



**JANE DEE HULL**  
GOVERNOR  
STATE OF ARIZONA

2001-006411 Mar 9 A7:16

March 7, 2001

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

Dear Vice President Cheney:

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

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

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

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

1700 WEST WASHINGTON, PHOENIX, ARIZONA 85007  
(602) 542-4331 • FAX (602) 542-7601 • WWW.GOVERNOR.STATE.AZ.US

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The Honorable Dick Cheney  
March 7, 2001  
Page Two

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

Sincerely,



JANE DEE HULL  
Governor

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

enclosure

27803

# Federal energy fund faces summer shortfall

By Judd Slivka  
The Arizona Republic

Talk about a fish story.

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

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

"If it's a dry, hot summer, it could be really bad," said Dave Sabo, manager of the federal government's Colo-

rado River Storage Project, which is part of the Western Area Power Administration.

The administration brokers federally produced energy in the West.

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

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

The situation highlights a defining struggle going on in the boom West: Trade-offs are everything. More power

See FEDERAL | Page A2

27804

# FEDERAL | Energy fund faces shortfall

From Page A1

can be generated, but at the cost of resources. More species can be restored, too, but at the cost of production.

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

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

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

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

## The problem trail

Next summer's problems started back in 2000.

Hydrologically, the past few years have been terrible for water flowing into Lake Powell. Add in California's deregulation, a scorcher of a

summer and nearly a decade of high growth, and the stage was set for a Western-size tragicomedy.

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

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

## Cold water

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

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

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

"With the low flows, we hoped to have slow water that is warmer and allow greater survival of the young, so we could get a greater recruitment of fish that could sur-

vive the first year so they can become spawners," said Jeff Humphrey, a spokesman for the U.S. Fish and Wildlife Service.

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

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

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

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

## The money drain

At the beginning of last summer, electricity was selling for about \$30 a megawatt-hour. By the end of the

summer, it was near \$300 a megawatt-hour, and the administration was paying \$12 million a month to buy needed energy when only \$6 million had been budgeted for the entire year.

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

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

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

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

The account now stands at about \$38 million.

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

Reach the reporter at  
judd.s@vtc@arizona  
republic.com or (602) 444-8097.

TOTAL P.05

27805

# America needs workable energy policy

By William T. McCormick Jr.

The electricity crisis in California and the serious emerging national problem with natural gas prices and supplies are dramatic indications of the lack of a coherent U.S. energy policy for the past decade. In fact, while the economy has been expanding its energy use steadily since the early 1990s, our nation's energy supplies and the reliability of those supplies have become increasingly inadequate.

Some worrisome examples include:

U.S. oil production has steadily declined, and imports of foreign oil have risen from 8 million barrels per day in 1990 to 11 million barrels per day or to 57 percent of total U.S. oil consumption — the highest ever. Oil prices have risen to more than \$30 per barrel.

Electricity capacity reserve margins in most areas of the nation have declined sharply and, on a national average basis, have declined to 8 percent from 21 percent since 1990. Prices have risen and overall electric system reliability has fallen during this period.

Natural gas prices reached all-time highs in December of more than \$9 per thousand cubic feet, reflecting the increasing tightness of supply relative to demand. Many homeowners and businesses will see 100-percent increases in their bills this winter.

The reasons for the deteriorating energy supply situation are varied and longstanding. Most are related to governmental policies and overly restrictive environmental and other regulations that have discouraged developing increased energy supplies and transportation infrastructure or have created an uncertain or uneconomic investment climate.

First, in the case of oil and gas drilling, many state and federal lands that have potentially large oil and gas reserves have been excluded from development.

Second, while state and federal regulators during the past five years have been formulating and implementing various schemes that seek greater competition for

**27806**

utilities, the attendant uncertainty in the investment climate for new power plants by both utility and non-utility investors has resulted in very few new plants being built.

Third, because of the opposition by environmentalists and local groups to new electric transmission lines, and the fact that there are no siting laws preventing unreasonable local delays, new interstate electric transmission lines have been virtually impossible to site and build.

