
For Information: CEQ, DoE

010620

10982

DOE016-0734

United States Senate

WASHINGTON, DC 20510

June 5, 2001

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

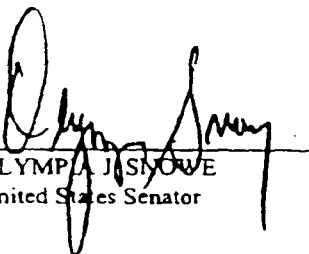
We would like you to be aware of the grave concerns we would have if a proposal were put forth by your Administration to consider lifting the current moratorium on oil and natural gas exploration off of the Georges Bank in the North Atlantic Ocean. Our concern stems from a recent recommendation from a federal advisory panel, the Natural Gas Subcommittee of the Outer Continental Shelf Policy Committee, that, if approved, would direct the Minerals Management Service to collect seismic data to determine the five best prospects for natural gas reserves. The Georges Bank is reported to be one of these prospects.


As you are aware, both the United States and Canada have moratoria on oil and gas exploration until 2012 for the ecologically sensitive Georges Bank. We heartily agree with the moratoria and strongly believe that the moratoria should not be lifted on this 185-mile-long bank that stretches from Nova Scotia to Cape Cod - five-sixths of which is owned by the U.S. This broad, shallow fishing ground is one of the world's most productive, and current available natural gas reserves in the U.S. dwarf those which are projected to be available on the Georges Bank.

Of note, 89 percent of proven gas reserves, both on and offshore, in the United States are in areas with no restrictions on natural gas drilling. Of onshore reserves alone, 90.7 percent are completely open to drilling and 84 percent of estimated reserves on the Outer Continental Shelf are also unrestricted. We, therefore, do not believe that it is necessary to revisit the moratorium on drilling for natural gas or oil on Georges Bank.

In light of the importance of the Georges Bank fisheries to our commercial and recreational fishermen, and realizing the potentially negative environmental impacts that ocean oil and gas drilling could have on the tourist economies of our coastal communities, we strongly urge you not to repeal the moratorium on oil and gas exploration on the Georges Bank. Thank you for your consideration of this matter.


Sincerely,

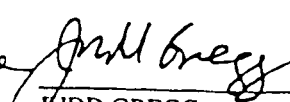
  
OLYMPIA JSNOWE  
United States Senator

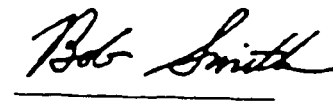
  
SUSAN M. COLLINS  
United States Senator

10983

The President  
June 5, 2001  
Page two

  
LINCOLN D. CHAFEE  
United States Senator

  
JUDD GREGG  
United States Senator

  
BOB SMITH  
United States Senator

10984

DOE016-0736

176

Kelliher, Joseph

---

From: Anderson, Margot  
Sent: Friday, March 23, 2001 8:57 AM  
To: 'Charles\_M\_Smith@ovp.eop.gov%internet'; Kelliher, Joseph  
Cc: 'Andrew\_D\_Lundquist@ovp.eop.gov%internet'; 'Karen\_Y\_Knutson@ovp.eop.gov%internet'  
Subject: RE: Ch. 6 -- energy efficiency

Charlie,

If we could please get specific language, we would be happy to include.

Margot

-----Original Message-----

From: Charles\_M\_Smith@ovp.eop.gov%internet  
[mailto:Charles\_M\_Smith@ovp.eop.gov]  
Sent: Friday, March 23, 2001 8:31 AM  
To: Kelliher, Joseph; Anderson, Margot  
Cc: Andrew\_D\_Lundquist@ovp.eop.gov%internet;  
Karen\_Y\_Knutson@ovp.eop.gov%internet  
Subject: Ch. 6 -- energy efficiency

Joe  
Margot

----- Forwarded by Charles M. Smith/OVP/EOP on  
03/23/2001  
08:27 AM -----

John L. Howard Jr.  
03/23/2001 07:15:38 AM

Record Type: Record

To: Charles M. Smith/OVP/EOP@EOP  
cc: Karen Y. Knutson/OVP/EOP@EOP  
Subject: Ch. 6 -- energy efficiency

177

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Tuesday, March 27, 2001 6:49 PM  
**To:** Charles Smith (E-mail)  
**Cc:** Kelliher, Joseph  
**Subject:** update

Charlie,

Margot

178

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Tuesday, March 27, 2001 8:59 AM  
**To:** Charles Smith (E-mail); Kelliher, Joseph; Karen Knutson (E-mail)  
**Cc:** Conti, John; Haspel, Abe; Zimmerman, MaryBeth; Lockwood, Andrea; Breed, William; KYDES, ANDY; Whatley, Michael; Carter, Douglas; Braitsch, Jay; Melchert, Elena; Cook, Trevor; Breed, William; 'jkstier@bpa.gov'; York, Michael; Freitas, Christopher; Friedrichs, Mark; Pumphrey, David; Kolevar, Kevin  
**Subject:** Status report from DOE

Charlie,

179

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Thursday, April 05, 2001 4:52 PM  
**To:** 'Charles\_M\_Smith@ovp.eop.gov%internet'; Kelliher, Joseph  
**Cc:** 'WheelerE@state.gov%internet'  
**Subject:** RE: IA comments on State's Chapter

Charlie,

Margot

-----Original Message-----

**From:** Charles\_M\_Smith@ovp.eop.gov%internet  
[mailto:Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Thursday, April 05, 2001 4:43 PM  
**To:** Kelliher, Joseph; Anderson, Margot  
**Cc:** WheelerE@state.gov%internet  
**Subject:** IA comments on State's Chapter

Joe  
Margot

Charlie

10988

DOE016-0740



180

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Thursday, April 05, 2001 9:13 AM  
**To:** Charles Smith (E-mail)  
**Cc:** Conti, John; Haspel, Abe; Zimmerman, MaryBeth; Lockwood, Andrea; Breed, William; KYDES, ANDY; Whatley, Michael; Carter, Douglas; Braitsch, Jay; Melchert, Elena; Cook, Trevor; Breed, William; 'jkstier@bpa.gov'; York, Michael; Freitas, Christopher; Friedrichs, Mark; Pumphrey, David; Kolevar, Kevin; Scalingi, Paula; 'caball@bpa.gov'; Kelliher, Joseph  
**Subject:** DOE NEP Chapter Update

Charlie,

Margot

181

**Kelliher, Joseph**

---

**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

Margot

-----Original Message-----

**From:** Charles\_M\_Smith@ovp.eop.gov%internet  
[mailto: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

Charlie

182

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Tuesday, April 03, 2001 8:46 AM  
**To:** 'Charles\_M\_Smith@ovp.eop.gov%internet'; Kelliher, Joseph; Kolevar, Kevin; 'Galloglysj@State.gov%internet'; 'McManusmt@State.gov%internet'; 'Michelle.Poche@OST.DOT.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'  
**Subject:** RE: Reformatted Chapters

Charlie,

Margot

-----Original Message-----

**From:** Charles\_M\_Smith@ovp.eop.gov%internet  
[mailto:Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Monday, April 02, 2001 6:57 PM  
**To:** Kelliher, Joseph; Kolevar, Kevin; Anderson, Margot; Galloglysj@State.gov%internet; McManusmt@State.gov%internet; Michelle.Poche@OST.DOT.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  
**Subject:** 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.

-----

Charlie

183

Kelliher, Joseph

---

From: Anderson, Margot  
Sent: Thursday, April 05, 2001 5:02 PM  
To: 'Charles\_M\_Smith@ovp.eop.gov%internet'; Kelliher, Joseph  
Cc: 'WheelerE@state.gov%internet'  
Subject: RE: IA comments on State's Chapter

Charlie,

Margot

-----Original Message-----  
From: Charles\_M\_Smith@ovp.eop.gov%internet  
[mailto:Charles\_M\_Smith@ovp.eop.gov]  
Sent: Thursday, April 05, 2001 4:43 PM  
To: Kelliher, Joseph; Anderson, Margot  
Cc: WheelerE@state.gov%internet  
Subject: IA comments on State's Chapter

Joe  
Margot

Charlie

Charlie

184

Kelliher, Joseph

---

From: Anderson, Margot  
Sent: Tuesday, April 24, 2001 6:03 PM  
To: 'Kjersten\_S\_Drager@ovp.eop.gov%internet'; McSarrow, Kyle; Kelliher, Joseph  
Cc: 'Karen\_Y\_Knutson@ovp.eop.gov%internet'; 'Andrew\_D\_Lundquist@ovp.eop.gov%internet';  
'Charles\_M\_Smith@ovp.eop.gov%internet'  
Subject: RE: Info. Needed ASAP For Chapter One...

Kjersten,

Margot

-----Original Message-----

From: Kjersten\_S\_Drager@ovp.eop.gov%internet  
(mailto:Kjersten\_S\_Drager@ovp.eop.gov)  
Sent: Tuesday, April 24, 2001 5:48 PM  
To: McSarrow, Kyle; Anderson, Margot; Kelliher, Joseph  
Cc: Karen\_Y\_Knutson@ovp.eop.gov%internet;  
Andrew\_D\_Lundquist@ovp.eop.gov%internet;  
Charles\_M\_Smith@ovp.eop.gov%internet  
Subject: Info. Needed ASAP For Chapter One...

(See attached file: Chapter One Assignments.doc)

185

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Friday, April 20, 2001 5:49 PM  
**To:** Charles Smith (E-mail)  
**Cc:** Kelliher, Joseph  
**Subject:** fact checking the NEP

Charlie.

Margot

186

Kelliher, Joseph

---

**From:** Anderson, Margot  
**Sent:** Monday, April 30, 2001 11:00 AM  
**To:** 'Kjersten\_S\_Drager@ovp.eop.gov%internet'; McSarrow, Kyle; Kelliher, Joseph  
**Cc:** 'Karen\_Y\_Knutson@ovp.eop.gov%internet'; 'Andrew\_D\_Lundquist@ovp.eop.gov%internet'; 'Charles\_M\_Smith@ovp.eop.gov%internet'  
**Subject:** RE: Info. Needed for Chapter 5 by 3:00 TODAY...

Kiersten,

-----Original Message-----  
**From:** Kjersten\_S\_Drager@ovp.eop.gov%internet  
[mailto:Kjersten\_S\_Drager@ovp.eop.gov]  
**Sent:** Monday, April 30, 2001 10:56 AM  
**To:** McSarrow, Kyle; Anderson, Margot; Kelliher, Joseph  
**Cc:** Karen\_Y\_Knutson@ovp.eop.gov%internet;  
Andrew\_D\_Lundquist@ovp.eop.gov%internet;  
Charles\_M\_Smith@ovp.eop.gov%internet  
**Subject:** Info. Needed for Chapter 5 by 3:00 TODAY...

Thanks so much! -Kjersten

187



MaryBeth Zimmerman

• 03/14/2001 05:29 PM

To: <Charles\_M\_Smith@ovp.eop.gov>@internet@HQMAIL @ HQDOE  
cc: John Sullivan/EE/DOE@DOE

Mary Beth Zimmerman  
Director of Planning  
Office of Energy Efficiency and Renewable Energy  
U.S. Department of Energy  
Washington, DC 20585  
Phone: 202.586.7249  
Fax: 202.586.2176  
e-mail: marybeth.zimmerman@ee.doe.gov



Renewables Chapter Efficiency chapter with Impacts chapter – ed  
<Charles\_M\_Smith@ovp.eop.gov> on 03/14/2001 04:57:50 PM



<Charles\_M\_Smith@ovp.eop.gov> on 03/14/2001 04:57:50 PM

To: MaryBeth Zimmerman/EE/DOE@DOE@HQMAIL  
cc:

10996

DOE016-0748



Charlie

10997

DOE016-0749



MaryBeth Zimmerman

• 02/12/2001 06:59 PM

---

To: john\_fenzel@ovp.eop.gov  
cc:



Section D. revisPlease give a call if you have any questions. Thank you,

Mary Beth Zimmerman  
Office of Energy Efficiency and Renewable Energy  
U.S. Department of Energy  
Phone: 202/586-7249 Home: 703/979-7559  
Fax: 202/586-2176  
e-mail: marybeth.zimmerman@ee.doe.gov

**11014**

DOE016-0766

186

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Monday, March 26, 2001 9:02-AM  
**To:** 'Poche, Michelle'; Kelliher, Joseph  
**Subject:** RE: New Chapter 9 from DOT

Michelle,

Margot

-----Original Message-----

**From:** Poche, Michelle [mailto:Michelle.Poche@ost.dot.gov]  
**Sent:** Monday, March 26, 2001 7:57 AM  
**To:** Anderson, Margot; Kelliher, Joseph  
**Subject:** FW: New Chapter 9 from DOT

-----Original Message-----

**From:** Poche, Michelle  
**Sent:** Monday, March 26, 2001 7:55 AM  
**To:** 'Karen\_Y.\_Knutson@ovp.eop.gov'; 'Charles\_M.\_Smith@ovp.eop.gov'; John\_Fenzel@ovp.eop.gov  
**Subject:** New Chapter 9 from DOT

<< File: Ch9.03.26.doc >>

184

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Friday, March 23, 2001 8:58 AM  
**To:** Kelliher, Joseph  
**Subject:** RE: policy options

We will try our hardest.

-----Original Message-----

**From:** Kelliher, Joseph  
**Sent:** Friday, March 23, 2001 8:39 AM  
**To:** Anderson, Margot  
**Subject:** policy options  
**Importance:** High

<< File: neplist1.doc >>

190

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Wednesday, March 21, 2001 12:16 PM  
**To:** Charles Smith (E-mail); Karen Knutson (E-mail)  
**Cc:** Kelliher, Joseph  
**Subject:** chapter 3 questions

Charlie and Karen,  
—

Margot

191



Karen Y. Knutson@ovp.eop.gov on: 04/28/2001 03:08:26 PM

To: James Rannels/EE/DOE@DOE  
cc:  
Subject Re: Solar Home  
:

---

Jim - can you fax all of these to me?? my fax is 456-1606 - and if we decide to use it, I will get the version from you some other way - our computer system doesn't let me open these documents -- it actually blocks them!

Sorry for the hassle. Karen Knutson

(Embedded  
image moved James.Rannels@ee.doe.gov  
to file: 04/27/2001 05:41:27 PM  
PIC07630.PCX)

Record Type: Record

To: Karen Y. Knutson/OVP/EOP  
cc: Robert.Dixon@ee.doe.gov, William.Parks@ee.doe.gov  
Subject: Solar Home

(See attached file: Snea Homes Brochure.pdf)

11022

DOE016-0774



- Shea Homes Brochure.pdf



- PIC07630.PCX

192

**Kelliher, Joseph**

---

**From:** Dave Nevius [mailto:dnevius@nerc.com]  
**Sent:** Tuesday, May 08, 2001 2:55 PM  
**To:** Elena\_S\_Melchert@ovp.eop.gov%internet  
**Cc:** Kelliher, Joseph; dcook@nerc.com%internet; lstuntz@sdsatty.com%internet; bnolan@nerc.com%internet  
**Subject:** Re: Please provide citations

Elena

From NERC's annual "Electricity Supply & Demand" reports:

Existing U.S. Transmission Miles, 230 kV and above, AC and DC:

Dec 31, 1989 - 146,595 miles

Dec 31, 1999 - 157,810 miles

This represents only a 0.74% average annual increase in transmission mileage over this period.

This compares to average annual increases in peak demand of 2.67%, in net energy for load of 2.13%, and in installed generating capacity of 0.86%.

Let me know if you need anything else.

Dave

At 01:45 PM 5/8/01, you wrote:

>Sirs: can you please verify and provide citation for the following statement?

>

>"....transmission cpacity has increased by only 0.8percent annually since

>1989..."

>Thanks!

>Elena Subia Melchert

>Office of the Vice President

>National Energy Policy Development Group

>Washington, D.C.

>202/456-5348



193



The Secretary of Energy  
Washington, DC 20585  
September 5, 2001

2001-017639

The Honorable Harry Reid  
United States Senate  
Washington, D.C. 20510

Dear Senator Reid:

Thank you for your recent letter to President Bush in which you and other members of the Nevada Congressional Delegation expressed your concern that the nuclear energy recommendations of the *National Energy Policy* could influence future decisions on the suitability of the Yucca Mountain site in Nevada for a geological repository.

Our *National Energy Policy* is based on the principle that all Americans should have affordable and reliable energy. The Administration has developed a balanced approach to electricity supply, an approach that includes the use of traditional sources of electricity supply such as nuclear energy. Nuclear energy provides about 20 percent of the Nation's electricity supply without producing harmful air emissions and nuclear power plants are among the most reliable and efficient electricity sources available on the grid today. For these reasons, we believe that nuclear energy is an important element of tomorrow's energy supply. Industry and the Nuclear Regulatory Commission are successfully moving forward with relicensing of existing nuclear plants, and we expect that nearly all of the 103 existing plants in this country will operate beyond their original licenses. For the first time in decades, industry is also examining business cases for new nuclear plant construction in the United States.

Regardless of the future of nuclear energy in the United States, the Federal Government must meet its obligations under the Nuclear Waste Policy Act. We must address the existing legacy of high-level radioactive waste, and to meet this objective, we believe that a geologic repository is required. At present, there are over 40,000 metric tons of spent fuel from nuclear power generation plus significant quantities of Department of Energy and Navy spent fuel, surplus plutonium, and vitrified high-level waste resulting from national security and environmental cleanup missions that must be safely managed. Regardless of whether new nuclear plants are built, renewal of the Price Anderson Act is needed to enable the Department to meet its environmental cleanup obligations and operate our facilities safely.



Printed on recycled paper

11025

DOE016-0777

The Department has conducted an extensive program of investigative science at Yucca Mountain, and the scientific analysis is still underway. My decision on whether to recommend Yucca Mountain for development as a repository will follow the processes outlined by the law and will be based on sound science. I will not prejudge the outcome. I, too, want to ensure that health and safety concerns of the people of Nevada have been fully addressed.

This Administration is committed to working closely with Congress as we move forward implementing an integrated and comprehensive *National Energy Policy*. If you have further questions, please feel free to contact me or Mr. Dan Brouillette, Director, Office of Congressional and Intergovernmental Affairs, on (202) 586-5450.

Sincerely,

A handwritten signature in black ink that reads "Spencer Abraham". The signature is written in a cursive, flowing style.

Spencer Abraham

11026



The Secretary of Energy  
Washington, DC 20585  
September 5, 2001

The Honorable John Ensign  
United States Senate  
Washington, D.C. 20510

Dear Senator Ensign:

Thank you for your recent letter to President Bush in which you and other members of the Nevada Congressional Delegation expressed your concern that the nuclear energy recommendations of the *National Energy Policy* could influence future decisions on the suitability of the Yucca Mountain site in Nevada for a geological repository.

Our *National Energy Policy* is based on the principle that all Americans should have affordable and reliable energy. The Administration has developed a balanced approach to electricity supply, an approach that includes the use of traditional sources of electricity supply such as nuclear energy. Nuclear energy provides about 20 percent of the Nation's electricity supply without producing harmful air emissions and nuclear power plants are among the most reliable and efficient electricity sources available on the grid today. For these reasons, we believe that nuclear energy is an important element of tomorrow's energy supply. Industry and the Nuclear Regulatory Commission are successfully moving forward with relicensing of existing nuclear plants, and we expect that nearly all of the 103 existing plants in this country will operate beyond their original licenses. For the first time in decades, industry is also examining business cases for new nuclear plant construction in the United States.

Regardless of the future of nuclear energy in the United States, the Federal Government must meet its obligations under the Nuclear Waste Policy Act. We must address the existing legacy of high-level radioactive waste, and to meet this objective, we believe that a geologic repository is required. At present, there are over 40,000 metric tons of spent fuel from nuclear power generation plus significant quantities of Department of Energy and Navy spent fuel, surplus plutonium, and vitrified high-level waste resulting from national security and environmental cleanup missions that must be safely managed. Regardless of whether new nuclear plants are built, renewal of the Price Anderson Act is needed to enable the Department to meet its environmental cleanup obligations and operate our facilities safely.



PRINTED ON RECYCLED PAPER

11027

DOE016-0779

The Department has conducted an extensive program of investigative science at Yucca Mountain, and the scientific analysis is still underway. My decision on whether to recommend Yucca Mountain for development as a repository will follow the processes outlined by the law and will be based on sound science. I will not prejudge the outcome. I, too, want to ensure that health and safety concerns of the people of Nevada have been fully addressed.

This Administration is committed to working closely with Congress as we move forward implementing an integrated and comprehensive *National Energy Policy*. If you have further questions, please feel free to contact me or Mr. Dan Brouillette, Director, Office of Congressional and Intergovernmental Affairs, on (202) 586-5450.

Sincerely,

A handwritten signature in black ink, appearing to read "Spencer Abraham". The signature is fluid and cursive, with the first name "Spencer" being larger and more prominent than the last name "Abraham".

Spencer Abraham

11028



The Secretary of Energy

Washington, DC 20585

September 5, 2001

The Honorable Shelley Berkley  
U. S. House of Representatives  
Washington, D.C. 20515

Dear Representative Berkley:

Thank you for your recent letter to President Bush in which you and other members of the Nevada Congressional Delegation expressed your concern that the nuclear energy recommendations of the *National Energy Policy* could influence future decisions on the suitability of the Yucca Mountain site in Nevada for a geological repository.