Finally, it has been impossible to build any new plants other than natural gas power plants, which are becoming more expensive to operate because of rising natural gas fuel prices. Contributing to this situation has been a lack of federal action on nuclear waste legislation, onerous environmental regulation of coal power plants despite emissions reductions of 30 percent since 1970 and opposition to new hydroelectric plants.

To meet the growing demand for electric power, 20,000 to 25,000 megawatts of new generating capacity must be added each year for the next 10 to 15 years (current U.S. capacity equals around 700,000 megawatts).

To avoid a major shortfall in U.S. electric supply, several urgent measures are required:

Regulators have been focusing on electric industry restructuring including some form of regional transmission organizations (RTOs) that would operate transmission lines as a common carrier. RTOs would be inherently less efficient than investor-controlled transmission and would have little incentive to provide new transmission capacity. The same approach that has worked for natural gas transmission, that is, to require owners to provide equal and open access under regulated tariffs providing an adequate rate of return, should be adopted.

Federal policy discourages new electric transmission projects by setting artificially low rates of return for new investment. Either the Federal Energy Regulatory Commission (FERC) must set realistic rates, or it must let financial markets determine how investors assess the risk of building additional lines.

**27807**

Congress should give the FERC the power of eminent domain to expedite construction of new interstate electric transmission lines, similar to its existing authority for natural gas pipelines.

Tax incentives should be used to encourage investment in clean coal technologies, and the Environmental Protection Agency should be prevented from closing existing coal-fired electric plants, which provide 55 percent of all U.S. electricity, or preventing the construction of new ones.

Nuclear waste disposal legislation should be enacted and signed into law to resolve this major uncertainty affecting nuclear power.

With respect to enhancing domestic oil and gas supplies:

Federal and state lands with large potential reserves of oil and gas should be opened to drilling under strict environmental guidelines.

Federal royalties should be slashed to encourage drilling.

New oil and gas infrastructure, including pipeline and refineries, should be approved expeditiously.

If the country is to return to a situation of adequate and secure domestic energy, a national energy policy needs to be implemented that puts enhancing gas, oil and electric supplies back as the nation's No. 1 energy priority.

*William T. McCormick Jr. is chairman and chief executive of CMS Energy Corp. and chairman of its principal subsidiary, Consumers Energy, Michigan's largest utility and America's fourth largest combination gas and electric utility. Write letters to 615 W. Lafayette, Detroit, Mich. 48226, or fax them to (313) 222-6417 or send e-mail to [letters@detnews.com](mailto:letters@detnews.com).*

**27808**

# American Association of Petroleum Geologists

An International Geological Organization



MARLAN W. DOWNEY  
President

2001-007403 Mar 19 p 12:05

March 9, 2001

Mr. Spencer Abraham  
Energy Secretary  
United States Department of Energy  
1000 Independence Avenue, S.W.  
Building FORS, Mail Stop 7E-079  
Washington, DC 20585

Dear Mr. Abraham:

I invite you to attend the American Association of Petroleum Geologists (AAPG) President's Conference on National Issues: a Summit on U.S. Energy Policy. This is a one-day meeting in Washington, D.C., that is by invitation only. It has been planned and scheduled because of the current efforts to define such a policy occurring within the Administration and on Capitol Hill. The AAPG believes now is the time scientific input can genuinely impact energy policy discussion. To that end the AAPG, in cooperation with other scientific and professional societies, representing nearly 100,000 US professional energy scientists and other resource specialists, has scheduled this meeting on Monday, April 23<sup>rd</sup> at the Army & Navy Club<sup>1</sup> on Farragut Square.

The summit will address the rationale, necessary elements, and the structure for an energy strategy that can bring about a national energy policy that truly meets the nation's needs. The key objective of this summit is to provide a good scientific background for decision-makers, policy-makers, and those who support those individuals for their future deliberations and discussions on energy. I know attendees will not be disappointed. Thank you!

Cordially,

A handwritten signature in black ink that reads "Marlan W. Downey". The signature is written in a cursive style.

PS> (1) A stamped RSVP card is enclosed. Please return it as soon as your schedule permits, but no later than April 15<sup>th</sup>.

(2) Program updates at: <http://www.wvgs.wvnet.edu/www/energy/index.html>

<sup>1</sup>The Army and Navy Club is at 901 17<sup>th</sup> Street, NW, on the corner of 17<sup>th</sup> and I Street. It is convenient to both the Blue/Orange and Red Lines of the Metro.

Mail: P.O. Box 979, Tulsa OK 74101-0979 USA • Street: 1444 South Boulder, Tulsa OK 74119 USA  
Phone: 800-364-2274 (U.S.A./Canada) • 918-584-2555 (Other Locations)

27809

# Toward adequate energy and a clean environment

State Edition

THE INDIANAPOLIS STAR

"Where the Spirit of the Lord is, there is Liberty" 1 Cor. 3:17

MONDAY, JANUARY 22, 2001

A CRINKLE NEWSPOPER

WWW.STARNEWS.COM

Monday evening  
 Low 17, high 34,  
 Page B6

America faces an impending "perfect storm" in energy — both electricity and natural gas. Neither the Clinton administration nor Congress heeded the warnings over the last eight years. Left unchecked, the coming storm could dwarf the energy crisis of the 1970s.

The new Bush administration and Congress have the opportunity to steer clear of the coming storm or significantly reduce its potential damage. But they must demonstrate leadership by rolling up their sleeves and going to work to enact simultaneously both comprehensive energy and environmental legislation. There cannot be one without the other.

A bipartisan solution is possible now because historically neither Democrats nor Republicans have laid claim to energy and environmental issues. The fault line on these issues has been between regions of the country and between producing and consuming constituents. The only time in the past that we've been able to build a consensus on these important issues is when a crisis is looming.

The cost of no rational energy and environmental policy is now obvious. Natural gas prices are skyrocketing. Inadequate supply due to hostility toward domestic production now cruelly coincides with the Environmental Protection Agency's promotion of gas for all of the nation's combustion needs, from home furnaces to industrial processing to new electric power plants.

Indeed, at least some versions of the Clinton administration's Kyoto implementation schemes advocate a massive substitution of the nation's coal generation capacity with natural gas.

The electricity industry is not any better. Blackouts and near misses driven by inadequate supplies, re-

## LETTER SPOTLIGHT

James E. Rogers

gional transmission constraints and spiking wholesale prices have been making nationwide headlines.

At the retail level, we have a patchwork of regulatory structures, with about half of the states with deregulation plans in place and the other half not even considering deregulating electricity. We have a Balkanized wholesale electricity market with price volatility and transmission constraints.

To understand the results of not squaring energy and environmental policy simultaneously, we have only to look to California, which is experiencing the first wind damage of the coming storm. Californians needed power but they were unwilling to approve the construction of new plants or to pursue aggressively conservation strategies that consumers would adopt. Due to environmental restrictions, no new power plants with significant capacity have been built in California in the past decade.

They wanted to have their cake

and eat it too; abundant supplies of low-cost electricity but no new plants. They now know what happens when a booming economy and increasing population runs smack into a decade-long freeze on new generation and transmission facilities. It's not deregulation (although their version is flawed) that is at fault but simply an imbalance of supply and demand that has created the current problem.

The way forward requires a coordinated national energy and environmental plan that promotes investment in new technologies: new oil and gas production; building of new state-of-the-art coal and gas plants and de-bottlenecking of electric and gas transmission.

A balanced policy also must include comprehensive environmental requirements for older coal-fired power plants and emission guidelines for the life of new plants. It must include incentives for renewable energy and energy conservation.