Our *National Energy Policy* is based on the principle that all Americans should have affordable and reliable energy. The Administration has developed a balanced approach to electricity supply, an approach that includes the use of traditional sources of electricity supply such as nuclear energy. Nuclear energy provides about 20 percent of the Nation's electricity supply without producing harmful air emissions and nuclear power plants are among the most reliable and efficient electricity sources available on the grid today. For these reasons, we believe that nuclear energy is an important element of tomorrow's energy supply. Industry and the Nuclear Regulatory Commission are successfully moving forward with relicensing of existing nuclear plants, and we expect that nearly all of the 103 existing plants in this country will operate beyond their original licenses. For the first time in decades, industry is also examining business cases for new nuclear plant construction in the United States.

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Printed on recycled paper

11029

DOE016-0781

The Department has conducted an extensive program of investigative science at Yucca Mountain, and the scientific analysis is still underway. My decision on whether to recommend Yucca Mountain for development as a repository will follow the processes outlined by the law and will be based on sound science. I will not prejudge the outcome. I, too, want to ensure that health and safety concerns of the people of Nevada have been fully addressed.

This Administration is committed to working closely with Congress as we move forward implementing an integrated and comprehensive *National Energy Policy*. If you have further questions, please feel free to contact me or Mr. Dan Brouillette, Director, Office of Congressional and Intergovernmental Affairs, on (202) 586-5450.

Sincerely,

A handwritten signature in black ink that reads "Spencer Abraham". The signature is written in a cursive, flowing style with a large initial "S".

Spencer Abraham

11030



**The Secretary of Energy**

Washington, DC 20585

September 5, 2001

The Honorable Jim Gibbons  
U. S. House of Representatives  
Washington, D.C. 20515

Dear Representative Gibbons:

Thank you for your recent letter to President Bush in which you and other members of the Nevada Congressional Delegation expressed your concern that the nuclear energy recommendations of the *National Energy Policy* could influence future decisions on the suitability of the Yucca Mountain site in Nevada for a geological repository.

Our *National Energy Policy* is based on the principle that all Americans should have affordable and reliable energy. The Administration has developed a balanced approach to electricity supply, an approach that includes the use of traditional sources of electricity supply such as nuclear energy. Nuclear energy provides about 20 percent of the Nation's electricity supply without producing harmful air emissions and nuclear power plants are among the most reliable and efficient electricity sources available on the grid today. For these reasons, we believe that nuclear energy is an important element of tomorrow's energy supply. Industry and the Nuclear Regulatory Commission are successfully moving forward with relicensing of existing nuclear plants, and we expect that nearly all of the 103 existing plants in this country will operate beyond their original licenses. For the first time in decades, industry is also examining business cases for new nuclear plant construction in the United States.

Regardless of the future of nuclear energy in the United States, the Federal Government must meet its obligations under the Nuclear Waste Policy Act. We must address the existing legacy of high-level radioactive waste, and to meet this objective, we believe that a geologic repository is required. At present, there are over 40,000 metric tons of spent fuel from nuclear power generation plus significant quantities of Department of Energy and Navy spent fuel, surplus plutonium, and vitrified high-level waste resulting from national security and environmental cleanup missions that must be safely managed. Regardless of whether new nuclear plants are built, renewal of the Price Anderson Act is needed to enable the Department to meet its environmental cleanup obligations and operate our facilities safely.



Printed on recycled paper

**11031**

DOE016-0783

The Department has conducted an extensive program of investigative science at Yucca Mountain, and the scientific analysis is still underway. My decision on whether to recommend Yucca Mountain for development as a repository will follow the processes outlined by the law and will be based on sound science. I will not prejudge the outcome. I, too, want to ensure that health and safety concerns of the people of Nevada have been fully addressed.

This Administration is committed to working closely with Congress as we move forward implementing an integrated and comprehensive *National Energy Policy*. If you have further questions, please feel free to contact me or Mr. Dan Brouillette, Director, Office of Congressional and Intergovernmental Affairs, on (202) 586-5450.

Sincerely,

A handwritten signature in black ink that reads "Spencer Abraham". The signature is fluid and cursive, with the first name "Spencer" being larger and more prominent than the last name "Abraham".

Spencer Abraham

11032



**THE WHITE HOUSE OFFICE  
REFERRAL**

July 20, 2001

2001-017639 7/25 A 10:39

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: DIRECT REPLY W/COPY**

**DESCRIPTION OF INCOMING:**

**ID: 488493**  
**MEDIA: LETTER, DATED MAY 23, 2001**  
**TO: PRESIDENT BUSH**  
**FROM: THE HONORABLE HARRY REID  
UNITED STATES SENATE  
WASHINGTON, DC 20510**  
**SUBJECT: EXPRESSES CONCERN REGARDING THE NATIONAL ENERGY POLICY  
DEVELOPMENT GROUP RECOMMENDATION CONCERNING NUCLEAR WASTE**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**11033**

DOE016-0785

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 488493  
PAGE 1

AT

DATE RECEIVED: 06/01/2001

NAME OF CORRESPONDENT: THE HONORABLE HARRY REID

SUBJECT: EXPRESSES CONCERN REGARDING THE NATIONAL ENERGY POLICY DEVELOPMENT GROUP  
RECOMMENDATION CONCERNING NUCLEAR WASTE

		ACTION		DISPOSITION		
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/05/30	NL	A	2001/6/12

ACTION COMMENTS

✓ Vice President's Domestic Policy *R* 010614 *C* 7,9,01 RY

ACTION COMMENTS:

LEA *I* 010614 *C* 11

ACTION COMMENTS: RY

Dept. of Energy *R* ~~010614~~ 11

ACTION COMMENTS:

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 3 SIGNEES

ACTION CODES:

- A - APPROPRIATE ACTION
- C - COMMENT/RECOMMENDATION
- D - DRAFT RESPONSE
- F - FURNISH FACT SHEET
- I - INFO COPY/NO ACT NECESSARY
- R - DIRECT REPLY W/ COPY
- S - FOR SIGNATURE
- X - INTERIM REPLY

DISPOSITION CODES:

- A - ANSWERED
- B - NON-SPEC. REFERRAL
- C - COMPLETED
- S - SUSPENDED

OUTGOING CORRESPONDENCE:

- TYPE RESP = INITIALS OF SIGNER
- CODE = A
- COMPLETED = DATE OF OUTGOING

S

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OE08) EXT-62580  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

11034

June 12, 2001

Dear Senator Reid:

Thank you for your recent letter opposing the increase of nuclear power because it might increase the possibility of Yucca Mountain becoming a nuclear waste repository. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Harry Reid  
United States Senate  
Washington, DC 20510

010613

11035

DOE016-0787

June 12, 2001

Dear John:

Thank you for your recent letter opposing the increase of nuclear power because it might increase the possibility of Yucca Mountain becoming a nuclear waste repository. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable John Ensign  
United States Senate  
Washington, DC 20510

010613

11036

DOE016-0788

June 12, 2001

Dear Representative Berkley:

Thank you for your recent letter opposing the increase of nuclear power because it might increase the possibility of Yucca Mountain becoming a nuclear waste repository. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Shelley Berkley  
U.S. House of Representatives  
Washington, DC 20515

010613

11037

June 12, 2001

Dear Representative Gibbons:

Thank you for your recent letter opposing the increase of nuclear power because it might increase the possibility of Yucca Mountain becoming a nuclear waste repository. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Jim Gibbons  
U.S. House of Representatives  
Washington, DC 20515

010613

11038

DOE016-0790

HARRY REID  
NEVADA

478493

## United States Senate

WASHINGTON, DC 20510-2803

May 23, 2001

President George W. Bush  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President:

We are writing in regard to the recently released report by the National Energy Policy Development Group, "National Energy Policy". As you know, this report encourages an increase in the use of nuclear power. Despite tremendous effort, however, our nation still has not developed a sound science and policy program to deal with the existing waste. Although the report recommends using the "best science to provide a deep geologic repository for nuclear waste," no nation, including the United States, has found a suitable geologic repository to safely isolate the waste.

As you know, we are deeply concerned about this issue, because the only site being considered for a proposed repository is at Yucca Mountain, Nevada. This site would be located approximately 90 miles from Las Vegas, the largest city in Nevada and one of the fastest growing cities in the United States. In addition to being home to more than 1.3 million Nevadans, Las Vegas and its neighboring communities draw more than 30 million visitors each year. Nevada communities rely on the water resources below Yucca Mountain for drinking water, livestock production, and other agriculture activities. Radiation contamination of this groundwater or the surrounding environment would create an unacceptable human health risk and would threaten the tourism and recreation-based economy, which provides jobs and important tax revenue to Nevada and its communities.

We are concerned that the report's recommendation for more nuclear power production will lead to additional pressure to move forward on Yucca Mountain, despite the known scientific and public policy shortcomings. Because of these concerns, we cannot support:

- (1) the relicensing of existing nuclear power plants or the licensing of new nuclear power plants; or
- (2) the reauthorization of the Price-Anderson Act, a controversial Department of Energy and nuclear power industry liability program.

The continued prosperity of our nation depends upon an evolution in the way our nation produces and uses energy. We cannot support, however, any initiatives that increase the possibility that Yucca Mountain will become the repository for the nation's nuclear waste. We

E-Mail: [senator\\_reid@reid.senate.gov](mailto:senator_reid@reid.senate.gov)  
Web: <http://reid.senate.gov>

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11039

DOE016-0791

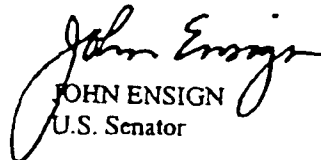
are willing to work with you to address these problems and make this energy report a document that all Americans can support.

We appreciate your consideration of our concerns and look forward to hearing from you.

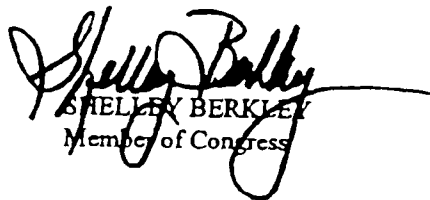
Sincerely,



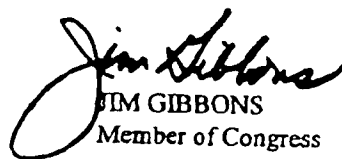
HARRY REID  
U.S. Senator



JOHN ENSIGN  
U.S. Senator



SHELLEY BERKLEY  
Member of Congress



JIM GIBBONS  
Member of Congress



194

Kelliher, Joseph

---

From: Anderson, Margot  
Sent: Tuesday, March 27, 2001 10:17 AM  
To: Kelliher, Joseph  
Subject: FW: status

Forgot to cc you on my latest e-exchange with Charlie.

-----Original Message-----

From: Anderson, Margot  
Sent: Tuesday, March 27, 2001 10:17 AM  
To: 'Charles M. Smith@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'  
Subject: RE: status

Charlie,

Margot

Margot

-----Original Message-----

From: Charles M. Smith@ovp.eop.gov\internet  
[mailto:Charles\_M\_Smith@ovp.eop.gov]  
Sent: Tuesday, March 27, 2001 9:33 AM  
To: Anderson, Margot  
Cc: Andrew D. Lundquist@ovp.eop.gov\internet;  
Karen Y. Knutson@ovp.eop.gov\internet; John\_Fenzel@ovp.eop.gov\internet  
Subject: status

Margot:

Thanks

Charlie

195

**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Tuesday, April 03, 2001 2:24 PM  
**To:** Kelliher, Joseph  
**Subject:** chapter 3 blues

Joe,

Margot

ME

Exec. Sec.

**THE WHITE-HOUSE OFFICE  
REFERRAL**

July 02, 2001

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: INFO COPY ONLY/NO ACTION NECESSARY**

**DESCRIPTION OF INCOMING:**

**ID: 488638**

**MEDIA: LETTER, DATED JUN 08, 2001**

**TO: PRESIDENT BUSH**

**FROM: THE HONORABLE MAX BAUCUS  
UNITED STATES SENATE  
WASHINGTON, DC 20510**

**SUBJECT: REQUESTS THE PRESIDENT TO DENY CALIFORNIA'S WAIVER REQUEST**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**11043**

DOE016-0795

**THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

ID# 488536  
PAGE 1

DATE RECEIVED: 06/13/2001 2001-018401 8/6 A 10:07

NAME OF CORRESPONDENT: THE HONORABLE MAX BAUCUS

SUBJECT: REQUESTS THE PRESIDENT TO DENY CALIFORNIA'S WAIVER REQUEST

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/06/13	NC	A	01/06/25
ACTION COMMENTS:						
	CEQ	R	01/06/25			1 1
ACTION COMMENTS:						
	EPA	A	01/06/25			1 1
ACTION COMMENTS:						
	DOE	CJT	01/06/25			1 1
ACTION COMMENTS:						

**COMMENTS**

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE:

*S*

**ACTION CODES:**  
A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

**DISPOSITION CODES:**  
A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

**OUTGOING CORRESPONDENCE:**  
TYPE RESP = INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OE08) EXT-62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

**11044**

DOE016-0796

June 25, 2001

Dear Max:

Thank you for your recent letter regarding California's waiver request from the 2% federal oxygenated fuel requirement. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Max Baucus  
United States Senate  
Washington, DC 20510

010626

11045

DOE016-0797

MAX BAUCUS  
-MONTANA

WASHINGTON DC  
12021 224-2851

MONTANA TOLL FREE NUMBER  
1 800-332-6106

## United States Senate

WASHINGTON, DC 20510-2602

INTERNET  
max@baucus.senate.gov  
http://www.baucus.senate.gov

June 8, 2001

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I am writing to reiterate that I do not support California's waiver request from the 24 federal oxygenated fuel requirement.

In my opinion, California fails to meet the Clean Air Act's statutory requirements for such a waiver. As you know, the waiver can only be granted if the Administration finds that Ethanol "prevents or interferes with the attainment" of air pollution standards. I am certain that this conclusion could not be factually supported.

Ethanol - an oxygenate alternative to MTBE - reduces carbon monoxide levels better than any other reformulated gasoline. And unlike petroleum-based MTBE, Ethanol is a renewable energy source. The Renewable Fuels Association (RFA) position on the issue is clear, and they are quick to recognize the benefits of Ethanol: "The U.S. Ethanol industry will absolutely meet California's oxygenate demand, providing clean air, clean water and clean fuels without increasing consumer gasoline prices." In addition, the bio-fuel Ethanol creates an important agriculture market for our nation's farmers.

It is important to maintain a balance between our energy use and our environmental obligations; but these do not necessarily have to be conflicting ends. We must improve our energy technologies and develop energy resources that lead to greater economic stability, increased international competitiveness and a healthier environment. Ethanol can deliver all of these benefits, as well as many others.

I hope that you will deny California's waiver request. If you have any questions on this issue, please do not hesitate to contact me. I look forward to your response.

With best personal regards, I am

Sincerely,



MSB/aer

BILLINGS  
14061 637-6790

BOZEMAN  
14061 696-6104

BUTTE  
14061 787-8700

GREAT FALLS  
14061 761-1574

HELENA  
14061 443-5480

HAILEY  
14061 736-1150

MISSOULA  
14061 329-3123

11046

DOE016-0798

018947

2001-018947 8/13/01 3:41

# Northwest Electric Power Interests

August 8, 2001

Vice President Richard B. Cheney  
The White House  
Washington, DC 20501

Dear Mr. Vice President:

We are writing to express our strong support for increasing the amount of funding that the Bonneville Power Administration (BPA) may borrow from the U.S. Treasury.

As investor-owned utilities, consumer-owned utilities, industrial customers, and independent power producers, all doing business in the Pacific Northwest, we often disagree on matters relating to the Northwest power system. But we are absolutely united on at least one point: that substantially increasing the reliability and capacity of the BPA transmission system is essential to the economic health of both the Northwest and the entire West.

The BPA transmission system is already heavily constrained as it attempts to serve existing loads and generation facilities, and the problem is only going to get worse unless dramatic steps are taken. As the report of your Energy Task Force made clear, new generation facilities are essential to solving the electricity crisis. Right now, the call for new generation is being answered -- developers have announced plans to build many new plants in the Northwest. This new generation will benefit consumers in all 11 Western states served by the regional transmission system known as the western interconnection.

But those new generation facilities cannot help solve the supply problem unless they are interconnected to a reliable regional transmission system. Because BPA owns and operates over 75 percent of the high-voltage transmission system in the Northwest, and no major investments have been made in that system for over a decade, the transmission system that would bring these new supplies to consumers is simply not prepared to do the job. Unless relieved through substantial infrastructure improvements, the constraints that plague the BPA transmission system will prolong the current electricity crisis and contribute to future crises.

We understand that solving this problem will not be free. All BPA transmission customers will bear the total costs of BPA's transmission investments through transmission rates. In turn, the revenues from transmission rates will be used by BPA to repay all the money borrowed from the Treasury, with interest. But we cannot move forward toward a solution until the federal government does its part by increasing BPA's borrowing authority.

11047

One recent development gives us, and hopefully you, extra confidence that this new borrowing authority will be well spent. To assure that BPA properly prioritizes its transmission investments, a technical review committee consisting of BPA's transmission customers was recently created, and is already beginning its work. This review process (which received the full support of the Senate Appropriations Committee in its July 13 report on the Energy and Water Development Appropriations bill) will allow meaningful customer input and thereby help assure that BPA's transmission investments will provide the most cost-effective, reliable service for the region's consumers.

In conclusion, we ask that you put the Administration on record as supporting an increase in BPA's borrowing authority for FY 2002, so that BPA can immediately move ahead on critical, multi-year investments in the transmission system. We also ask that you promptly transmit a statement of your views to the Senate and House Appropriations Committees. With the Administration's support, we are hopeful that this matter will be successfully concluded when those Committees meet in conference on the Energy and Water Appropriations bill after the August recess.

Kris Mikkelsen  
General Manager  
Inland Power & Light

Al Gonzalez  
General Manager  
Central Electric  
Cooperative, Inc.

Patrick Ashby  
General Manager  
Tillamook Public Utility  
District

James W. Sanders  
General Manger  
Benton Public Utility  
District

Don Godard  
Manager  
Grant Public Utility District

David E. Piper  
Chief Executive Officer  
Pacific Northwest  
Generating Company

Pamela G. Lesh  
Vice President  
Public Policy & Regulatory  
Affairs  
Portland General Electric  
Company

James C. Miller  
Senior Vice President  
Delivery  
Idaho Power Company

Brett Wilcox  
President  
Goldendale Aluminum and  
Northwest Aluminum



Jack Haffey  
President and Chief  
Operating Officer  
The Montana Power  
Company

Gary Zarker  
Superintendent  
Seattle City Light

Gary Ely  
Chairman, Pres. & CEO  
Avista Corp.

Alan Richardson  
Chairman of the Board  
PacifiCorp

Jerry Leone  
Manager  
Public Power Council

Charles E. Martin  
President  
National Energy Systems  
Company  
Sumas Energy, Inc.

Steve Johnson  
Executive Director  
Washington PUD  
Association

Paul T. Champagne  
President  
PPL Global

M. Steven Eldridge  
General Manager & CEO  
Umatilla Electric  
Cooperative

Mark Gendron  
Manager  
Idaho Falls Power

Randy L. Berggren  
General Manager  
Eugene Water & Electric  
Board

cc: Secretary of Energy Spencer Abraham  
Senate Appropriations Committee Chairman Robert C. Byrd  
House Appropriations Committee Chairman C.W. Young  
Senate Budget Committee Chairman Kent Conrad  
House Budget Committee Chairman Jim Nussle  
Senate Energy Committee Chairman Jeff Bingaman  
House Energy and Commerce Chairman W.J. "Billy" Tauzin  
OMB Director Mitchell E. Daniels Jr.  
NW members of Congress  
Governor Dirk Kempthorne  
Governor John Kitzhaber  
Governor Gary Lock  
Governor Judy Martz

197

**THE WHITE HOUSE OFFICE  
REFERRAL**

August 17, 2001

2001-019469 Aug 21 A 11:23

**TO: DEPARTMENT OF ENERGY**

**ACTION REQUESTED: INFO COPY ONLY/NO ACTION NECESSARY**

**DESCRIPTION OF INCOMING:**

**ID: 491474**

**MEDIA: LETTER, DATED JUL 11, 2001**

**TO: PRESIDENT BUSH**

**FROM: THE HONORABLE JOSEPH CROWLEY  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515**

**SUBJECT: EXPRESSES CONCERN REGARDING THE NATIONAL ENERGY POLICY  
DEVELOPMENT GROUP (NEPD) RECOMMENDATION TO SUPPORT THE BAKU-  
CEYHAN PIPELINE AND ITS ASSUMED COMMERCIAL VIABILITY**

**PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**11050**

DOE016-0802

**THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

ID# 491474  
PAGE 1

DATE RECEIVED: 07/25/2001

NAME OF CORRESPONDENT: THE HONORABLE JOSEPH CROWLEY

SUBJECT: EXPRESSES CONCERN REGARDING THE NATIONAL ENERGY POLICY DEVELOPMENT GROUP (NEPD) RECOMMENDATION TO SUPPORT THE BAKU-CEYHAN PIPELINE AND ITS ASSUMED COMMERCIAL VIABILITY

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/07/25	NL	CA	2001/7/31
ACTION COMMENTS: <i>Response sent to additional signers</i>						
<i>De-Vice President's</i>	<i>DP</i>	<i>R</i>	<i>01/17/131</i>			<i>1/1</i>
ACTION COMMENTS: <i>Dept. of Energy</i>						
		<i>CU</i>	<i>01/08/17</i>			<i>1/1</i>
			<i>01/17/131</i>			<i>1/1</i>
ACTION COMMENTS:						
ACTION COMMENTS:						

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 35 SIGNEES

**ACTION CODES:**  
A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

**DISPOSITION CODES:**  
A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

**OUTGOING CORRESPONDENCE:**  
TYPE RESP = INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, DEOB) EXT-62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

11051

491474

July 31, 2001

Dear Joe:

Thank you for your recent letter expressing your concern with the proposed Baku-Ceyhan pipeline route that bypasses Armenia and encouraging the United States to take a more balanced approach to energy resources in the Caucasus. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Joe Knollenberg  
U.S. House of Representatives  
Washington, DC 20515

Bcc w/ copy for appropriate action: VPTF  
For Information: DOS

† copy of response

010802

11052

DOE016-0804

Congress of the United States

Washington, DC 20515

491474

July 11, 2001

The President  
The White House  
Washington, D.C. 20500

Dear President Bush:

We are writing to express our concern regarding the National Energy Policy Development Group (NEPD) recommendation to support the Baku-Ceyhan pipeline and its assumed commercial viability.

Despite its proclaimed multiple pipeline policy, the Clinton Administration exclusively promoted the Baku-Ceyhan pipeline, the viability of which many experts question. In Cato's recent Foreign Policy Briefing *The Great Game, Round 2: Washington's Misguided Support for the Baku-Ceyhan Oil Pipeline*, Stanley Kober notes that the pipeline "far from promoting U.S. interests in the region, undermines them." Another report by the *Carnegie Endowment for International Peace* reinforces Cato's conclusion that the Baku-Ceyhan pipeline is not commercially viable and notes that pursuit of this pipeline only "exacerbated tensions between the United States and Russia and did little to advance U.S. interests. Given this analysis, we believe that the United States should take a more balanced approach to energy resources in the Caucasus.

As you may know, the proposed Baku-Ceyhan pipeline route originating in the Azerbaijani capital of Baku and terminating at the Turkish port of Ceyhan via Georgia, explicitly bypasses Armenia at the insistence of Azerbaijan. The demands by Azerbaijan to bypass Armenia come despite the knowledge that a trans-Armenia route is the most reliable, direct and cost-effective route, and certainly one of the most tangible actions in support of regional integration and cooperation. It has been estimated that a pipeline from Baku to Ceyhan that traverses Armenia would save approximately \$600 million over the current proposed route.

Exclusion of one country in regional projects only fosters instability. The United States should make it clear that Armenia must be included in regional and trans-regional economic plans and projects. Without east-west transportation and commercial corridors, Armenia is forced to orient its strategic and trade policies on a north-south basis for its survival and continues to be isolated from the economies of the west. The United States must not acquiesce to Azerbaijan's demands to exclude Armenia from all east-west commercial corridors and energy routes. If the Caucasus region is to move forward, we must ensure that all countries move forward together at the same time. Choosing winners and losers in the Caucasus will not promote regional stability, economic integration and peace.

Secretary of State Colin Powell has stated that Armenia's integration into international institutions remains a priority for the United States. However, continuing the prior Administration's policy of unilateral acceptance of Azerbaijan's demands that the pipeline bypass Armenia runs counter to U.S. policy objectives for the region and only serves to further isolate Armenia. Armenia's exclusion from regional economic and commercial undertakings in

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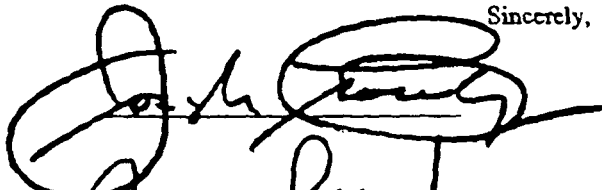
11053

DOE016-0805

the South Caucasus hinders U.S. policy goals of promoting regional stability based upon the development of strong political, economic and security ties among all countries of the Caucasus and the United States. Therefore, we believe that Armenia, which represents the most reliable, direct and cost-effective East-West oil and gas pipeline route, must not be excluded.

We strongly urge you to reexamine the NEPD Group's recommendations regarding the Caucasus and review all current and future oil and gas pipeline routes, as well as other east-west commercial corridors and regional development projects, to ensure that all countries of the South Caucasus are included.

Sincerely,



Frank Latta Jr.

Louise Morella

Mark Sander

Jim Langerin

Jim McEwen

Rhonda Fenwick

Peter J. Virello

William C. Lipinski

John E. Sweeney

Joe Koolhaas

Bill Thomas

Conroy McCarthy

Page Padwick

Gregory T. Costello

Jordan Levi

Carlynn B. Johnson

Pete Stark

M

Col R. Blagovick

Michael E. Gannon

Grace F. Kopolitans

Daniel E. Bonin

Rita Loney

Michael R. M. Murphy

John F. Treury

Michael Harty

Nancy Shoo

Wm B. Saff

Joe Haefel

~~John~~

Ed Royce

Nancy Pelosi

Robert E. Anderson

Cynthia McKinney

David Drier

THE WHITE HOUSE OFFICE  
REFERRAL

August 17, 2001

2001-019468 Aug 21 A 11:23

TO: DEPARTMENT OF ENERGY

ACTION REQUESTED: INFO COPY ONLY/NO ACTION NECESSARY

DESCRIPTION OF INCOMING:

ID: 491473  
MEDIA: LETTER, DATED JUL 17, 2001  
TO: PRESIDENT BUSH  
FROM: THE HONORABLE TIM JOHNSON  
UNITED STATES SENATE  
WASHINGTON, DC 20510  
SUBJECT: EXPRESSES THEIR SUPPORT FOR INCREASED DOMESTIC NATURAL GAS  
DEVELOPMENT

PROMPT ACTION IS ESSENTIAL - IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500

OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE

11056

DOE016-0808



THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 491473  
PAGE 1

DATE RECEIVED: 07/25/2001

NAME OF CORRESPONDENT: THE HONORABLE TIM JOHNSON

SUBJECT: EXPRESSES THEIR SUPPORT FOR INCREASED DOMESTIC NATURAL GAS DEVELOPMENT

		ACTION		DISPOSITION		
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/07/25	NL	A	2001/7/31
ACTION COMMENTS: <i>Response sent to additional signees</i>						
Vice President's DP		R	01/17/31			1/1
ACTION COMMENTS:						
Dept. of Energy		CJ B	01/17/31	010817		1/1
ACTION COMMENTS:						
ACTION COMMENTS:						

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 1 SIGNEE

ACTION CODES:

- A - APPROPRIATE ACTION
- C - COMMENT/RECOMMENDATION
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- S - FOR SIGNATURE
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DISPOSITION CODES:

- A - ANSWERED
- B - NON-SEPC-REFERRAL
- C - COMPLETED
- S - SUSPENDED

OUTGOING CORRESPONDENCE:

- TYPE RESP = INITIALS OF SIGNER
- CODE = A
- COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, DEOB) EXT-62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

11057

DOE016-0809

491473

July 31, 2001

Dear Pat:

Thank you for your recent letter expressing your strong support for increased natural gas development in order to meet the growing demand for these necessary fuels. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Pat Roberts  
United States Senate  
Washington, DC 20510

010802

11058

DOE016-0810

491473

July 31, 2001

Dear Senator Johnson:

Thank you for your recent letter expressing your strong support for increased natural gas development in order to meet the growing demand for these necessary fuels. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Tim Johnson  
United States Senate  
Washington, DC 20510

010802

11059

DOE016-0811

491473

United States Senate  
WASHINGTON, DC 20510

July 17, 2001

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

We agree with you and Vice President Cheney on the critical need for increased natural gas and oil production in the United States. It is important that the Administration focus on policies that encourage the responsible development of these natural resources. The nation needs policies that can mitigate the impact of the boom and bust cycle caused by world oil prices.

Moreover, our rural farm states must have dependable and affordable supplies of natural gas, fuel, and lubrication products for farms, ranches, and homes to keep our nation's economy strong and to produce the abundant, safe and affordable food and fiber supply that benefits consumers in this country and around the world.

As we work together on formulating a comprehensive yet balanced energy policy, we want to share our strong support for increased domestic natural gas development, scheduled for approval in December 2001. Our nation's decision to use natural gas for electricity production impacts not only those on fixed incomes whose heating bills have doubled, but also producers who face exorbitant input costs. Since January, 2000, the average daily price for natural gas has jumped from \$2.37 per MMBtu to an average in December 2000 of \$8.80 and a contract price for January 2001 of \$9.90.

U.S. production of natural gas has dropped 14 percent, from a peak in 1973 at 21.7 trillion cubic feet, to the current level of 18.7 trillion cubic feet. At the same time, natural gas demand is projected to increase from 45-62 percent nationwide by the year 2020, and electricity generation fueled by natural gas is estimated to increase 200 percent in that same time period.

Mr. President, tapping domestic sources will increase our natural gas supply to meet these demands. More natural gas will reduce market pressures that increase heating and energy bills. Furthermore, our producers will have an affordable supply of natural gas for irrigation, grain drying, food processing, and fertilizer.

Agriculture, small businesses owners, rural and low-income consumers, and the nation are best served if potential domestic energy alternatives are considered as part of an overall national energy policy debate, rather than in isolation. Gulf of Mexico exploration and production have allowed for the growing use of natural gas and oil--vital parts of this nation's productive economy and energy future that limit imports. Moreover, America's farmers and food producers are this nation's frontline environmental stewards. They are sensitive to the ongoing need to protect and conserve soil, air and water quality, as well as the Gulf of Mexico's waters and beaches.

10/1/01

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If we are to meet the growing demand for these necessary fuels, and for U.S. agriculture to remain productive and competitive, it is imperative that domestic reserves are explored and developed as soon and as safely as possible in the context of a balanced energy policy. Thank you for your consideration.

Sincerely,



Tim Johnson  
United States Senate



Pat Roberts  
United States Senate

11061

DOE016-0813



2001-019419

Department of Energy  
Washington, DC 20585

SEP 6 2001

Mr. Bob Thompson  
Jefferson Consulting Group, LLC  
1401 K Street, N.W., Suite 900  
Washington, D.C. 20005

Dear Mr. Thompson:

Thank you for your memorandum dated July 6, 2001 to Vice President Cheney concerning the potential for Mitsubishi Electric's Flexible AC Transmission System (FACTS) technology to help solve today's electric transmission problems. Your letter has been referred to the Department of Energy for reply.

The Department's Office of Power Technologies performs research and development on electric power delivery systems including real time control systems, advanced composite conductors, superconducting equipment, and energy storage systems. These technologies, along with FACTS controllers and high voltage direct current (HVDC) technology, have the potential for enhancing the capacity of the existing North American grid without the construction of new overhead transmission lines. We are quite familiar with FACTS devices and their capabilities, and the Department's power marketing authorities, Bonneville Power Administration and Western Area Power Administration, are now operating several variations of these controllers. In addition, the Department has followed the installation and start-up by other utilities of several other variations of FACTS controllers. These controllers certainly offer versatile and unique solutions to relieve today's grid congestion.

For your information, the Department is launching a National Transmission Grid Study that will be announced in the near future. This study will include the opportunity for public comment on major issue areas we think will influence creation of an improved North American grid under competitive electricity markets. One of the issue areas for which the Department is seeking comment is on the emerging transmission technologies like those listed above. The web site: [www.ntgs.doc.gov](http://www.ntgs.doc.gov) will have information on how to submit comments.




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DOE016-0814

Thank you again for information on the FACTS technology, and your interest in the nation's energy needs. Should you have further questions, please contact Philip Overholt (202 586-8110) in the Office of Power Technologies.

Sincerely,

  
Robert K. Dixon, Ph.D.  
Deputy Assistant Secretary  
Office of Power Technologies  
Energy Efficiency and Renewable Energy

2001-019419 8/20 P 3:41



OFFICE OF THE VICE PRESIDENT

WASHINGTON

019419

2001 AUG 20 P 3:41

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

DATE: August 16, 2001

We are forwarding the enclosed constituent mail addressed to the Vice President because your agency has the expertise to evaluate the technical suggestions, products and procedures that are recommended to alleviate the energy crisis. These constituents have been notified that they will be hearing directly from your department.

Should you have questions, you may reach me by telephone at 202.456.9002 or by fax at 202.456.7044.

Sincerely,

A handwritten signature in cursive script that reads "Cecelia Boyer".

Cecelia Boyer  
Special Assistant to the Vice President  
for Correspondence

11064





MEMORANDUM

10

TO: Vice President Cheney  
FROM: Bob Thompson, on behalf of Mitsubishi Electric *BT*  
CC: Andy Lundquist  
Cesar Conda  
DATE: July 6, 2001  
SUBJECT: Mitsubishi Electric & FACTS Technology

I wanted to bring to your attention a technology a long-time client has developed that seems to hold vast potential in helping to solve many of the electrical transmission problems experienced in California and other parts of the country.

This technology, known as FACTS, has been demonstrated to greatly enhance grid reliability and significantly increase electrical transmission system capacity on a very cost-effective basis. In addition, FACTS resolves many of the state and local environmental challenges in upgrading the electrical transmission infrastructure.

Flexible AC Transmission Systems (FACTS) are now being offered by Mitsubishi Electric in the North American market, after over 10 years of successful installations in Japan. While FACTS are well known in Japan, the benefits of this technology are not as fully appreciated or understood in the US.

So that you and your staff are fully apprised of the energy and political advantages that FACTS have been demonstrated to confer, I wanted to arrange a briefing by senior executives of Mitsubishi Electric's Pittsburgh-based US subsidiary in Washington during the August recess.

In selecting Mitsubishi Electric FACTS equipment to alleviate well-chronided difficulties in supplying electricity to its consumers, San Diego Gas & Electric found this technology to be:

- Performance-Based & Fiscally Sound Investments

FACTS technologies allow for a significantly higher percentage of power to be transmitted reliably across the existing network at a fraction of the expense associated with "traditional" approaches to upgrading transmission capacity.

- Environmentally Friendly

FACTS defers and in many cases eliminates the need for new transmission lines that would otherwise run through backyards, community landscapes, and preservation areas. FACTS technologies are implemented at existing utility substations eliminating concerns over eminent domain.

**Jefferson Consulting Group, LLC**  
1401 K Street, N.W., Suite 900, Washington D.C. 20005  
(202) 626-8550 Fax: (202) 626-8578 [www.jeffersonconsulting.com](http://www.jeffersonconsulting.com)

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DOE016-0817

- Efficiently Implemented

FACTS technologies can be implemented in 12 – 18 months - - many years less than the process of building new transmission lines.

- Technically Proven

Mitsubishi Electric is a leader in the development and application of large-scale power technologies for the generation, transmission, and distribution of electricity. Mitsubishi Electric completed the first commercial installation of FACTS in Japan in 1990 and has had tremendous success with this technology to date.

Mitsubishi Electric recently completed a major FACTS project for Vermont Electric Power Company that is now contributing to the improved operation and reliability of the transmission network in the New England region.

I would be appreciative of the opportunity to arrange a briefing between Mitsubishi Electric and the Vice President's Energy Task Force on this issue. I will be in contact in the next several days to explore this possibility.

11066

DOE016-0818

2001-019602 8/23 A 9:04



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

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

DATE: August 21, 2001

We are forwarding the enclosed constituent mail concerning suggestions and technical recommendations. It is not necessary to respond to our office regarding your individual responses to these communications.

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,

A handwritten signature in cursive script that reads "Cecelia Boyer".

Cecelia Boyer  
Special Assistant to the Vice President  
for Correspondence

11067

DOE016-0819



**Department of Energy**  
Washington, DC 20585

October 4, 2001

Mr. Norman C. Peterson  
350 16<sup>th</sup> Street  
Santa Monica, CA 90402

Dear Mr. Peterson:

This is in response to your letter of May 7, 2001, to Vice President Cheney regarding the HotSpot oil recovery process. Your letter was forwarded to the Department of Energy's (DOE) Office of Natural Gas and Petroleum Technology for response because this office is responsible for petroleum research.

Thank you for bringing TRW's HotSpot vapor solvent process for recovering heavy oil and tar sands to our attention. The DOE's Office of Natural Gas and Petroleum Technology is actively implementing the Vice President's National Energy Policy which calls for, among its many recommendations, increasing oil and gas recovery from existing wells through new technology and improving exploration technology through public/private partnerships. We implement these by offering financial assistance for developing new oil field technologies through various Program Solicitations. However, we do not endorse particular technologies nor do we provide assistance with marketing. Thus, we are unable to follow through on your suggestion of contacting TRW and locating the developer of HotSpot, Mr. Jack Bohn.

If either TRW or Mr. Bohn wish to participate in DOE's field demonstration program to showcase their HotSpot oil recovery technology, complete information on our program and instructions for submitting a proposal can be found on the website of the National Energy Technology Laboratory (NETL) (which handles procurement actions for DOE's fossil energy program) at <http://www.netl.doe.gov/business/solici/>. Also, to keep informed of other related solicitations as they become available, our website at <http://www.fossil.energy.gov> allows technology developers to register for e-mail notification of such announcements. On the left side of the page click on "Register for e-mail Alerts."

Thank you for your interest in DOE's programs. Should you have any questions or require additional information, please contact Louis Capitanio of my staff at (202) 586-5098.

Sincerely,

Guido DeHoratiis  
Acting Deputy Assistant Secretary  
for Natural Gas and Petroleum Technology



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22 14

Norman C. Peterson  
350 16th Street  
Santa Monica, CA 90403  
May 7, 2001

Mr. R. Cheyney  
Vice President of the United States  
c/o Senate Chambers, U.S. Capitol Building  
Washington, D.C.

*ADK  
Response*

Dear Mr. Vice President:

My purpose is to insure that a petroleum production process developed and extensively lab tested at TRW, Inc. 19 years ago, is brought to your notice and to the attention of your colleagues on the Energy Task Force.

This process, named HotSpot, is addressed to the production of Heavy Oils and TarSands deposits. Such deposits contain more petroleum today than all of the original oil fields of North America had before the pumping began.

Heavy Oils and TarSands deposits are too thick to pump and must be liquefied to be produced. HotSpot is NOT a thermal process. Purely thermal procedures can work on some deposits but are very costly. HotSpot is a vapor solvent process developed by a brilliant lab expert, Mr. Jack Bohn, in the early 80's. Mr. Bohn is probably retired by now.

HotSpot was not taken to the field because at the time it was ready, OPEC's control of world light crude supplies collapsed, and TRW felt that with gasoline prices of 40 cents a gallon, HotSpot could not compete. The program was cancelled. But now, with gas prices hovering over \$2.00 a gallon, it's a new game. My feeling is that TRW needs a wakeup call.

I urge you to have your people contact TRW, and also that they try to find Jack Bohn. These acts could be utterly worthwhile for the USA.

I have no stake at all in these matters. I retired from TRW in 1984. This letter is an act of citizenship.

Heavy Oils and TarSands are very plentiful.

*R.C. TRW*

Sincerely,

TRW is:  
TRW Space and Electronics  
One Space Park, Building E1  
Redondo Beach, CA 90278

*Norman Peterson*

The VP/General Manager is  
*Timothy Haxenmann, Rm 5076*

1

11069





Department of Energy  
Washington, DC 20585

2001-019685

OCT 04 2001

Mr. J. Patrick Nicholson  
Chief Executive  
N-Viro International Corporation  
3450 W. Central Avenue, Suite 328  
Toledo, Ohio 43606

Dear Mr. Nicholson:

Thank you for your letter of August 9, 2001 to Vice President Cheney concerning the opportunity to utilize methane energy. It has been forwarded to this office for a response. The Office of Power Technologies oversees research in the development of biomass conversion and other renewable energy technologies for power generation.

I want to thank you for your opinions. Enclosed is a previous letter dated April 20, 2001, to Congresswoman Marcy Kaptur on your behalf, which explained the research efforts of the Department of Energy in this area. In addition, I suggest that you examine the "National Energy Policy" which clearly describes the Bush Administration's priorities for energy development and also guides our research and development programs. The Policy recognizes the importance of providing a clean and diverse portfolio of domestic energy sources and the value that biopower and other renewable energy technologies can bring to energy markets. It calls for expanding development of energy and other products from plant, animal and tree material and landfill gas. This document is available at <http://www.whitehouse.gov/energy/National-Energy-Policy.pdf>.

In collaboration with the U.S. Environmental Protection Agency and the U.S. Department of Agriculture, we have recently initiated an aggressive project to address animal waste management. We do recognize its potential as a renewable energy source.

Thank you for your continued interest in the Department's energy programs.

Sincerely,

Donald K. Richardson  
Director  
Office of Biopower and Hydropower Technologies  
Energy Efficiency & Renewable Energy

Enclosure



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11071

DOE016-0823



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

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

DATE: August 23, 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,

A handwritten signature in cursive script that reads "Cecelia Boyer".