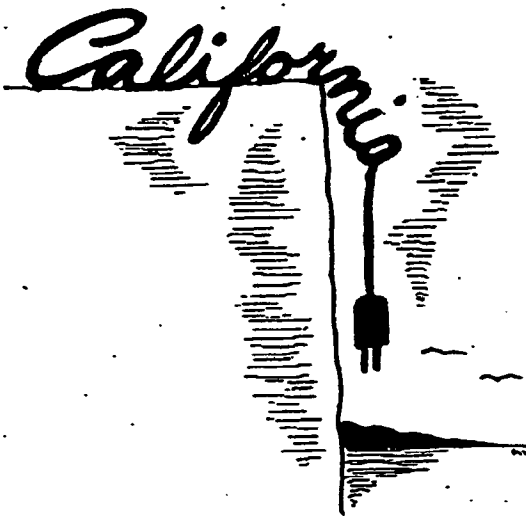
It has been almost 29 years since the passage of major energy legislation, which came on the heels of the Arab oil embargoes of the 1970s and more than two decades of failed federal price regula-

tion of natural gas. It is critical that we avoid polarizing rhetoric and face up to the tough trade-off between the economy, environment and energy demands.

Clarity at the national level is desperately needed, and the new administration and Congress have the opportunity to harmonize our twin goals of a clean environment and adequate energy to fuel our economy. Failure to do so guarantees that the coming storm will continue to strengthen and hit full strength.

Rogers is president and CEO of Energy Corp. in Indiana.

Margaret Scott Illustration



27810



**Department of Energy**

Washington, DC 20585

February 27, 2001

**2001-005019**

Mr. William Anawaty  
President  
ANARI, Inc.  
The Carriage House  
1 Saint Matthew's Court, N.W.  
Washington, D.C. 20036

Dear Mr. Anawaty:

We have received your correspondence dated February 22, 2001, requesting a meeting with Secretary Spencer Abraham on May 3 or 4, 2001, in Washington, D.C., to discuss energy policy.

We have forwarded your request to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your request.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

A handwritten signature in black ink that reads "James N. Solit".

James N. Solit  
Director, Executive Secretariat



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**27811**

2001-004430



**Department of Energy**  
Washington, DC 20585

March 6, 2001

Mr. Stanley C. Horton  
Chairman  
Interstate Natural Gas Association of America  
10 G Street, N.E.  
Suite 700  
Washington, D.C. 20002

Dear Mr. Horton:

Thank you for your recent letter to Secretary Abraham, which commended the efforts of the Administration to develop a cohesive energy policy and more specifically, our proposals for cleaner coal-fired power generation.

As you know, one of President Bush's first acts was creating a National Energy Policy Development Group, headed by Vice President Cheney, to help the private sector and government at all levels, promote dependable, affordable, and environmentally sound production and distribution of energy for the future. This group includes the Secretary of Energy, as well as the Secretaries of the Treasury, Interior, Agriculture and Commerce Departments, the heads of the Federal Emergency Management Agency, the Environmental Protection Agency, the President's Deputy Chief of Staff for Policy, and the Assistants to the President for Economic Policy and Intergovernmental Affairs.

The group will consider the ideas and recommendations of consumers, businesses, and independent experts on how best to address the broad range of energy issues now facing the Nation, including rapidly rising costs for natural gas, electricity supply and price problems in the West and the increasing dependence of the United States on imported oil. Your specific suggestions will be made known to participants in this process.

Thank you for writing.

Sincerely,

A handwritten signature in cursive script that reads "Margot Anderson".

Margot Anderson  
Acting Director  
Office of Policy



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2001-003874



**Department of Energy**  
Washington, DC 20585

March 6, 2001

Mr. James E. Davis, P.E.  
American Society of Civil Engineers  
1015 15<sup>th</sup> Street, NW, Suite 600  
Washington, DC 20005-2606

Dear Mr. Davis:

Thank you for your recent letter to Mr. Andrew Lundquist, which expressed strong support of the American Society of Civil Engineers for the Administration's effort to develop a comprehensive national energy policy, and offered copies of pertinent energy policy statements by ASCE.

As you know, one of President Bush's first acts was creating a National Energy Policy Development Group, headed by Vice President Cheney, to help the private sector and government at all levels, promote dependable, affordable, and environmentally sound production and distribution of energy for the future. This group includes the Secretary of Energy, as well as the Secretaries of the Treasury, Interior, Agriculture and Commerce Departments, the heads of the Federal Emergency Management Agency, the Environmental Protection Agency, the President's Deputy Chief of Staff for Policy, and the Assistants to the President for Economic Policy and Intergovernmental Affairs.