Cecelia Boyer  
Special Assistant to the Vice President  
for Correspondence





N-Viro International Corporation

AUG 13 8 1 9AM

August 9, 2001

Vice President Richard Cheney  
The White House  
Washington, DC 20501

Dear Mr. Vice President:

As a lifelong democratic leader in Toledo, Ohio, who has actively provided leadership in the presidential campaigns of John and Robert Kennedy, Jimmy Carter, John Glenn and Bill Clinton, I salute the efforts of this Bush-Cheney Administration to seek positive achievements.

Enclosure #1 is a February 13, 2001 letter to you from my friend, Governor Bob Taft, who we also strongly supported, concerning the opportunity of utilizing methane to compliment natural gas while concurrently greatly reducing U.S. greenhouse gas emissions.

We strongly believe and we can document (Enclosure #2) that organic lagoon and surface impoundments now receive annually over 5 billion tons of organic sludge or manure annually. While landfills, receiving about 100 million tons annually of organics are correctly recorded by USEPA as generating about 12 million tons of methane (CH<sub>4</sub>) annually, USEPA official inventories have no defensible record of the methane generated by lagoons and surface impoundments. We have been amazed that the Clinton-Browner EPA ignored these sites. We now understand that EPA did not want to admit an inventory error of about 100 million tons of methane (CH<sub>4</sub>) or the equivalency of 2 billion tons of carbon dioxide (CO<sub>2</sub>), which is one-third of the total U.S. inventory provided at Kyoto. Moreover, we understand that the Clinton-Browner EPA did not wish to acknowledge that anything other than fossil fuels is the key cause of global warming. The quoted position of Dr. Jim Hansen of NASA is further documentation of the validity of our information (Enclosure #3).

Enclosure #4 is a gracious letter that I have recently received from Administrator Whitman. It contains a letter from Robert Brenner, Acting Assistant Administrator of USEPA, to Congresswoman Marcy Kaptur.

In that letter Mr. Brenner contends that "landfills represent approximately 35% of all methane emissions in the U.S. while manure management is approximately 5% and wastewater treatment (note paragraph #3 of page 1 says, "surface impoundments are covered by the source category 'wastewater') approximately 2%." As Enclosure #2 demonstrates these statistics cited by Mr. Brenner are incredibly wrong. Pulp and paper sludge surface impoundments alone generate

3450 W. Central Avenue • Suite 328 • Toledo, Ohio 43606  
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11073

DOE016-0825

more methane (CH<sub>4</sub>) than all landfills combined. Methane from manure lagoons are at least comparable to all landfills combined. This June I was the **keynote** speaker at the annual joint USEPA/Water Environment Federation (WEF) Conference in Chicago on "Animal Manures" (Enclosures #5 & #6). I know the quantities of manures that are now wasted in lagoons. EPA's figures are not remotely defensible. **Why is the truth being withheld?**

In 1991 President George Walker Bush awarded myself and my firm, N-Viro, the Presidential Citation of Excellence in Conservation and Environmental Technology. Administrator William Reilly is a trusted advisor and friend. We are amazed, discouraged, and disappointed that USEPA and USDOE have ignored this methane challenge and opportunity. If we do not know where we are, how do we determine where we are going?

Enclosure #7 is an article from the May 19<sup>th</sup>/20<sup>th</sup> issue of the Financial Times. It is a wonderful tribute.

God bless you, Mr. Vice President.

Sincerely yours,



J. Patrick Nicholson  
Chief Executive

JPN/erv

Cc: Governor Bob Taft  
Congresswoman Marcy Kaptur

Enclosures (7)

11074

DOE016-0826

#7



BOB TAFT  
GOVERNOR  
STATE OF OHIO

RECEIVED  
FEB 26 2001  
BY:

*Pat - hope  
you help  
Bob*

February 13, 2001

The Honorable Richard B. Cheney  
Vice President of the United States  
The White House  
Washington, DC 20500

Dear Dick:

I am forwarding for your Energy Task Force a letter from one of my constituents, Pat Nicholson, Chief Executive Officer of N-Viro International Corporation in Toledo, recommending more be done to capture methane emissions from organic disposal sites as a source of natural gas for energy. Apparently, the City of Toledo is now in negotiations to sell landfill methane to the new Daimler-Chrysler Jeep production facility.

Sincerely,

Bob Taft  
Governor

BT/acs

c: Pat Nicholson  
Kate Bartter



N-Viro International Corporation

May 8, 2001

Mr. Robert K. Dixon  
Deputy Assistant Secretary  
Office of Power Technologies  
Dept. of Energy  
1000 Independence Ave., SW  
Washington, DC 20585

Dear Mr. Dixon:

I am in receipt of your letter to Congresswoman Kaptur. We appreciate your time and effort in responding to our suggestions. Thank you for your positive comments.

In paragraph 3 you acknowledge that the use of bio-based products and bio-energy could reduce greenhouse gas emissions by as much as 100 million tons a year by 2010. We project that the use of methane now being generated and not used or flared could reduce greenhouse gas equivalent emissions by over one billion tons a year or 10 times your projection within two years. This is comparable to all greenhouse gas emissions generated annually by Ford and General Motors combined (Enclosure #1).

The methane tonnage now being generated by the disposal of over 5 billion tons annually of organics in landfills, surface impoundment and lagoons is over one hundred million tons annually of methane, the greenhouse gas equivalent of 2 billion tons of carbon dioxide, or one-third of U.S. Kyoto survey. Moreover, the utilization of these organics, particularly in land reclamation, offers the magnificent opportunity for carbon credits to offset CO<sub>2</sub> generation as unilaterally proposed by the Entergy Corp. and reported in the *Wall Street Journal* on May 4, 2001 (Enclosure #2).

As the U.S. Kyoto inventory total only included 10% CO<sub>2</sub> equivalent from methane, the U.S. Kyoto inventory total was greatly understated. Apparently someone does not want to admit to a mistake. Obviously that someone is USEPA. Thus, all efforts for two years to get the truth from EPA have been ignored even when those efforts have come from Congress.

From DOE's responsibility comes a far different question. Why has this sustainable 100 million tons annually of methane not been vigorously pursued to supplement shortages in natural gas? One hundred million tons of methane is the energy equivalent of 200 million tons of coal, which is 20% of the total coal now used annually in electric energy production.

3450 W. Central Avenue Suite 328 Toledo, Ohio 43606  
Telephone: 419-535-6374 Fax: 419-535-7008



11076

Today, the Middlesex County Utility authority in New Jersey is using its landfill generated methane to produce electricity at its wastewater facility, saving over \$5 million dollars annually or about 50% (Enclosure #3).


Today, the City of Toledo is working with Daimler-Chrysler Corp. to utilize Toledo landfill methane to compliment natural gas at the new Daimler-Chrysler plant in Toledo (Enclosure #4). Mr. Dixon, EPA's own reports confirm that over 5 billion wet tons of organics are disposed annually in U.S. landfills, surface impoundment and lagoons. Our engineers confirm that such a volume of organics in confined disposal sites will generate over 100 million tons of methane annually. We suspect that:

1. USEPA refuses to monitor these sites because an inventory will reveal that the U.S. understated its CO<sub>2</sub> generation by about 25% at Kyoto and significant methane reduction could lower the pressure for more fossil fuel reductions.
2. USDOE is hesitant to recognize this sustainable source because it will reduce public pressure to build new energy production and the low cost availability of methane will negatively impact the interests of conventional energy producers.

Neither position by a public agency of the U.S. Government is acceptable. We are going to move aggressively to open the windows for a full-scale public debate on the methane challenge and opportunity (Enclosure #5). All we seek is the truth!

Best wishes.

Sincerely yours,

  
J. Patrick Nicholson  
Chief Executive

JPN/crv  
Enclosures (5)

Cc: Senator Michael DeWine  
Congressman Paul Gillmor  
Congresswoman Marcy Kaptur  
Senator George Voinovich  
Mr. William Reilly

11077

DOE016-0829

2001-020937 9/10 P 3:52

August 31, 2001

Dear Vice President Cheney:

I am writing to urge you to make public the groups, corporations, lobbyists, and industries which attended your energy task force. I was dismayed to read that Halliburton will benefit from the energy recommendations made by the energy committee.

If you have nothing to hide, then you must make public the groups which helped you formulate your energy policy.

Judy Pasternak's Times' story said " many of the executives at the White House meetings (on energy) were generous donors to the Republican Party and some of the key lobbyists were freshly hired from the Bush presidential campaign."

I think Congress and the American public have a right to basic information on how the energy panel carried out its work.

Sincerely,

Sandra Hoover

*c.c. Secy. of Energy Spencer Abraham*

11078

DOE016-0830

DOE

(b)(6)

Ronald Marico  
935 Loch Ness Avenue  
Worthington, Ohio, 43085  
614-885-7089  
August 28, 2001

Hon. George W. Bush  
President of the United States  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C., 20500

Subject: Energy Policy, Legislation, And Possible Mitigation Of Certain Electric Transmission Line Bottlenecks By Utilizing Innovative Engineering Techniques.

Dear Mr. President,

After Labor Day, it is my understanding that the Senate will be considering the House passed Energy Bill that includes many of your balanced initiatives seeking to remedy the Nation's energy problems in all of its aspects. Unfortunately, it seems that some Senate Democratic Leaders appear determined to try to scuttle some major parts of your sensible and practical program; I hope that your proposed solutions prevail.

In your May 2001 announcement of the Administration's energy policy, among many other initiatives, I understood you to state the need for the country to try to "squeeze" more out of existing infrastructure (i.e. to become more efficient or to do more with what we already have). Within reasonable limits, this enhancement of existing facilities and assets can be one important and practical aspect of an overall balanced energy strategy. Some desirable aspects of this part of an energy solution could be: environmental community endorsement, cost-effectiveness, timeliness, and a smaller imprint on public and private lands.

For nearly a year now, I have written to or copied more than 25 different federal, state, and electric utility entities/officials (in 5 separate mailings) with initiatives to possibly enable some existing transmission lines to be upgraded to carry more power in a cost-effective, environmentally sensitive, and timely manner via use of one or two U.S. Patents of which I am a co-inventor.

In the July 16, 2001 National Town Hall Meeting (telecast from Pennsylvania on C-SPAN) which was lead by Vice-President Cheney and Gov. Ridge with Senators Specter and Santorum, House Members, Andrew Lundquist, Mary Madala and other government officials contributing, references were made to the serious transmission line bottle-neck problems that worsen the electric generation shortages that are generally understood by most of the public. During the Q & A session, various participants noted the need to utilize conservation, technology, engineering, efficiency, and innovations to help resolve the multi-faceted energy problems together with the very basic need for new sources of energy supplies along with new facilities for their delivery. I strongly agree with such a balanced and common-sense approach.

An upgraded infrastructure, using innovative technology which prudently "squeezes" more out of existing facilities, should rightfully be called a conservation measure since it may reduce the need for construction for some completely new assets and their associated impacts.

Of all the entities and officials that have been made aware of my initiatives to possibly try to upgrade certain existing transmission lines, I greatly appreciated receiving a response on April 13, 2001 from Executive Director Andrew Lundquist (of your Energy Task Force) on behalf of Vice-President Cheney to whom I wrote on March 16, 2001. Surprisingly, none of the other

11079

critics/officials apparently even had their staffs send me a so-thank-you note or, much more importantly, a short letter that said my initiatives were analyzed by technical experts and rejected.

It should seem obvious, even to a lay-person on these technical matters (considering the major transmission bottle-neck problems on the West Coast and elsewhere and their publicity across the country) that these seriously affected entities/officials would want to explore all reasonable alternatives for the benefit of the public that they serve, even if only initially on a feasibility study basis.

It appears to me (from the lack of contacts) that even such minimal analysis was not carried out on the West Coast and it is not unreasonable to ask them, why not? However, if feasibility analyses were made, I would be interested in learning about the conclusions obtained from such studies.

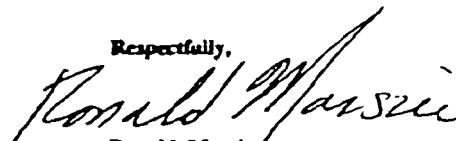
My purpose in writing directly to the President is to try to make sure that you know about my initiatives (which I still believe deserve serious consideration by some appropriate entity/s) which may provide one more possible and specific tool for resolving some electrical transmission line problems as you work with Congress to pass meaningful and practical energy legislation.

Since I do not know how many of my previous letters, technical information, and alternative relative cost estimates you may have seen, I am taking the liberty of again enclosing these items with this letter.

My long years of experience as a transmission line engineering manager and engineer suggest to me that prudently applied innovations may help resolve some otherwise intractable electrical transmission problems. My initiatives are certainly not a panacea that can solve all of the transmission line problems facing the country. However, prudently applied, they may offer a desirable alternative solution for reinforcing certain existing transmission line paths that have capacity shortages. Also, they seem to coincide with your objective to try to "squeeze" more out of the existing infrastructure, where reasonably possible.

Regardless of the eventual outcome of these initiatives, I wish you and your Administration success in your efforts to pass into law a much-needed, long-overdue, and common-sense energy strategy that will protect and advance our nation in the near and long term.

Respectfully,

  
Ronald Marico

**Enclosures**

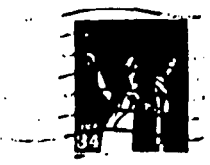
Copies: Hon. Richard Cheney - Vice-President of the United States  
Mr. Andrew Lundquist - Executive Director, National Energy Policy Development Group  
Ms. Mary Malin - Advisor to the Vice-President

11080



2073

SANDRA HOOVER  
17851 WESTVIEW DR.  
LAKE OSWEGO, OR 97034



Energy Secy. Spencer Abraham  
1000 Independence Ave. S.W.  
Washington, D.C. 20585



(b)(5)

DOE016-0833

11081

**U.S. DEPARTMENT OF ENERGY  
CORRESPONDENCE CLOSE-OUT (BY MEETING OR TELEPHONE)**  
(Forward to ES (7E-054 Forrestal) with original of incoming to close out action)

CASE CONTROL NO. ASSIGNED TO CORRESPONDENCE		DATE OF CORRESPONDENCE	DATE RESPONSE DUE
2001-021617		9/20/01	10/23/01
CORRESPONDENCE FROM (SIGNED BY)		ON BEHALF OF (AFFILIATION OR CONSTITUENT)	
Andrew Lundquist		Ronald Marsico	
SUBJECT Mr. Marsico offered ideas on transmission line upgrades to the NEP Development Group. Mr. Lundquist requests a DOE response to Mr. Marsico.			
<input type="checkbox"/> MEETING    OR <input checked="" type="checkbox"/> TELECON PARTICIPANTS		DATE	
		10/04/01	
NAME(S)	AFFILIATION OR OFFICE	TELEPHONE NUMBER(S)	
Mr. Ronald Marsico	American Electric Power Co. Retired (AEP) Engineer	614-885-7089	
DOE PERSONNEL			
Philipp Overholt	EE-16	202-586-8110	
REMARKS Mr. Marsico sent correspondence to the NEP Working Group in April, 2001 and to President Bush on August 28. All ideas submitted to the NEPNG are being forwarded by Mr. Lundquist's office to the appropriate Department for reply. The controlled correspondence package did not include the attachments describing Mr. Marsico's ideas, therefore I called him on October 4 as a reply. Mr. Marsico has two patents for methods to upgrade existing electric power transmissions lines. We discussed the ideas and I suggest that he forward these ideas to the Western Area Power Administration (WAPA) which has been directed by the Secretary to plan for the upgrade of "Path 15" in California. Mr. Marsico will send a complete package to Jim Meeks at WAPA, and to me for future reference in connection with the DOE Transmission Reliability Program. I sent Mr. Marsico an email with web sites to the Transmission Reliability Multi-Year Program Plan, and the National Transmission Grid Study.			
Phil Overholt	EE-16	6-8110	DATE CLOSED OUT
(SIGNATURE)	(Routing Symbol)	(Phone Number)	



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

021617

2001 SEP 21 P 4:33

September 20, 2001

The Honorable Spencer Abraham  
Secretary of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Dear Mr. Secretary:

Enclosed are numerous unsolicited proposals and idea papers that we received from citizens from all across the country during the development of the National Energy Policy, and in the months to follow. Many of these individuals and companies have already received correspondence and acknowledgement from the NEPDG and/or the Vice President's office.

What most of these citizens are looking for, however, is for review and consideration of their proposals and ideas by program professionals. In turn, we would appreciate your vetting these proposals out to the appropriate departments within your agency for review. If you would, please have the appropriate staff respond with a direct reply to each of these individuals or companies.

Thank you for your assistance. I know these citizens will greatly appreciate receiving a response from the Department of Energy.

Sincerely

A handwritten signature in black ink, appearing to read "A. D. Lundquist". The signature is written in a cursive style with a horizontal line through the middle.

Andrew D. Lundquist  
Director, National Energy Policy  
Development Group

11083

204

(b)(5)

Ronald Marsico  
18 Brentwood Lane  
Englewood, Florida, 34223  
941-473-7086  
614-885-7089

April 20, 2001

Mr. Andrew D. Lundquist  
Executive Director  
National Energy Policy Development Group  
Office Of The Vice President  
Washington, D.C., 20501

Subject: U.S. Patent No. 4,686,325 -- CATENARY SAG ADJUSTMENT  
USING ADDED WEIGHTS.

Dear Mr. Lundquist:

Thank you very much for your recent reply to my initiative to the Vice President. I certainly agree that resolution of the nation's energy problems is a significant undertaking and I commend the Administration for taking swift action to resolve these multi-faceted problems.

My 36 years of experince in the electrical transmission line business (including management, engineering, research, and purchasing) suggest to me that innovative solutions that safely "squeeze" additional power-transfer capabilities out of certain existing transmission lines could be an important part of the national energy policy.

Prudently applied novel ideas to up-grade some applicable existing transmission lines could be cost-effective, timely, and endorsed by the environmental community. In addition to the subject Patent, I have some other ideas that might be helpful in this regard.

While I retired about 4-1/2 years ago, I still maintain a strong interest and understanding about transmission line issues. You may find that my long experience could be useful to your Team as you address these very important challenges.

Therefore, I would welcome a dialogue (via phone or meeting) with appropriate people on your Team to explore these ideas.

I will be at my winter home in Florida until May 5. After that, I can be contacted at my permanent address which is: 935 Loch Ness Avenue, Worthington, Ohio, 43085 (614-885-7089).

Sincerely,  
*Ronald Marsico*  
Ronald Marsico

11084



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

April 13, 2001

Dear Mr. Marsico:

On behalf of the Vice President, I thank you for taking the time to forward to us your comments and suggestions regarding a national energy policy. We sincerely appreciate hearing from you.

In January of this year President Bush established the National Energy Policy Development Group, which is chaired by Vice President Cheney. Included in this group are the Secretaries of Agriculture, Commerce, Energy, Interior, Transportation, Treasury, and the Administrator of the Environmental Protection Agency, as well as the Director of the Federal Emergency Management Agency. The State Department has also been participating.

It is our mission to develop a national energy policy to help the private sector, and as necessary and appropriate, Federal, State and local governments, to promote dependable, affordable and environmentally sound production and distribution of energy. In developing our final report, we will be sure to keep in mind your thoughts and suggestions.

Again, thank you for taking the time to contact Vice President Cheney. We have a significant undertaking ahead of us, but I am confident we will be able to develop a national energy policy that meets the energy needs of our country in a dependable, affordable and environmentally sound manner.

Sincerely,

Andrew D. Lundquist  
Executive Director,  
National Energy Policy Development Group

Mr. Ronald Marsico  
18 Brentwood Lane  
Englewood, FL 34223

11085

DOE016-0837

206

**THE WHITE HOUSE OFFICE  
REFERRAL**

September 28, 2001

2001-022321 10/3 A 9:13

**TO:** DEPARTMENT OF ENERGY

**ACTION REQUESTED:** DIRECT REPLY W/COPY

**DESCRIPTION OF INCOMING:**

**ID:** 491473  
**MEDIA:** LETTER, DATED JUL 17, 2001  
**TO:** PRESIDENT BUSH  
**FROM:** THE HONORABLE TIM JOHNSON  
UNITED STATES SENATE  
WASHINGTON, DC 20510  
**SUBJECT:** EXPRESSES THEIR SUPPORT FOR INCREASED DOMESTIC NATURAL GAS  
DEVELOPMENT

**PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS  
OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-2590.**

**RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:  
RECORDS MANAGEMENT, ROOM 72, THE WHITE HOUSE, 20500**

**OFFICE OF RECORDS MANAGEMENT - THE WHITE HOUSE**

**11086**

DOE016-0838

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

ID# 491473  
PAGE 1

*NB 006*

DATE RECEIVED: 07/25/2001

NAME OF CORRESPONDENT: THE HONORABLE TIM JOHNSON

SUBJECT: EXPRESSES THEIR SUPPORT FOR INCREASED DOMESTIC NATURAL GAS DEVELOPMENT

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2001/07/25	NL	A	2001/7/31 <i>EC</i>
ACTION COMMENTS: <i>Response sent to additional signers</i>						
<i>✓</i> Vice President's DP	<i>EC</i>	R	06/08/37		C	9/12/01
ACTION COMMENTS:						
<i>Dept. of Energy</i>		B	01/17/31		C	1/1 <i>RY</i>
ACTION COMMENTS:						
<i>Dept of Energy</i>		RY	R 01/09/28			1/1
ACTION COMMENTS:						

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE: 1 SIGNEE

*S*

ACTION CODES:  
A - APPROPRIATE ACTION  
C - COMMENT/RECOMMENDATION  
D - DRAFT RESPONSE  
F - FURNISH FACT SHEET  
I - INFO COPY/NO ACT NECESSARY  
R - DIRECT REPLY W/ COPY  
S - FOR SIGNATURE  
X - INTERIM REPLY

DISPOSITION CODES:  
A - ANSWERED  
B - NON-SEPC-REFERRAL  
C - COMPLETED  
S - SUSPENDED

OUTGOING CORRESPONDENCE:  
TYPE RESP = INITIALS OF SIGNER  
CODE = A  
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OEOB) EXT-62590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

11087

491473

July 31, 2001

Dear Pat:

Thank you for your recent letter expressing your strong support for increased natural gas development in order to meet the growing demand for these necessary fuels. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Pat Roberts  
United States Senate  
Washington, DC 20510

010802

11088

DOE016-0840



491473

July 31, 2001

Dear Senator Johnson:

Thank you for your recent letter expressing your strong support for increased natural gas development in order to meet the growing demand for these necessary fuels. The President certainly appreciates your concern and suggestions.

I have shared your letter with the President's energy policy advisors and the Energy Task Force who are formulating policy recommendations in this area. Your comments are receiving their close and careful attention.

Thanks again for your letter on this very important matter.

Sincerely,

Nicholas E. Calio  
Assistant to the President and  
Director of Legislative Affairs

The Honorable Tim Johnson  
United States Senate  
Washington, DC 20510

010802

11089

DOE016-0841

49153

# United States Senate

WASHINGTON, DC 20510

July 17, 2001

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

We agree with you and Vice President Cheney on the critical need for increased natural gas and oil production in the United States. It is important that the Administration focus on policies that encourage the responsible development of these natural resources. The nation needs policies that can mitigate the impact of the boom and bust cycle caused by world oil prices.

Moreover, our rural farm states must have dependable and affordable supplies of natural gas, fuel, and lubrication products for farms, ranches, and homes to keep our nation's economy strong and to produce the abundant, safe and affordable food and fiber supply that benefits consumers in this country and around the world.

As we work together on formulating a comprehensive yet balanced energy policy, we want to share our strong support for increased domestic natural gas development, scheduled for approval in December 2001. Our nation's decision to use natural gas for electricity production impacts not only those on fixed incomes whose heating bills have doubled, but also producers who face exorbitant input costs. Since January, 2000, the average daily price for natural gas has jumped from \$2.37 per MMBtu to an average in December 2000 of \$8.80 and a contract price for January 2001 of \$9.90.

U.S. production of natural gas has dropped 14 percent, from a peak in 1973 at 21.7 trillion cubic feet, to the current level of 18.7 trillion cubic feet. At the same time, natural gas demand is projected to increase from 45-62 percent nationwide by the year 2020, and electricity generation fueled by natural gas is estimated to increase 200 percent in that same time period.

Mr. President, tapping domestic sources will increase our natural gas supply to meet these demands. More natural gas will reduce market pressures that increase heating and energy bills. Furthermore, our producers will have an affordable supply of natural gas for irrigation, grain drying, food processing, and fertilizer.

Agriculture, small businesses owners, rural and low-income consumers, and the nation are best served if potential domestic energy alternatives are considered as part of an overall national energy policy debate, rather than in isolation. Gulf of Mexico exploration and production have allowed for the growing use of natural gas and oil--vital parts of this nation's productive economy and energy future that limit imports. Moreover, America's farmers and food producers are this nation's frontline environmental stewards. They are sensitive to the ongoing need to protect and conserve soil, air and water quality, as well as the Gulf of Mexico's waters and beaches.

11090

DOE016-0842

If we are to meet the growing demand for these necessary fuels, and for U.S. agriculture to remain productive and competitive, it is imperative that domestic reserves are explored and developed as soon and as safely as possible in the context of a balanced energy policy. Thank you for your consideration.

Sincerely,



Tim Johnson  
United States Senate



Pat Roberts  
United States Senate

11091



2001-023459

**Department of Energy**

Washington, DC 20585

February 4, 2002

Mr. Ralph Bohannon  
Senior Vice President  
Atmel Corporation  
1150 E. Cheyenne Mtn. Blvd.  
Colorado Springs, CO 80906-4508

Dear Mr. Bohannon:

This letter acknowledges our receipt of your letter to the Vice President that recommended more coal-fired powerplants, creation of a mechanism to ensure future electricity demand is met, prohibition of price gouging, and completion of a comprehensive analysis of problems in all other energy sectors. You also recommended that vehicle fuel economy requirements be increased.

To address the many energy issues facing the Nation, one of President Bush's first acts was to create a National Energy Policy Development Group, headed by Vice President Cheney. On May 16, Vice President Cheney sent to the President the recommendations of this group, together with a National Energy Policy report. To achieve a 21<sup>st</sup> century quality of life – enhanced by reliable energy and a clean environment – the report recommends 105 actions to modernize conservation, modernize our infrastructure, increase our energy supplies, including renewables, accelerate the protection and improvement of our environment, and increase our energy security. Once these actions have been fully implemented by the Congress and Federal agencies, they will help minimize future energy prices, while assuring that energy supplies are reliable and the environment is protected.

The National Energy Policy adopted by the President contains recommendations that parallel many of those made in your letter, including measures to facilitate improvements to existing coal-fired powerplants, support for the establishment of regional transmission organizations to enhance the coordination of electric system planning and management, assess the opportunities for improving auto and light truck fuel economy, and reviews of existing government programs in order to maximize their effectiveness. The Policy was based on a comprehensive analysis of problems in



Printed with soy ink on recycled paper

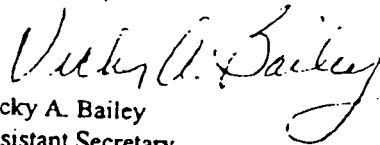
11092

DOE016-0844

all segments of the energy sector. You may obtain more information by visiting the White House website at: [www.whitehouse.gov/energy](http://www.whitehouse.gov/energy).

Thank you again for writing.

Regards,



Vicky A. Bailey  
Assistant Secretary  
Office of Policy and International Affairs

2001-023459 10/19 A 10:00



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

023459

2001 OCT 19 A 10:00

September 20, 2001

The Honorable Spencer Abraham  
Secretary of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Dear Mr. Secretary:

Enclosed are numerous unsolicited proposals and idea papers that we received from citizens from all across the country during the development of the National Energy Policy, and in the months to follow. Many of these individuals and companies have already received correspondence and acknowledgement from the NEPDG and/or the Vice President's office.

What most of these citizens are looking for, however, is for review and consideration of their proposals and ideas by program professionals. In turn, we would appreciate your vetting these proposals out to the appropriate departments within your agency for review. If you would, please have the appropriate staff respond with a direct reply to each of these individuals or companies.

Thank you for your assistance. I know these citizens will greatly appreciate receiving a response from the Department of Energy.

Sincerely

A handwritten signature in black ink, appearing to read "A. D. Lundquist".

Andrew D. Lundquist  
Director, National Energy Policy  
Development Group

11094

DOE016-0846



ATMBL CORPORATION  
Tel: (719) 576-3300

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

Dear Mr. Vice President,

May 11<sup>th</sup>, 2001

Approximately 3 months ago, I sent a letter to the Governor of Colorado, Bill Owens, Senators Wayne Allard and Ben Nighthorse-Campbell and United States Representative Joel Heffley. Today I write again, adding our very respected Vice President, Dick Cheney, who is working diligently with a "National Energy Task Force". My previous message addressed the concern that I have with escalating prices for electrical power and with the general condition that regardless of who wants to blame, we must take emergency and/or crisis level action to see that the present issues with energy shortfall and rising prices are addressed with long term corrective action and not "band-aids".

I write this letter as both a concerned American and as an Executive in the Semiconductor business with responsibility for a major manufacturing site of Atmel Corp. in Colorado Springs, CO. I believe this problem is as significant as was our need to put men in space -40 years ago, and to say that we had better treat it in the same manner; with a vision given to the American people as to the real nature and size of the problem. Along with the vision of the problem must come a vision for solutions in the near, intermediate, and long term that allows our economic well-being to remain positive and full of hope in each of those forward looking time periods. This is not a smaller task than putting men in space and on the moon, and in reality it is even more important as it has "everything" to do with the American way of life, and the expectations of opportunity that we would wish all to have.

The issue is ENERGY! And as I stated above, at stake is the standard of living of every American, and those citizens of any other country who aspire for economic freedom and opportunity.

All economic issues, events, or situations are the result of the balance of a myriad of forces, to name some:

- Conservation and/or conservationists
- Productivity (Producing the most for the least, or preventing the loss of purchasing power by continuously producing at a higher rate than the underlying cost components)
- Exploration and Development (oil, natural gas, nuclear energy)
- Producing and Refining
- Automobiles being manufactured including a range from "lean machine" to "gas guzzler"

If not for a sustained period of low inflation and high productivity in place at this time, the present economic downturn could very easily have been a major recession. We are lucky and "everyone" had best admit it to themselves. In fact, I contend that this current downturn has the potential for greater retrenching if we don't build confidence that we have a plan in both areas of energy and taxes. Yes, tax relief is important, but the optimum solution to our energy situation and its'

• 1150 E. Cheyenne Mtn. Blvd. • Colorado Springs • CO • 80906-4508 •  
• Fax • (719) 540-1323 • Human Resources (719) 540-1074 • Fax 2 & 3 (719) 540-1313 • Fax 5 (719) 540-1515 •

11095

DOE016-0847

potential influence on our economy is much, much more. We had better have the right answer this time, because this issue has only received "lip service" for the past 30 years, and we had better "sell" our "right answer" to the American public as though it is the emergency that it really is.

We have time to be in control of the play-out of all these opposing forces, but there will be "no more time", if we play "games" with the energy situation again.

Let's recognize with the wisdom of many of the prophets of biblical times, that from blessings can come self-confidence that can erode to arrogance, indulgence, greed, and apathy. We are not "above" the nature of humankind.

We in America have come to a point of economic prosperity and superiority that we believe we can "have our cake, and eat it too", that the "good times" will never run out, that at least is what we have come to expect. As a result, we want to believe that we can leverage all the "easy" forces in the equation, and ignore the harder or more distasteful ones.

Some for instances:

- If one SUV is big, then the next supplier makes a bigger one, and what does the consumer do...he follows in like step.
- If one conservationist wants their State to keep out all new power installations because of "their" more precious environment, then let's do it, ..."but" we don't want to pay higher prices, or do without the many things electrical power provides.
- Maybe the most classic is..."I want to eat any and all the food I want, but I don't want to gain a single pound".

What's the point? The point is that we don't have the time, nor can we get this done if we only do the "easy stuff". We must be willing to conserve in our homes, we must be willing to give up on these "tanker size" SUVs, we must be willing to give some ground, not in the fashion of compromise, but in order to "optimize" and achieve the end which allows the most economic viability; otherwise we will give it up in our standard of living. How do I know? We are already there. Californians are suffering brownouts, with both gasoline and utility bills they can ill afford. Many lower income citizens are giving up medicine, or even foods they might otherwise buy, because of "bills" that are now 30-100% higher than a year or two years ago. The bad news is "at the doorstep".

I'm sure that the talent, skill, and demonstrated qualifications of those on Vice President Cheney's Energy Task Force are very adequate to the task. But I do have some concerns, the primary one being that "it's hands off" to have the American citizen forego their existing lifestyle, or in any way require of them more discipline, or live with less options than they do today.

Folks, this is serious: we had best not leave one element aside that can be a contributing factor in this race. Also, is there anyone reading this that agrees with my position that this "IS" bigger than a "man in space", and is just as daunting in the magnitude of issues that we face whether technically, socially, or otherwise? We need to make this a "National Endeavor" and sell the vision of both the problem and the solution, and get our nation behind the program.

Some "must do's":

- Allow and encourage coal-fired power generating installations, by moderating/optimizing the amount of cost of capital equipment with less strict EPA regulations for the next 3-5 years.
- Have each State project both their planned use and capacity of electrical power from both public and private sources. Where critical gaps exist in some States, insure that there are



solutions that can be implemented to close those gaps; as a minimum, understand "where" the problems are and what is being done to remove them.

- Almost every area of the country has seen natural gas prices "double" over the past year. With a combined task force of government and energy company officials, require a composite look at the demand and capacity projected forward; what is required to bring forces into place, from all aspects...exploration, development, transport, delivery; that will mitigate this current rise, or as a minimum insure the present accelerated price trend is moderated. Insure, everything is "on the table", there should be no predatory pricing, or gouging, because of the present demand/supply scenario. If so, it's no different than the abhorrent looting that goes on in the aftermath of a tornado, or hurricane.
- Do the same thing for electrical power installations and generation, what's the plan, where are the gaps, how do we "head them off"?
- Do the same for oil, we face a much higher probability that oil supply shortfall compromises our economy and/or standard of living, than any potential military action.

So far, I've limited this discussion to the existing fossil fuel constraint; when it (fossil fuel) is gone ("fini"), the above arguments get really serious. The thoughts presented above only deal with the short and intermediate term, so why does anyone think that 30-50 years from now (when my grandkids are in their prime) isn't as demanding upon science and technology as was/is the effort by NASA and any associated enterprises in the era of space exploration? Sometimes I get the feeling that we have seen so many technological miracles that we find the one of delivering energy to our homes for heating and cooling in very different ways, or the one of providing fuel to an automobile, that is no longer oil based as a very boring and unimportant endeavor. Quite the opposite, this is as important as any key event in the history of our country, because left undone, it takes away our ability to continue the "productivity" curve such that "every American" has the opportunity before them.

Now, let me address another side of the coin. The last area our politicians want to take action in is the market place, i.e. influence or control prices. Let me touch on three areas where something can be done (if the courage is there to do it):

- 1) As individuals, families, or business enterprises, we are facing ludicrous increases in electrical rates in the year 2000/2001. Please refer to the attached chart, which depicts the price for the Colorado Springs Utilities to purchase power from other sources when used to supplement the existing power capacity available from this very efficient and well run public utilities provider. I think it goes without saying that from 1985 through 1999 those providers of supplemental power were operating on what they considered an acceptable profitability. So what happened? First of all natural gas prices increased, therefore that cost must be passed on. Secondly, nothing else happened except the power providers in the American west saw an opportunity with the California situation to "gouge" the consumer and industrial users of electricity. In fact, the Atmel site here in Colorado Springs will pay an additional ~\$1m for power in 2001 than even that in 2000. How many jobs does \$1m account for? At least 25-30 jobs. Why is it so unreasonable to give a Presidential order that no company in an unstable market environment can have greater than a 100% margin against their cost? The result of such an order would reduce the 2001 rate on the attached chart to less than 1/2 of that depicted, and for our new President, such an order would likely increase votes on his behalf in 2004 in California by a significant amount. That should not be President Bush's motivation, but regardless, it's a very likely result.

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- 2) Now for gasoline, the present prices are ludicrous and predatory. A year ago oil prices went to \$37 per barrel, and gasoline prices went up dramatically; supposedly because of this huge price increase in basic supply, the many blends and regulations placed on refined gasoline, and the shortage of capacity to actually produce at the rates demanded. One year later, when the oil supply cost is at \$27-28 per barrel, and all other things are basically equal, the price for gasoline is far beyond it's peaks of last year, even though we are only early in the expanded driving season. In a period where consolidation of major "oil" corporations is rampant, due diligence requires the excessive profit rates of these corporations to be reviewed. Why is it that most of our high tech corporations are suffering serious revenue, profit, and stock value setbacks in a time that the major oil firms are more profitable than ever? Please don't try to convince me that we are seeing a huge increase in the "productivity" of our oil firms...they don't even understand the word.
- 3) On the other side, the American people still "wants it's cake and eat it too". I've attached two website renditions of the ever increasing SUV size. We are facing a terribly bleak picture in the near term for gasoline prices and for any real solutions to mitigate this issue to be found. Give an EPA mandate that "all" personal or family vehicles delivered in the year 2003 or 4, achieve 25 mpg on highway, and you will see things change. Will this really "cost" the American public anything? Not really. I myself actually own a 1997 Jeep Grand Cherokee, purchased well before I could read enough material to understand the current scenario being played out. Really, my concern is not with \$1.79-2.00 gas prices, my concern is that unless we do something our economy and our standard of living will be more like many countries around the world than the one that exceeds all expectations ever conceived. By the way, my Grand Cherokee is up for sale!

We are a proud nation, the "land of opportunity", where at some point "all" people will be limited only by their own desire, and personal drive. We face a real crisis and yes, we can't afford to "scare the public", but tell us, the American people, the truth, a complete picture. Show us what really happens if we don't act. Show us what can be done if we do. Show us the options and why you choose to do what you propose to do, we can come together when we "have to", when we must....as a Nation we always have.

Sincerely,



Ralph Bohannon  
Sr. Vice President  
Atmel Corp.

Cc: Ben Nighthorse Campbell  
Wayne Allard  
Joel Heffley  
George Perlegos  
Bill O'Reilly

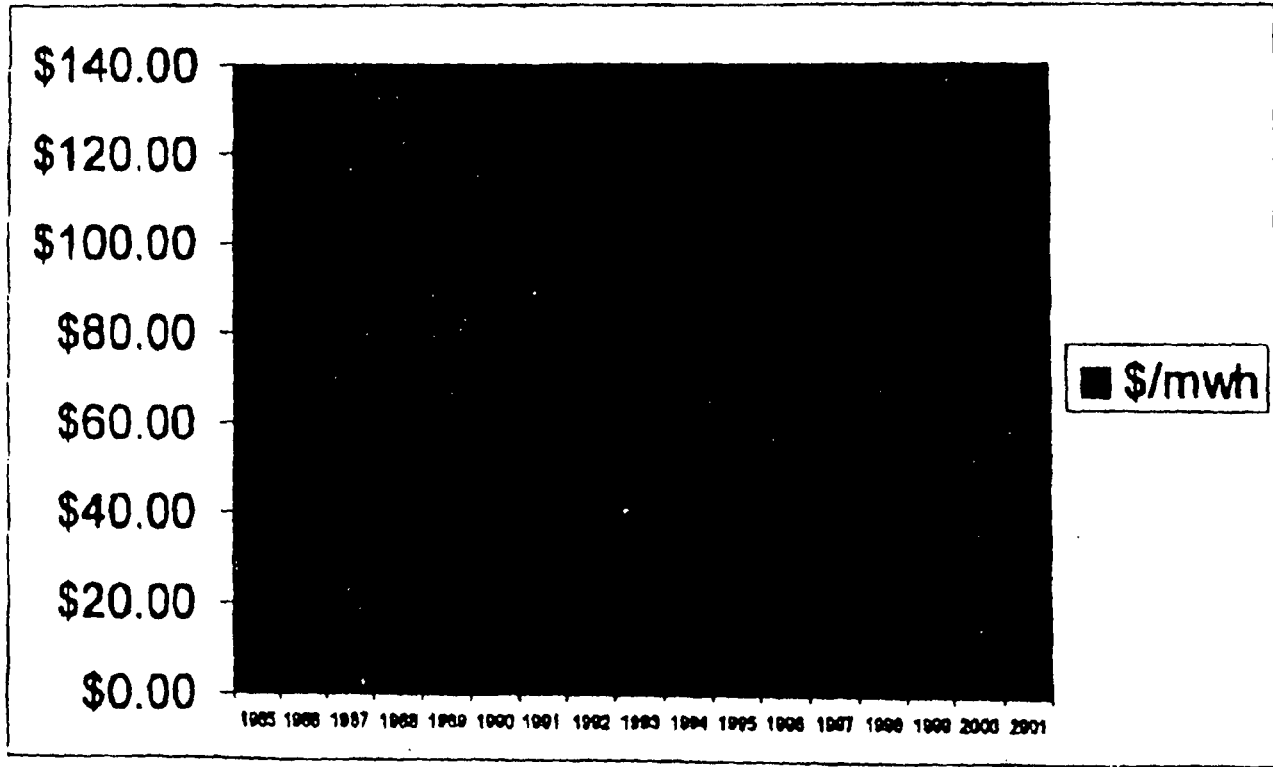
United States Senator  
United States Senator  
United States Representative  
President & Chief Executive Officer,  
Atmel Corporation  
Fox News Channel

11098



Colorado Springs Utilities  
It's how we're all connected

# Annual Purchase Power Prices

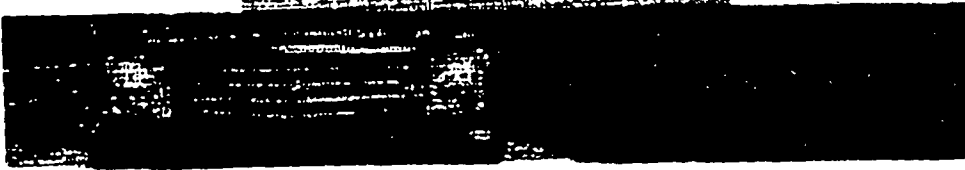


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969 P05 MAY 11 '01 09:51

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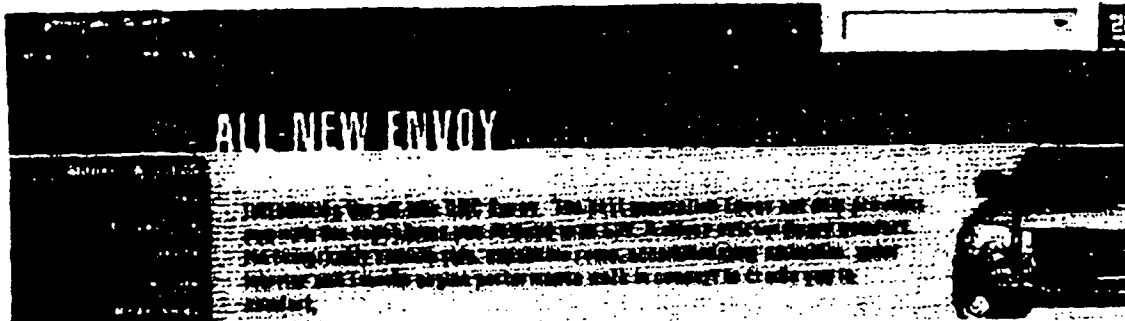
Dimensions & Specs	
Item	Description
Engine Type	AWD - High Output LQ9 6.0L OHV V8 2WD - 5.3L OHV V8
Fuel Delivery	AWD - Sequential fuel Injection
Displacement	AWD - 364 / 5967 (cm <sup>3</sup> ) 2WD - 327 / 5328 (cm <sup>3</sup> )
Compression Ratio	AWD - 10:1
Horsepower/Torque (lb-ft)	AWD - 345 @ 5200 rpm 380 @ 4000 rpm 2WD - 285 @ 5200 rpm 325 @ 4000 rpm
Transmission	AWD - 4L60-E HD 2WD - Four-speed electronic- shift overdrive automatic with torque converter clutch, 4L60
Towing Capacity*	AWD - 8,500 lbs. 2WD - 7,700 lbs.
Final Drive Ratio	AWD - 3.73
Back to top	
Fuel Economy	
Item	Description
EPA Estimated MPG	AWD - 12 City/16 highway* 2WD - 14 City/18 highway
Back to top	
Chassis Dimensions	
Item	Description
Wheelbase	116.0 in.
Tread (f/r)	65 in. /65 in.
Turning Diameter	39.54 ft.
<a href="http://www.cadillac.com/escalade/feat_r_dims.htm">http://www.cadillac.com/escalade/feat_r_dims.htm</a>	

- \* Specifications
- \* Fuel Economy
- \* Chassis Dimensions
- \* Interior Dimensions
- \* Exterior Dimensions

05/06/2001

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DOE016-0852



## SELECT A DISPLAY: MODEL

## COMPARE 4-DIMENSIONAL MODEL

## Envoy 4WD/SLT

## Engine:

Motor = 4200 cubic displacement

Fuel type:

Gasoline

Cylinder:

4.2 liter

Bore and Stroke (mm):

80 x 102

Compression Ratio:

10:1

Valve Train:

Double-overhead-

cam with four valves

per cylinder

Direct Fuel

Injection

Fuel Delivery:

SAE Net Horsepower @ RPM (min

270 @ 3000

transmission):

SAE Net Torque @ RPM (9-4):

270 @ 3600

## Engines:

(Click on engine for specifications.)

V6-3.0 4200 cubic displacement - Standard

## Transmission:

- 4L80-E Hydraulic 4-speed automatic with overdrive.
- Powertrain: available with and without traction control

## Specifications:

Overall Length: 181.6"

Overall Height: 71.8"

Overall Width: 74.7"

Wheelbase: 113.0"

Gross Vehicle Weight Rating (GVW): 5,750

Front Suspension: Double-A front arm

Front Axle capacity (total lbs): 2,800

Front Spring capacity (total lbs): 3,100

Rear Suspension: 3 link

Rear Axle capacity (total lbs): 3,200

Rear Spring capacity (total lbs): 3,200

Brakes: Ventral 4-wheel

disc with ABS

braking system

Hydraulic power-

assist anti-lock

brake system

Steering: Dual Freedom

Standard Heavy-

duty 800CCA

180 AMPs

Alternator: 4,200

Maximum Towing Weight (LBS): 4,200

T: 3.42

Tongue Weight: 10% - 15% of trailer

weight up to 750 lbs

.../specs.cgi?brand=envoy&model]=Envoy&trim]=SLT&option1\_1=4WD&option1\_2=&eng05/06/2001

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DOE016-0853





2001-023461  
Department of Energy  
Washington, DC 20585

(b)(6)

OCT 29 2001

Ms. Suzanne Slezak  
210 Pomeroy  
Wellesley, MA 02481

Dear Ms. Slezak:

Thank you for the views you expressed to Vice President Cheney in your letter of May 10, 2001. I have been asked to respond to your concerns regarding energy efficiency and renewable energy. The Department of Energy always appreciates the views of citizens on the future energy needs and policies of this country.

The National Energy Policy, released by President Bush in May, recommended an increase of \$39.2 million in the FY2002 budget for the Department of Energy, which will provide increased support for research and development of renewable energy. As of this writing, the Congress has not completed work on that appropriation. The Policy also recommends the expansion and extension of tax credits for electricity produced from renewable energy technologies. In fact the President, in his budget request, asked for an extension of the current 1.7 cents per kilowatt-hour tax credit for electricity produced from wind and biomass. The recommendations include a proposal to provide a 15% tax credit for residential solar energy property.

In the area of energy efficiency the Congress has completed action on the Interior Appropriations, which includes funding for energy conservation or efficiency activities. I am happy to report that the funding for FY2002 has increased by more than \$100 million from FY 2001. That figure for all of energy conservation will rise from \$807 million in FY 2001 to \$912 million in FY 2002. As our Assistant Secretary for Energy Efficiency and Renewable Energy, David K. Garman, said "we're quite comfortable and pleased with the Interior bill."



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DOE016-0855

Thank you again for your comments on energy efficiency and renewable energy. I hope you will find the information provided helpful. If you need additional information, I invite you to access our website at <http://www.eren.gov> which has links to all areas of energy efficiency and renewable as well as to budget information.

Sincerely,



Roger D. Meyer  
Office of Power Technologies  
Office of Energy Efficiency and Renewable Energy





OFFICE OF THE VICE PRESIDENT  
WASHINGTON

023461

2001 OCT 19 A 10:00

September 20, 2001

The Honorable Spencer Abraham  
Secretary of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Dear Mr. Secretary:

Enclosed are numerous unsolicited proposals and idea papers that we received from citizens from all across the country during the development of the National Energy Policy, and in the months to follow. Many of these individuals and companies have already received correspondence and acknowledgement from the NEPDG and/or the Vice President's office.

What most of these citizens are looking for, however, is for review and consideration of their proposals and ideas by program professionals. In turn, we would appreciate your vetting these proposals out to the appropriate departments within your agency for review. If you would, please have the appropriate staff respond with a direct reply to each of these individuals or companies.

Thank you for your assistance. I know these citizens will greatly appreciate receiving a response from the Department of Energy.

Sincerely

A handwritten signature in black ink, appearing to read "A. D. Lundquist".

Andrew D. Lundquist  
Director, National Energy Policy  
Development Group

11105

ST  
JP

(b)(6)

To: Vice President Cheney, Fax 11024562461  
From: Suzanne Slezak  
Date: May 10, 2001 19:10 GMT  
Subject: Act to support clean energy

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

Dear Vice President Cheney:

As a university student, and future leader, I am writing to urge you to make renewable energy and energy efficiency a top priority as you craft a national energy policy. As the head of the President's energy task force you should recommend:

- Diversifying the power supply with additional renewable energy sources by enacting a national market-based Renewables Portfolio Standard (RPS). Diversifying our electricity mix by gradually increasing the percentage of electricity supplied from renewable resources-such as wind, solar, geothermal and biomass-will help avert natural gas price spikes that hit consumer's pocketbooks. Renewable power is not subject to the price volatility that plagues fossil fuel-fired power plants.
- Increasing funding for energy conservation through a national Public Benefits Fund (PBF). Investing in energy efficiency is by far the fastest, least expensive way to balance energy demand and supply needs. This fund will preserve programs to increase energy efficiency; provide low-income customer assistance and universal access; and increase investment in renewable technology research and development
- Increasing funding for the U.S. Department of Energy's (DOE) renewable energy and energy efficiency programs in the Fiscal Year 2002 (FY'02). The President previously stated that he supports renewables and efficiency. Now there are reports that the administration may cut DOE's energy efficiency and renewable energy research and development budget. These cost-effective programs are vital to the growth and commercialization of renewable energy technologies-solar, wind, geothermal, and biomass.

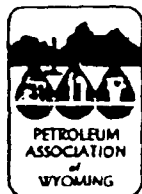
Short-sighted ideas, like drilling in the Arctic National Wildlife Refuge, will have virtually no impact on the nation's electricity power prices or supplies as only 2 to 3 percent of US electricity is generated from oil. Renewable energy and energy efficiency are the cheapest, safest and cleanest ways to cope with high electricity prices and reliability problems. Please put America on track to a clean and sustainable energy future by including the above policies in the Task Force's recommendations to the President and Congress.

Sincerely,

Suzanne Slezak  
210 Pomeroy  
Wellesley, MA 02481

11106

DOE016-0858



## PETROLEUM ASSOCIATION OF WYOMING

951 Werner Court, Suite 100  
Casper, Wyoming 82601  
(307) 234-5333

fax (307) 266-2189  
e-mail: paw@pawyo.org  
www.pawyo.org

November 29, 2001

Mr. James Connaughton  
Chairman  
Council on Environmental Quality  
Executive Office of the President  
17<sup>th</sup> and G Streets, N.W.  
Washington, D.C. 20503

Attn: Ms. V.A. Stephens  
White House Energy Task Force

Dear Mr. Connaughton:

The Petroleum Association of Wyoming (PAW) would like to thank the Council on Environmental Quality (CEQ) for the opportunity to comment on issues affecting mineral access to federal lands. PAW is Wyoming's largest and oldest oil and gas organization, the members of which account for over ninety percent of the natural gas and over seventy percent of the crude oil produced in the State. This CEQ Task Force will focus on issues that directly affect members of PAW.

In your request for information, PAW would like to submit the following example, which should be placed in the "Exploration and Production" category:

- **Surface disturbing mitigation decisions determined by BLM that could have an affect on the gas transportation market:**

The Bureau of Land Management (BLM) has the responsibility of managing certain public lands in the West. Their management decisions include mitigation restrictions that revolve around the placement of oil and gas wells, roads, gathering lines, transportation pipelines, corridors, etc. The BLM Pinedale Field Office in Wyoming has recently made a decision that is concerning to PAW.

A producer, Double Eagle Petroleum Company, participated as a non-operator in the drilling of five wells in the Pinedale Anticline area during the summer and fall of 2001. The company then filed a right-of-way (ROW) application with BLM on October 9, 2001 (see Attachment A) for a four (4) inch **temporary surface natural gas pipeline** to transport its share of the produced gas to market. There are two existing sales pipelines in the area of the five wells. Both pipelines are owned by Pipeline A, an affiliate of the operator that drilled the wells. Due to economic concerns, the non-operating partner chose to apply for a two-and-one-half (2½) mile temporary surface pipeline to connect with another pipeline owned by a third party pipeline company (Pipeline B) and this temporary line was

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951 Werner Court, Suite 100  
Casper, Wyoming 82601

Mr. Chairman  
Council on Environmental Quality  
White House Energy Task Force  
Page 2  
November 29, 2001

proposed to be placed twenty-five (25) feet from the existing pipeline which is within an existing pipeline corridor (see Attachment C).

To provide CEQ with additional information, most gas in the Pinedale Anticline area or southwest Wyoming goes into three (3) main plants for processing (removing of liquids to meet sales pipeline standards). These plants include: The Opal Plant, the Granger Plant, and Black Fork's Plant all owned by different companies. All three plants are located near the town of Opal (40-60 miles south of the Pinedale Anticline Field). After the gas is processed at the plants, it generally flows west out of Wyoming. Frequently the company gathering the gas at the wellhead does not own the entire line from the well to the plant; however, the pipeline company has agreed with other pipeline companies to transport gas to the specified plant.

According to Double Eagle, currently the preferred market to deliver this gas to is the Opal Plant since there are five (5) pipelines at its tailgate (owned by five separate companies) and that Plant offers the most competition and accordingly offers the best prices to the producer. The offer initially proposed to Double Eagle by Pipeline A was to take all of the gas to its Black's Fork Plant. The problem with this proposal is that Pipeline A owns the Plant and the only pipeline out of the Plant. Based on October's index prices, Pipeline A's price was \$.29/mcf below two other pipeline companies in the area.

The offer proposed by Pipeline B was to deliver gas to the Opal Plant for less gathering cost than Pipeline A. This would allow the operator less gathering cost and allow the delivery of gas to a preferable market. The only problem was that Pipeline B's interconnect was 2½ miles south of the five wells, hence the 2½ mile R-O-W request. Because of BLM's decision to reject the R-O-W application, the producer must use Pipeline A and pay more in gathering costs. This decision will in turn cause the producer to receive less money for the produced gas, pay more in transportation costs, and reduce the money paid to the royalty owners which in this case is the federal government.

BLM rejected the R-O-W application by stating that "[s]ince there is already sufficient capacity in existing pipelines to transport your natural gas, it has been determined that allowing this additional pipeline at this time would not be in the public interest and would cause undue and unnecessary degradation to the public lands" (see Attachment B)

It is not PAW's position to defend a particular company or project over another; however, PAW brings this example to CEQ's attention because there is a concern that BLM's land management decision to refuse granting the second pipeline connection based on surface disturbance will affect the market and potentially set a precedent for future projects on public lands. PAW believes that

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951 Werner Court, Suite 100  
Casper, Wyoming 82601

Mr. Chairman  
Council on Environmental Quality  
White House Energy Task Force  
Page 3  
November 29, 2001

it is not within BLM's authority to make land management decisions that significantly affect the gas transportation market (i.e. pricing, available pipeline capacity, transportation, etc.).

Clear and concise written instructions should be issued to BLM state and field offices immediately to guide land management, surface disturbing decisions, which may potentially affect the gas transportation market. Once instructions are issued, careful oversight must be provided by the Administration to ensure that such instructions are interpreted and implemented as were intended.

PAW appreciates this opportunity to provide meaningful comment to the CEQ Energy Task Force regarding issues that affect our ability to access public lands for purposes of natural resource development and industry will continue to strive for a balance between economic growth and environmental protection. Should you have questions or require additional information, please do not hesitate to contact me.

Sincerely,

Dru Bower  
Vice President  
Petroleum Association of Wyoming

Cc: The Honorable Gale Norton  
The Honorable Ann Veneman  
The Honorable Spencer Abraham  
The Honorable Jim Geringer  
The Honorable Craig Thomas  
The Honorable Mike Enzi  
The Honorable Barbara Cubin  
Mr. Steve Degenfelder  
Mr. Curt Parsons  
Mr. Kirk Steinle  
Mr. Rick Robitaille  
Mr. Gene George  
Mr. Joe Icenogle  
Ms. Claire Moseley  
Mr. Bob Ugland

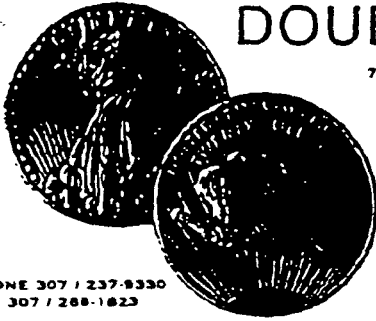
11109

DOE016-0861

# Attachment A

11110

DOE016-0862



# DOUBLE EAGLE

PETROLEUM AND MINING COMPANY

777 OVERLAND TRAIL

P. O. BOX 768

CASPER, WYOMING 82602

PHONE 307 / 237-9330  
FAX 307 / 268-1623

October 5, 2001

Mr. Bill Wadsworth  
Bureau of Land Management  
P.O. Box 768  
Pinedale, Wyoming 82941

RE: Application for Pipeline Right-of-Way  
Mesa #11-16 well  
Sublette County, Wyoming

Dear Bill:

In accordance with our telephone conversation concerning Double Eagle constructing a pipeline to transport our gas from the above referenced well, please find enclosed an application for right-of-way across lands administered by BLM.

Sincerely,

D. Steven Degenfelder  
Vice President, Land

11111

DOE016-0863

APPLICATION FOR TRANSPORTATION AND  
 UTILITY SYSTEMS AND FACILITIES  
 ON FEDERAL LANDS

FORM APPROVED  
 OMB NO. 1004-0060  
 Expires December 31, 2001

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

FOR AGENCY USE ONLY

Application Number
Date filed
3. TELEPHONE (area code)
Applicant
Authorized Agent (307) 237-9330

1. Name and address of applicant (include zip code)  
 Double Eagle Petroleum Company  
 P.O. Box 766  
 Casper, Wyoming 82602

2. Name, title, and address of authorized agent if different from item 1 (include zip code)  
 Stephen R. Holfa, President

4. Are applicant are you? (check one)

- a.  Individual
- b.  Corporation\*
- c.  Partnership/Association\*
- d.  State Government/State Agency
- e.  Local Government
- f.  Federal Agency

\* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a.  New authorization
- b.  Renewing existing authorization No.
- c.  Amend existing authorization No.
- d.  Assign existing authorization No.
- e.  Existing use for which no authorization has been received\*
- f.  Other\*

\* If checked, provide details under item 7

6. If an individual or partnership are you a citizen(s) of the United States?  Yes  No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications length, width, grading, etc.; (d) season of year needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction. (Use additional sheets, if additional space is needed.)

SEE ATTACHED EXHIBIT "A"

8. Attach a map covering area and show location of project proposed. YES

9. State or local government approval:  Attached  Applied for  Not required

10. Nonresponsible application fee:  Attached  Not required

11. Does project cross international boundary or affect international waterway?  Yes  No (if "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Double Eagle Petroleum Company is authorized to do business in the state of Wyoming.



A straight path between wellsites and pipeline interconnect.

b. Why were these alternatives not selected?

Following existing pipeline corridor would disturb less surface and is topographically more prudent.

c. Give explanation as to why it is necessary to cross Federal Land.

Federal lands surround all possible routes

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. Specify number, date, code, or name.

None Known

15. Provide statement of need for project, including the economic feasibility and issues such as: (a) cost of proposal (construction operation and maintenance); (b) estimated cost of best alternative; and (c) expected public benefits.

Economic need by Double Eagle to market its share of gas from respective wells and obtain highest prices for product.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyle.

None

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the canal or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, perennial, soil, and soil stability.

None

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

None

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or by-product material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

None Expected

20. Name of the Department(s)/Agency(ies) where this application is being filed

Department of the Interior  
Bureau of Land Management  
Pinedale Field Office

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

*Steve H. Hollis*

Date 10/05/01

This 18 U.S.C. Section 1001 and Title 40 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statement or representation as to any matter within its jurisdiction.

SF-299, page 2

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DOE016-0865

**PLAN OF DEVELOPMENT - PIPELINE RIGHT-OF-WAY  
DOUBLE EAGLE PETROLEUM COMPANY  
Section 21 , 22 and 27  
Township 32 North, Range 109 West  
Sublette County, Wyoming**

**PROJECT:** To construct a 4" natural gas pipeline crossing federal lands approximately 1.5 miles in length in order to connect Wexpro's Mesa #11-16 well into existing gas gathering system of Duke Energy, formerly known as Jonah Gas Gathering.

**Facility Description:**

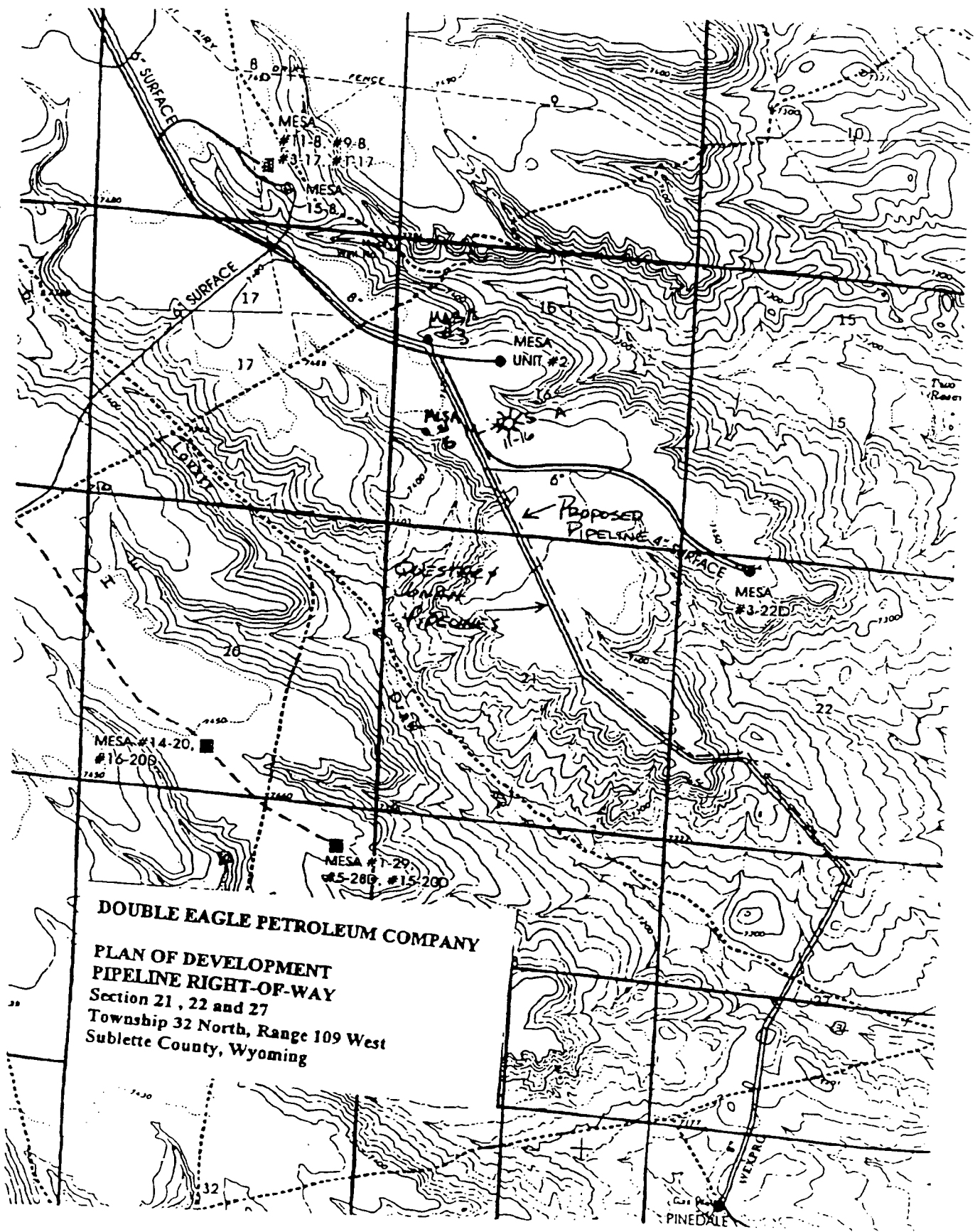
- 1) Purpose and Need for the Right-of-Way Facility:
  - a) Commodity - natural gas from gas well.
  - b) Pipeline is a temporary gathering line.
  - c) Pipeline will be placed on surface during winter 2001-2002 pending installation of a larger pipeline by Duke Energy expected in the summer of 2002.
  - d) There is no required area of disturbance as pipeline will be placed on surface. The surface will not be bladed. Work on installation will be confined to the existing roadway area paralleling the pipeline. Once the pipeline is prepared, it will be placed on the surface manually.
  - e) Pipeline will occupy space adjacent and parallel to existing pipelines operating under right of way #WYW- 79588 across federal lands.
  - f) The entire route of the proposed right of way across federal lands has been the subject of several cultural surveys performed by Jonah Gas Gathering, Mountain Fuel Supply, Ultra Resources and Mountain Gas Resources.
  
- 2) Facility Design Factors:
  - a) Pipeline pressure will be 200-1,000 psi, pipe weight and grade to withstand said pressure with estimated flow rates up to 5 MMCFD.
  - b) Gas is "sweet" gas, no measurable toxic gases are present.
  - c) Soil is clay and sandy clay.
  - d) Pipeline operating temperature 60-80 degrees Fahrenheit.
  
- 3) Additional Components to the Right-of-Way:
  - a) Gathering line from the Mesa #11-16 will connect into existing gathering line owned by Duke Energy, formerly Jonah Gas Gathering in Section 27, Township 32 North, Range 109 West.
  - b) No pumping, compressor or metering facilities will be located on the BLM right of way requested.
  
- 4) A right of way will be obtained from The Wyoming State Land Office on

**11114**

approximately .5 miles of proposed pipeline that cross in Section 16 (T32N-R109W).

- 5) Right-of-Way is located as captioned above and as shown on the attached map, more specifically from the Mesa #11-16 well across State Lands for approximately .5 miles and across BLM lands for approximately 1.5 miles until pipeline connects with said pipeline owned by Duke Energy.
- 6) No other resource values are affected.
- 7) Stabilization and Rehabilitation - recontoured ground will be reseeded, water diversion ditches will be cut on all grades. Pipeline will be left in place upon completion of the project. There will be no unnecessary surface disturbance.
- 8) Operation - no regular vehicle traffic will run on the right-of-way, however, the line will be checked occasionally for leaks. It may be necessary to expose a portion of the line for repairs from time-to-time; if so, the disturbance will be minimized, ground recontoured and reseeded.

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**DOUBLE EAGLE PETROLEUM COMPANY**  
**PLAN OF DEVELOPMENT**  
**PIPELINE RIGHT-OF-WAY**  
 Section 21, 22 and 27  
 Township 32 North, Range 109 West  
 Sublette County, Wyoming

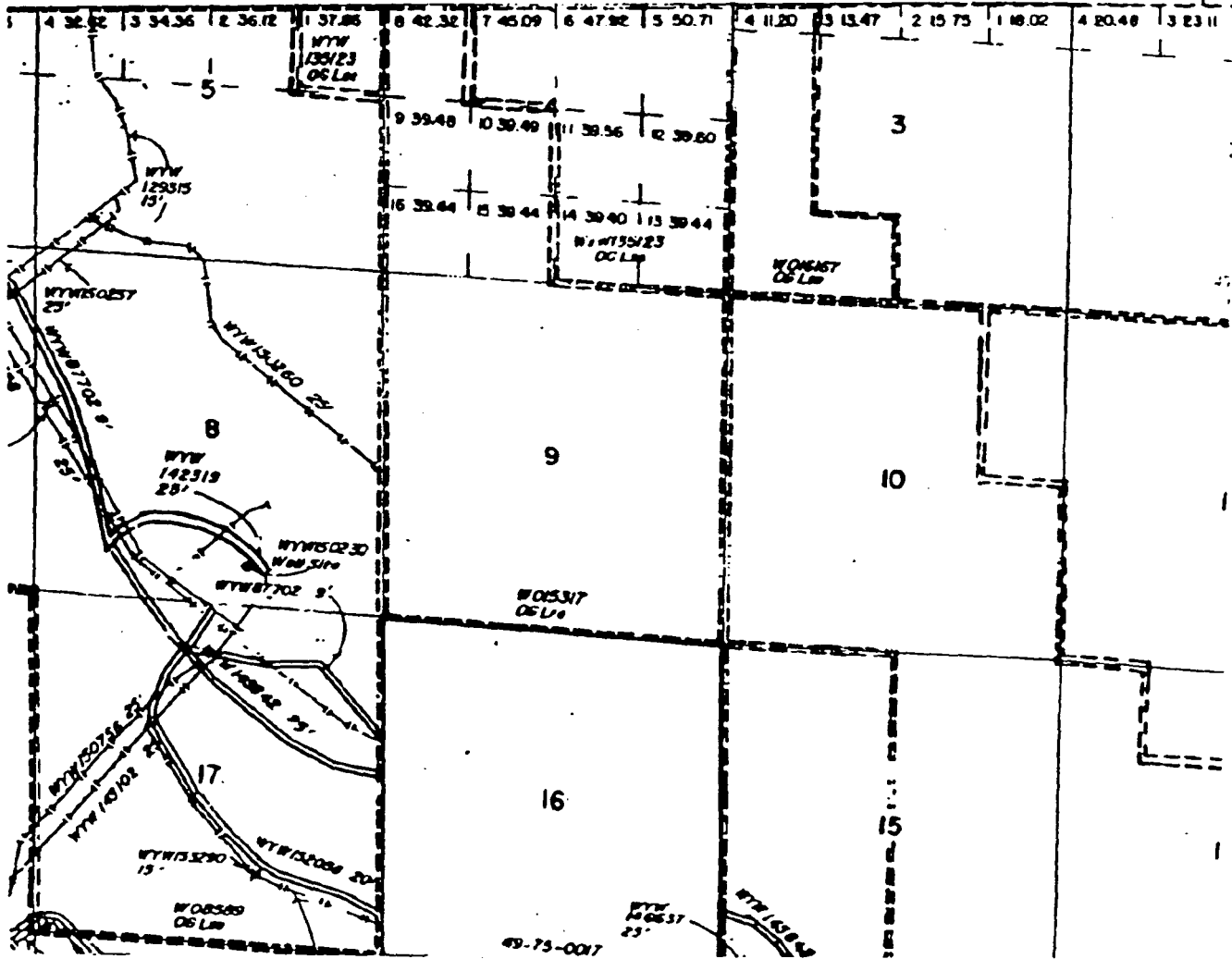
11116

DOE016-0868

TOWNSHIP 32 NORTH RANGE 109 WEST OF THE 6TH P

SUBLETTE COUNTY 035

R. 109 W.  
R. 108 W.



11117

# Attachment B

1118

DOE016-0870



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Pinedale Field Office

P.O. Box 768  
Pinedale, Wyoming 82941-0768

October 25, 2001

2800 (WY100)  
WYW-153987

CERTIFIED MAIL 7000 0520 0021 8232 3869 RETURN RECEIPT REQUESTED

### DECISION

Mr. Steven Degenfelder	:	
Double Eagle Petroleum & Mining Company	:	Application Received
PO Box 766	:	October 9, 2001
Casper, WY 82602	:	

### Application Rejected

Re: Pipeline - Mesa 11-16

On October 9, 2001, you filed right-of-way application, WYW-153987, for a 4 inch temporary surface natural gas pipeline on lands in sections 21 and 22, T. 32 N., R. 109 W., 6<sup>th</sup> Principle Meridian, Wyoming, under the authority of Section 28 of the Mineral Leasing act of 1920, as amended.

It is Bureau of Land Management policy to review natural gas pipeline right-of-way applications with respect to existing pipelines. There are two existing sales pipelines in this area which have the capacity to transport your natural gas. Both of these pipelines have the "common carrier" 30 U.S.C. §185 (r)(1) stipulation placed on them as provided for under Section 28 of the Mineral Leasing Act as amended. A copy of this statute is enclosed for your information.

Since there is already sufficient capacity in existing pipelines to transport your natural gas, it has been determined that allowing this additional pipeline at this time would not be in the public interest and would cause undue and unnecessary degradation to the public lands.

Therefore, right-of-way application WYW-153987, is hereby rejected.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43CFR, Part 4, and the attached Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (request) pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993), 43 CFR 2804.1, or 43 CFR 2884.1, for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named

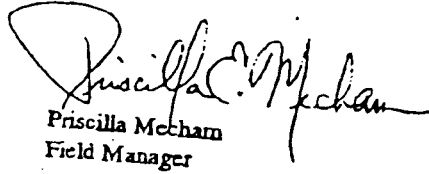
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in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of immediate and irreparable harm if the stay is not granted; and
- (4) Whether the public interest favors granting the stay.

  
 Priscilla Meham  
 Field Manager

Enclosures: 30 U.S.C.  
Form 1842-1



**Sec. 185. Rights-of-way for pipelines through Federal lands**

- (a) **Grant of authority**  
Rights-of-way through any Federal lands may be granted by the Secretary of the Interior or appropriate agency head for pipeline purposes for the transportation of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom to any applicant possessing the qualifications provided in section 181 of this title in accordance with the provisions of this section.
- (b) **Definitions**
  - (1) For the purposes of this section "Federal lands" means all lands owned by the United States except lands in the National Park System, lands held in trust for an Indian or Indian tribe, and lands on the Outer Continental Shelf. A right-of-way through a Federal reservation shall not be granted if the Secretary or agency head determines that it would be inconsistent with the purposes of the reservation.
  - (2) "Secretary" means the Secretary of the Interior.
  - (3) "Agency head" means the head of any Federal department or independent Federal office or agency, other than the Secretary of the Interior, which has jurisdiction over Federal lands.
- (c) **Inter-agency coordination**
  - (1) Where the surface of all of the Federal lands involved in a proposed right-of-way or permit is under the jurisdiction of one Federal agency, the agency head, rather than the Secretary, is authorized to grant or renew the right-of-way or permit for the purposes set forth in this section.
  - (2) Where the surface of the Federal lands involved is administered by the Secretary or by two or more Federal agencies, the Secretary is authorized, after consultation with the agencies involved, to grant or renew rights-of-way or permits through the Federal lands involved. The Secretary may enter into interagency agreements with all other Federal agencies having jurisdiction over Federal lands for the purpose of avoiding duplication, assigning responsibility, expediting review of rights-of-way or permit applications, issuing joint regulations, and assuring a decision based upon a comprehensive review of all factors involved in any right-of-way or permit application. Each agency head shall administer and enforce the provisions of this section, appropriate regulations, and the terms and conditions of rights-of-way or permits insofar as they involve Federal lands under the agency head's jurisdiction.
- (d) **Width limitations**  
The width of a right-of-way shall not exceed fifty feet plus the ground occupied by the pipeline (that is, the pipe and its related facilities) unless the Secretary or agency head finds, and records the reasons for his finding, that in his judgment a wider right-of-way is necessary for operation and maintenance after construction, or to protect the environment or public safety. Related facilities include but are not limited to valves, pump stations, supporting structures, bridges, monitoring and communication devices, surge and storage tanks, terminals, roads, airstrips and campsites and they need not necessarily be connected or contiguous to the pipe and may be the subjects of separate rights-of-way.
- (e) **Temporary permits**  
A right-of-way may be supplemented by such temporary permits for the use of Federal lands in the vicinity of the pipeline as the Secretary or agency head finds are necessary in connection with construction, operation, maintenance, or termination of the pipeline, or to protect the natural

environment or public safety.

- (f) Regulatory authority  
Rights-of-way or permits granted or renewed pursuant to this section shall be subject to regulations promulgated in accord with the provisions of this section and shall be subject to such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, operation, maintenance use and termination.
- (g) Pipeline safety  
The Secretary or agency head shall impose requirements for the operation of the pipeline and related facilities in a manner that will protect the safety of workers and protect the public from sudden ruptures and slow degradation of the pipeline.
- (h) Environmental protection
  - (1) Nothing in this section shall be construed to amend, repeal, modify, or change in any way the requirements of section 102(2)(C) (42 U.S.C. 4332(2)(C)) or any other provision of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).
  - (2) The Secretary or agency head, prior to granting a right-of-way or permit pursuant to this section for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation for such right-of-way or permit which shall comply with this section. The Secretary or agency head shall issue regulations or impose stipulations which shall include, but shall not be limited to: (A) requirements for restoration, revegetation, and curtailment of erosion of the surface of the land; (B) requirements to insure that activities in connection with the right-of-way or permit will not violate applicable air and water quality standards nor related facility siting standards established by or pursuant to law; (C) requirements designed to control or prevent (i) damage to the environment (including damage to fish and wildlife habitat), (ii) damage to public or private property, and (iii) hazards to public health and safety; and (D) requirements to protect the interests of individuals living in the general area of the right-of-way or permit who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be applicable to every right-of-way or permit granted pursuant to this section, and may be made applicable by the Secretary or agency head to existing rights-of-way or permits, or rights-of-way or permits to be renewed pursuant to this section.
- (i) Disclosure  
If the applicant is a partnership, corporation, association, or other business entity, the Secretary or agency head shall require the applicant to disclose the identity of the participants in the entity. Such disclosure shall include where applicable (1) the name and address of each partner, (2) the name and address of each shareholder owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote, and (3) the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.
  - (j) Technical and financial capability  
The Secretary or agency head shall grant or renew a right-of-way or permit under this section only when he is satisfied that the applicant has the technical and financial capability to construct, operate, maintain, and terminate the project for which the right-of-way or permit is requested in accordance with the requirements of this section.

- (k) Public hearings  
The Secretary or agency head by regulation shall establish procedures, including public hearings where appropriate, to give Federal, State, and local government agencies and the public adequate notice and an opportunity to comment upon right-of-way applications filed after the date of enactment of this subsection.
- (l) Reimbursement of costs  
The applicant for a right-of-way or permit shall reimburse the United States for administrative and other costs incurred in processing the application, and the holder of a right-of-way or permit shall reimburse the United States for the costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities on such right-of-way or permit area and shall pay annually in advance the fair market rental value of the right-of-way or permit, as determined by the Secretary or agency head.
- (m) Bonding  
Where he deems it appropriate the Secretary or agency head may require a holder of a right-of-way or permit to furnish a bond, or other security, satisfactory to the Secretary or agency head to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or permit or by any rule or regulation of the Secretary or agency head.
- (n) Duration of grant  
Each right-of-way or permit granted or renewed pursuant to this section shall be limited to a reasonable term in light of all circumstances concerning the project, but in no event more than thirty years. In determining the duration of a right-of-way the Secretary or agency head shall, among other things, take into consideration the cost of the facility; its useful life, and any public purpose it serves. The Secretary or agency head shall renew any right-of-way, in accordance with the provisions of this section, so long as the project is in commercial operation and is operated and maintained in accordance with all of the provisions of this section.
- (o) Suspension or termination of right-of-way
  - (1) Abandonment of a right-of-way or noncompliance with any provision of this section may be grounds for suspension or termination of the right-of-way if (A) after due notice to the holder of the right-of-way, (B) a reasonable opportunity to comply with this section, and (C) an appropriate administrative proceeding pursuant to section 554 of title 5, the Secretary or agency head determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provides that it terminates on the occurrence of a fixed or agreed upon condition, event, or time.
  - (2) If the Secretary or agency head determines that an immediate temporary suspension of activities within a right-of-way or permit area is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding.
  - (3) Deliberate failure of the holder to use the right-of-way for the purpose for which it was granted or renewed for any continuous two-year period shall constitute a rebuttable presumption of abandonment of the right-of-way: Provided, That where the failure to use the right-of-way is due to circumstances not within the holder's control the Secretary or agency head is not required to commence proceedings to suspend or terminate the right-of-way.
- (p) Joint use of rights-of-way  
In order to minimize adverse environmental impacts and the proliferation of separate rights-of-way across Federal lands, the utilization of rights-of-way in common shall be required to the extent practical, and each right-of-way or permit shall reserve to the Secretary or agency head the right to grant additional rights-of-way or permits for compatible uses on or

adjacent to rights-of-way or permit area granted pursuant to this section.

◦ (q) Statutes

No rights-of-way for the purposes provided for in this section shall be granted or renewed across Federal lands except under and subject to the provisions, limitations, and conditions of this section. Any application for a right-of-way filed under any other law prior to the effective date of this provision may, at the applicant's option, be considered as an application under this section. The Secretary or agency head may require the applicant to submit any additional information he deems necessary to comply with the requirements of this section.

◦ (r) Common carriers

- (1) Pipelines and related facilities authorized under this section shall be constructed, operated, and maintained as common carriers.

- (2)

- (A) The owners or operators of pipelines subject to this section shall accept, convey, transport, or purchase without discrimination all oil or gas delivered to the pipeline without regard to whether such oil or gas was produced on Federal or non-Federal lands.

- (B) In the case of oil or gas produced from Federal lands or from the resources on the Federal lands in the vicinity of the pipeline, the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine the proportionate amounts to be accepted, conveyed, transported or purchased.

- (3)

- (A) The common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act (15 U.S.C. 717 et seq.) or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.

- (B) Where natural gas not subject to State regulatory or conservation laws governing its purchase by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline.

- (4) The Government shall in express terms reserve and shall provide in every lease of oil lands under this chapter that the lessee, assignee, or beneficiary, if owner or operator of a controlling interest in any pipeline or of any company operating the pipeline which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government or of any citizen or company not the owner of any pipeline operating a lease or purchasing gas or oil under the provisions of this chapter.

- (5) Whenever the Secretary has reason to believe that any owner or operator subject to this section is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, he may request the Attorney General to prosecute an appropriate proceeding before the Secretary of Energy or Federal Energy Regulatory Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefor, or the Secretary may, by proceeding as provided in this section, suspend or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

- (6) The Secretary or agency head shall require, prior to granting or renewing a right-of-way, that the applicant submit and disclose all plans, contracts, agreements, or other information or material which he deems necessary to determine whether a

right-of-way shall be granted or renewed and the terms and conditions which should be included in the right-of-way. Such information may include, but is not limited to: (A) conditions for, and agreements among owners or operators, regarding the addition of pumping facilities, looping, or otherwise increasing the pipeline or terminal's throughput capacity in response to actual or anticipated increases in demand;

■ (B) conditions for adding or abandoning intake, offtake, or storage points or facilities; and (C) minimum shipment or purchase tenders.

◦ (s) Exports of Alaskan North Slope oil

■ (1) Subject to paragraphs (2) through (6) of this subsection and notwithstanding any other provision of this chapter or any other provision of law (including any regulation) applicable to the export of oil transported by pipeline over right-of-way granted pursuant to section 1652 of title 43, such oil may be exported unless the President finds that exportation of this oil is not in the national interest. The President shall make his national interest determination within five months of November 28, 1995. In evaluating whether exports of this oil are in the national interest, the President shall at a minimum consider -

■ (A) whether exports of this oil would diminish the total quantity or quality of petroleum available to the United States;

■ (B) the results of an appropriate environmental review, including consideration of appropriate measures to mitigate any potential adverse effects of exports of this oil on the environment, which shall be completed within four months of November 28, 1995; and

(C) whether exports of this oil are likely to cause sustained material oil supply shortages or sustained oil prices significantly above world market levels that would cause sustained material adverse employment effects in the United States or that would cause substantial harm to consumers, including noncontiguous States and Pacific territories. If the President determines that exports of this oil are in the national interest, he may impose such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that such exports are consistent with the national interest.

■ (2) Except in the case of oil exported to a country with which the United States entered into a bilateral international oil supply agreement before November 26, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, any oil transported by pipeline over right-of-way granted pursuant to section 1652 of title 43 shall, when exported, be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 802 of title 46, Appendix).

■ (3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), or Part B of title II of the Energy Policy and Conservation Act (42 U.S.C. 6271-76) to prohibit exports.

■ (4) The Secretary of Commerce shall issue any rules necessary for implementation of the President's national interest determination, including any licensing requirements and conditions, within 30 days of the date of such determination by the President. The Secretary of Commerce shall consult with the Secretary of Energy in administering the provisions of this subsection.

■ (5) If the Secretary of Commerce finds that exporting oil under authority of this subsection has caused sustained material oil supply shortages or sustained oil prices

significantly above world market levels and further finds that these supply shortages or price increases have caused or are likely to cause sustained material adverse employment effects in the United States, the Secretary of Commerce, in consultation with the Secretary of Energy, shall recommend, and the President may take, appropriate action concerning exports of this oil, which may include modifying or revoking authority to export such oil.

- (6) Administrative action under this subsection is not subject to sections 551 and 553 through 559 of title 5.

- (t) Existing rights-of-way

The Secretary or agency head may ratify and confirm any right-of-way or permit for an oil or gas pipeline or related facility that was granted under any provision of law before the effective date of this subsection, if it is modified by mutual agreement to comply to the extent practical with the provisions of this section. Any action taken by the Secretary or agency head pursuant to this subsection shall not be considered a major Federal action requiring a detailed statement pursuant to section 102(2)(C) (42 U.S.C. 4332(2)(C)) of the National Environmental Policy Act of 1970 (Public Law 90-190; 42 U.S.C. 4321).

- (u) Limitations on export

Any domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to this section, except such crude oil which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1979 the President must make and publish an express finding that such exports will not diminish the total quantity or quality of petroleum available to the United States, and are in the national interest and are in accord with the provisions of the Export Administration Act of 1979: Provided, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

- (v) State standards

The Secretary or agency head shall take into consideration and to the extent practical comply with State standards for right-of-way construction, operation, and maintenance.

- (w) Reports

- (1) The Secretary and other appropriate agency heads shall report to the Committee on Natural Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate annually on the administration of this section and on the safety and environmental requirements imposed pursuant thereto.
- (2) The Secretary or agency head shall promptly notify the Committee on Natural Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate upon receipt of an application for a right-of-way for a pipeline twenty-four inches or more in diameter, and no right-of-way for such a pipeline shall be granted until a notice of

intention to grant the right-of-way, together with the Secretary's or agency head's detailed findings as to the terms and conditions he proposes to impose, has been submitted to such committees.

- (3) Periodically, but at least once a year, the Secretary of the Department of Transportation shall cause the examination of all pipelines and associated facilities on Federal lands and shall cause the prompt reporting of any potential leaks or safety problems.
- (x) Liability
  - (1) The Secretary or agency head shall promulgate regulations and may impose stipulations specifying the extent to which holders of rights-of-way and permits under this chapter shall be liable to the United States for damage or injury incurred by the United States in connection with the right-of-way or permit. Where the right-of-way or permit involves lands which are under the exclusive jurisdiction of the Federal Government, the Secretary or agency head shall promulgate regulations specifying the extent to which holders shall be liable to third parties for injuries incurred in connection with the right-of-way or permit.
  - (2) The Secretary or agency head may, by regulation or stipulation, impose a standard of strict liability to govern activities taking place on a right-of-way or permit area which the Secretary or agency head determines, in his discretion, to present a foreseeable hazard or risk of danger to the United States.
  - (3) Regulations and stipulations pursuant to this subsection shall not impose strict liability for damage or injury resulting from (A) an act of war, or (B) negligence of the United States.
  - (4) Any regulation or stipulation imposing liability without fault shall include a maximum limitation on damages commensurate with the foreseeable risks or hazards presented. Any liability for damage or injury in excess of this amount shall be determined by ordinary rules of negligence.
  - (5) The regulations and stipulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liability, damage, or claims arising in connection with the right-of-way or permit.
  - (6) Any regulation or stipulation promulgated or imposed pursuant to this section shall provide that all owners of any interest in, and all affiliates or subsidiaries of any holder of, a right-of-way or permit shall be liable to the United States in the event that a claim for damage or injury cannot be collected from the holder.
  - (7) In any case where liability without fault is imposed pursuant to this subsection and the damages involved were caused by the negligence of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.
- (y) Antitrust laws

The grant of a right-of-way or permit pursuant to this section shall grant no immunity from the operation of the Federal antitrust laws.

# Attachment C





FEB. 15. 2002 1:16PM CITY OF SANTA CLARA 408 241 6771

NO. 178 P. 1

2002-003134 2/15 P 4:22

**FAX TRANSMITTAL**  
**From City of Santa Clara**  
**1500 Warburton Avenue**  
**Santa Clara, CA 95050**

**Date:** February 15, 2002  
**To:** The Honorable Spencer Abraham **FAX: 202/586-4403**  
**From:** Mayor Judy Nadler, City of Santa Clara  
**Re:** DOE Electricity Advisory Board Recommendation

**Total Pages sent, including cover: 4**

**If you have trouble receiving this transmittal, please call Jashma Kadam at (408) 615-2250**

**11130**

DOE016-0882



THE CITY OF SANTA CLARA  
CALIFORNIA

OFFICE OF THE  
MAYOR

CITY HALL  
1500 WARBURTON AVE.  
SANTA CLARA, CA 95050  
(408) 613-2250  
FAX (408) 241-6771

February 7, 2002

The Honorable Spencer Abraham  
Secretary of Energy  
1000 Independence Avenue, WS  
Washington, D.C. 20585

Dear Mr. Abraham:

On behalf of the member communities of the Northern California Power Agency (NCPA)<sup>1</sup>, I am requesting your assistance in ensuring that the membership of the newly created Department of Energy (DOE) Electricity Advisory Board is made to be more appropriately balanced through the addition of a California electricity industry representative.

NCPA is pleased to know of your efforts to establish the Electricity Advisory Board. It is our hope that this now established federally chartered board will provide substantive, first-hand advice on the very challenging issues facing the electricity industry and its consumers today. It is also important that the Board include broad spectrum of stakeholders that can advise the Department from a diversity of perspectives.

We are concerned, however, that the board as named does not currently have utility industry representation from the State of California. NCPA firmly believes the Department of Energy can learn immensely from the impacts and results of California's electricity market - no future policy direction should be determined without taking into account the unfortunate lessons learned in our State. Our

<sup>1</sup> NCPA is a nonprofit California joint powers agency established in 1968 to generate, transmit, and distribute electric power to and on behalf of its fourteen members: cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, the Port of Oakland, the Truckee Donner Public Utility District, and the Turlock Irrigation District; and seven associate members: cities of Davis, Santa Barbara, ABAG Power, Bay Area Rapid Transit District, Lassen Municipal Utility District, Placer County Water Agency, and the Plumas-Sierra Electric Cooperative serving nearly 700,000 electric consumers in central and northern California.

11131

The Honorable Spencer Abraham,  
February 7, 2002  
Page 2

electricity customers as well as our overall economy has been dramatically impacted by our experience with deregulation – hard-learned lessons that should not be neglected as we contemplate future energy policies.

In addition, while the list of 42 stakeholders on the board includes several representatives from other sectors of the industry – only one public power system has been selected to serve on the panel. As public power systems serve one out of every seven electricity customers in the United States (and 30% of California's electricity customers), it is important that the stakeholder board becomes more balanced with regard to our sector of the industry. In many cases, public power served as an island of stability in the state during the electricity crisis. As such, we believe the Department can learn from our experience in northern and central California.

Toward that end, we ask that you consider adding Mr. James Pope to DOE's Electricity Advisory Board. Mr. Pope is the Director of the City's Electric Utility, Silicon Valley Power, a non-profit public power electricity provider in Santa Clara, California. The naming of Mr. Pope would bring much-needed perspective based upon our state's recent experiences with electricity deregulation, while ensuring more equity through the addition of a public power participant.

Mr. Jim Pope has considerable depth of experience in both the private and public power communities. He worked for 28 years in the private power sector, including a position as Senior Vice-President at Pacific Gas and Electric. He now serves as Director of Silicon Valley Power, a position he has held for 5 years.

Furthermore, his work for Silicon Valley Power would enable him to bring unique insights to the Advisory Board. Silicon Valley Power is a large and sophisticated public power system, with 85% of its revenue coming from large industrial consumers. The majority of its industrial load serves high-tech consumers, one of which serves as a base for 40% of global Internet applications. His work with such customers, while being a prominent member of the public power community in California, would serve our state's interests well.


His service on the Advisory Board would continue his longstanding work with the Department to advance development of Path 15, which is listed as a key priority of the President's Energy Task Force Report. Mr. Jim Pope continues to be a key leader on this issue for the Department and is working closely with DOE staff on finding innovative ways to resolve the Path 15 transmission problem.

11132

The Honorable Spencer Abraham  
February 7, 2002  
Page 3

We hope that you agree that Mr. Jim Pope would serve DOE well in this regard.  
Thank you for your consideration.

Sincerely,



Judy Nadler  
Mayor  
City of Santa Clara

cc: City Manager

11133

212  
**Kelliher, Joseph**

---

**From:** Anderson, Margot  
**Sent:** Tuesday, April 03, 2001 12:02 PM  
**To:** Kelliher, Joseph  
**Subject:** FW: Reformatted Chapters

Joe.

margot

-----Original Message-----

**From:** Anderson, Margot  
**Sent:** Tuesday, April 03, 2001 9:28 AM  
**To:** 'Charles M. Smith@ovp.eop.gov&internet'  
**Subject:** RE: Reformatted Chapters

Charlie,

-----Original Message-----

**From:** Charles M. Smith@ovp.eop.gov&internet  
[mailto:Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Tuesday, April 03, 2001 9:18 AM  
**To:** Anderson, Margot  
**Subject:** RE: Reformatted Chapters

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

214

**Kelliher, Joseph**

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**From:** Anderson, Margot  
**Sent:** Monday, April 16, 2001 9:07 AM  
**To:** Kelliher, Joseph  
**Subject:** RE: chapter 8 [Virus checked]

Joe,

Margot

-----Original Message-----  
**From:** Kelliher, Joseph  
**Sent:** Monday, April 16, 2001 8:53 AM  
**To:** Anderson, Margot  
**Subject:** RE: chapter 8 [Virus checked]

Sure, anytime. No meetings, but don't know when SI will be in and I have to talk with him about some things.

-----Original Message-----  
**From:** Anderson, Margot  
**Sent:** Friday, April 13, 2001 4:36 PM  
**To:** Braitsch, Jay; Carter, Douglas  
**Cc:** Kelliher, Joseph  
**Subject:** FW: chapter 8 [Virus checked]

Jay and Doug,

-----Original Message-----  
**From:** William\_Bettenberg@ios.doi.gov [mailto:William\_Bettenberg@ios.doi.gov]  
**Sent:** Friday, April 13, 2001 11:22 AM  
**To:** Anderson, Margot  
**Cc:** Charles\_M\_Smith@ovp.eop.gov [mailto:Charles\_M\_Smith@ovp.eop.gov]  
**Subject:** Re: chapter 8 [Virus checked]

Bill

----- Forwarded by William Bettenberg/PPA/OS/DOJ on 04/13/2001 11:10 AM -----

Deborah

25

**Kelliher, Joseph**

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**From:** Anderson, Margot  
**Sent:** Wednesday, April 25, 2001 12:18 PM  
**To:** Kelliher, Joseph  
**Cc:** Charles Smith (E-mail)  
**Subject:** chapter 1 comments

Inc

I am trying to make a COB (Wednesday) deadline. Let me know who you want to proceed.

Margot



216

**Kelliher, Joseph**

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**From:** Anderson, Margot  
**Sent:** Friday, April 20, 2001 5:37 PM  
**To:** Zimmerman, MaryBeth; Carter, Douglas; Braitsch, Jay; Melchert, Elena; Cook, Trevor; 'jkstier@bpa.gov'; Conti, John; Friedrichs, Mark; Breed, William; Whatley, Michael; Scalingi, Paula; Kelliher, Joseph  
**Cc:** Haspel, Abe; Kripowicz, Robert; Magwood, William; PETTIS, LARRY  
**Subject:** Important: NEP Status Report.

All,

11137

DOE016-0889

21 /  
**Williams, Ronald L**

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**From:** Kelliher, Joseph  
**Sent:** Monday, February 26, 2001 1:28 PM  
**To:** Anderson, Margot  
**Subject:** RE: electricity and gas graphics

—Original Message—

**From:** Anderson, Margot  
**Sent:** Monday, February 26, 2001 1:24 PM  
**To:** 'Robert\_C.\_McNally@OPD.EOP.gov'  
**Cc:** Kelliher, Joseph  
**Subject:** electricity and gas graphics

Robert,

11138

DOE016-0890

From: Schmidt.Lorie@epamail.epa.gov%intèrnet  
[mailto:Schmidt.Lorie@epamail.epa.gov]  
Sent: Monday, February 12, 2001 3:16 PM  
To: Kelliher, Joseph; dina.ellis@do.treas.gov%internet  
Cc: Andrew\_D\_Lundquist@OVP.EOP.Gov%internet;  
Karen\_Y\_Knutson@OVP.EOP.Gov%internet  
Subject: NEPD Outlines

Here are EPA's suggestions for the outlines being prepared:

Thanks!

Williams, Ronald L

---

**From:** Charles\_M.\_Smith@ovp.eop.gov%internet [Charles\_M.\_Smith@ovp.eop.gov]  
**Sent:** Tuesday, February 27, 2001 10:30 AM  
**To:** Anderson, Margot  
**Subject:** graphics

Margot:

Give me a call on this, if you would.

Thanks

Charlie

—Original Message—

From: Schmidt.Lorie@epamail.epa.gov%internet  
[mailto:Schmidt.Lorie@epamail.epa.gov]  
Sent: Monday, February 12, 2001 3:16 PM  
To: Kelliher, Joseph; dina.ellis@do.treas.gov%internet  
Cc: Andrew\_D.\_Lundquist@OVP.EOP.Gov%internet;  
Karen\_Y.\_Knutson@OVP.EOP.Gov%internet  
Subject: NEPD Outlines

Here are EPA's suggestions for the outlines being prepared:

I'm not sure whether this is enough information to be helpful to you. If you have questions, please call me at 564-1681.

Thanks!

Williams, Ronald L

---

**From:** Charles\_M\_Smith@ovp.eop.gov%internet [Charles\_M\_Smith@ovp.eop.gov]  
**Sent:** Tuesday, February 27, 2001 1:44 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; Tom\_Fulton@iosiscns1.ios.doi.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; William\_Bettenberg@IOS.DOI.gov%internet; Tom\_Fulton@IOS.DOI.gov%internet; mleblanc@ceq.eop.gov%internet; jhowardj@ceq.eop.gov%internet  
**Cc:** Andrew\_D\_Lundquist@ovp.eop.gov%internet; Karen\_Y\_Knutson@ovp.eop.gov%internet; Charles\_D\_McGrath\_Jr@ovp.eop.gov%internet; Robert\_C\_McNally@opd.eop.gov%internet; John\_Fenzel@oa.eop.gov%internet; Kjersten\_Drager@ovp.eop.gov%internet  
**Subject:** DOE Comments on



DOE comments chapter  
9.doc



DOE comments chapter  
10.doc



DOE comments chapter  
5.doc



DOE comments chapter  
4.doc

Attached are DOE's

Williams, Ronald L

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**From:** MaryBeth Zimmerman  
**Sent:** Tuesday, February 13, 2001 2:17 PM  
**To:** Anderson, Margot  
**Cc:** Haspel, Abe  
**Subject:** RE: Revised Draft outline on short term supplies

**Importance:** High

Sorry, just got, but without the attachment. Can you please forward? Thanks, Mary Beth



Margot Anderson@HQMAIL on 02/13/2001 01:33:45 PM

To: Abe Haspel/EE/DOE@DOE@HQMAIL, MaryBeth Zimmerman/EE/DOE@DOE@HQMAIL, William Breed@HQMAIL, John Conti@HQMAIL, Tracy Terry@HQMAIL, Robert Porter@HQMAIL, Robert Kripowicz@HQMAIL, LARRY PETTIS@HQMAIL, BILL SKINNER@HQMAIL

cc:

Subject: RE: Revised Draft outline on short term supplies

-----Original Message-----

From: Anderson, Margot  
Sent: Tuesday, February 13, 2001 1:26 PM  
To: Breed, William; Conti, John; Terry, Tracy; PETTIS, LARRY; SKINNER, BILL; Porter, Robert; Kripowicz, Robert  
Subject: FW: Revised Draft outline on short term supplies

All,

-----Original Message-----

From: Kelliher, Joseph  
Sent: Tuesday, February 13, 2001 1:05 PM  
To: Anderson, Margot  
Subject: FW: Draft outline

11160

DOE016-0912

-----Original Message-----

From: Karen\_Y.\_Knutson@ovp.eop.gov%internet  
[mailto:Karen\_Y.\_Knutson@ovp.eop.gov]  
Sent: Tuesday, February 13, 2001 12:53 PM  
To: Kelliher, Joseph; Bruce.Baughman@FEMA.gov%internet;  
Beale.John@EPA.gov%internet; Brenner.Rob@EPA.gov%internet;  
Keith.Collins@USDA.gov%internet; Dina.Ellis@do.treas.gov%internet;  
John.Fenzel@ovp.eop.gov%internet;  
Tom.Fulton@iosiscns1.ios.DOI.gov%internet;  
Galloglysj@State.gov%internet; Joseph.Glauber@USDA.gov%internet;  
Karen\_Y.\_Knutson@ovp.eop.gov%internet;  
Andrew\_D.\_Lundquist@ovp.eop.gov%internet; McManusmt@State.gov%internet;  
Robert\_C.\_McNally@opd.eop.gov%internet; KMurphy@0sec.doc.gov%internet;  
MPeacock@omb.eop.gov%internet; Michelle.Poche@OST.DOT.gov%internet;  
Patricia.Stahlschmidt@FEMA.gov%internet; Symons.Jeremy@EPA.gov%internet;  
Sue\_Ellen\_Wooldridge@IOS.DOI.gov%internet  
Subject: Draft outline

(See attached file: Draft outline.doc)

Attached is the draft outline.

Karen



22

**Williams, Ronald L**

---

**From:** PETTIS, LARRY  
**Sent:** Tuesday, February 13, 2001 5:21 PM  
**To:** Anderson, Margot  
**Subject:** RE: Revised Draft outline on short term supplies

Section 1, 2. Crude Oil, 3rd bullet - Change "Oil imports" to "Oil Demand".

—Original Message—

**From:** Margot Anderson\_at\_HQ-EXCH at X400PO  
**Sent:** Tuesday, February 13, 2001 1:25 PM  
**To:** Pettis, Larry; Skinner, Bill; William Breed\_at\_HQ-EXCH at X400PO;  
John Conti\_at\_HQ-EXCH at X400PO; Tracy Terry\_at\_HQ-EXCH at X400PO;  
Robert Porter\_at\_HQ-EXCH at X400PO; Robert Kripowicz\_at\_HQ-EXCH at  
X400PO  
**Subject:** FW: Revised Draft outline on short term supplies

All,

—Original Message—

**From:** Kelliher, Joseph  
**Sent:** Tuesday, February 13, 2001 1:05 PM  
**To:** Anderson, Margot  
**Subject:** FW: Draft outline

—Original Message—

**From:** Karen\_Y\_Knutson@ovp.eop.gov%internet  
[mailto:Karen\_Y\_Knutson@ovp.eop.gov]  
**Sent:** Tuesday, February 13, 2001 12:53 PM  
**To:** Kelliher, Joseph; Bruce.Baughman@FEMA.gov%internet;  
Beale.John@EPA.gov%internet; Brenner.Rob@EPA.gov%internet;  
Keith.Collins@USDA.gov%internet; Dina.Ellis@do.treas.gov%internet;  
John\_Fenzel@ovp.eop.gov%internet;  
Tom\_Fulton@iosiscns1.ios.DOI.gov%internet;  
Galloglysj@State.gov%internet; Joseph.Glauber@USDA.gov%internet;  
Karen\_Y\_Knutson@ovp.eop.gov%internet;  
Andrew\_D\_Lundquist@ovp.eop.gov%internet; McManusmt@State.gov%internet;  
Robert\_C\_McNally@opd.eop.gov%internet; KMurphy@Osec.doc.gov%internet;  
MPeacock@omb.eop.gov%internet; Michelle.Poche@OST.DOT.gov%internet;  
Patricia.Stahlschmidt@FEMA.gov%internet; Symons.Jeremy@EPA.gov%internet;  
Sue\_Ellen\_Wooldridge@IOS.DOI.gov%internet  
**Subject:** Draft outline

(See attached file: Draft outline.doc)

Attached is the draft outline.

Karen