The group will consider the ideas and recommendations of consumers, businesses, and independent experts on how best to address the broad range of energy issues now facing the Nation, including rapidly rising costs for natural gas, electricity supply and price problems in the West and the increasing dependence of the United States on imported oil. The specific recommendations of ASCE have been made known to participants in this process.

Thank you for writing.

Sincerely,

A handwritten signature in black ink that reads "Margot Anderson".

Margot Anderson  
Acting Director  
Office of Policy



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2001-002879



Department of Energy  
Washington, DC 20585

March 7, 2001

G. Warfield Hobbs  
President  
American Association of Petroleum Geologists  
Ammonite Resources  
181 Mariomi Resources  
New Canaan, CT 06840

Dear Mr. Hobbs:

Thank you for your recent letter offering your recommendations on how best to address some of the Nation's current energy problems, and indicating your interest in serving on the Administration's energy policy task force.

As you know, one of the first acts of President Bush was to create a National Energy Policy Development Group, headed by Vice President Cheney, to help the private sector, and government at all levels, promote dependable, affordable, and environmentally sound production and distribution of energy for the future. This group includes the Secretary of Energy, as well as the Secretaries of the Treasury, Interior, Agriculture and Commerce Departments, the Heads of the Federal Emergency Management Agency, the Environmental Protection Agency, the President's Deputy Chief of Staff for Policy, and the Assistants to the President for Economic Policy and Intergovernmental Affairs.

The group will consider how best to address the broad range of energy issues now facing the Nation, including rapidly rising costs for natural gas, electricity supply and price problems in the West, the increasing dependence of the United States on imported oil, and will report back to the President in the coming months. Your specific suggestions will be made known to participants in this process.

Thank you for writing.

Sincerely,

A handwritten signature in cursive script that reads "Margot Anderson".

Margot Anderson  
Acting Director  
Office of Policy



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006487



2001-006487 3/9 P 4:06

March 7, 2001

The Honorable Spencer Abraham  
Secretary  
U.S. Department of Energy  
Forrestal Building  
1000 Independence Avenue, N.W.  
Washington, DC 20585-1000

Dear Mr. Secretary:

I write on behalf of the American Public Transportation Association (APTA) to express support for the development of a national energy policy. As President Bush highlighted in his February 27<sup>th</sup> address to a joint session of Congress, regional energy shortages have become serious concerns and have brought attention to this major issue facing our country.

As the trade association representing the public transportation industry, we would like to offer our assistance in any way to help facilitate your initiative. We applaud President Bush for his interest in developing energy sources and for promoting energy conservation.

Thank you for your efforts to address our nation's energy needs. We look forward to working with you on this issue as your efforts move forward.

Sincerely yours,

William W. Millar  
President

WWM/cbo

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Peter M. Cpolito
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Richard A. White
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Human Resources
  - Paul P. Skoutelas  
Management and Finance
  - William L. Volk  
Small Operations
  - Alan C. Wulkan  
Business Members
- President  
William W. Millar

2001-003523



**Department of Energy**  
Washington, DC 20585

March 8, 2001

Mr. David J. O'Reilly  
Chairman and Chief Executive Officer  
Chevron Corporation  
575 Market Street  
San Francisco, CA 94105-2856

Dear Mr. O'Reilly:

Thank you for your recent letter to Secretary Abraham, which offered Chevron's recommendations for a comprehensive U.S. energy policy, urged the Administration to sponsor a "National Energy Summit", and provided a paper on the California electricity crisis.

As you know, one of President Bush's first acts was creating a National Energy Policy Development Group, headed by Vice President Cheney, to help the private sector and government at all levels, promote dependable, affordable, and environmentally sound production and distribution of energy for the future. This group includes myself, as well as the Secretaries of the Treasury, Interior, Agriculture and Commerce Departments, the heads of the Federal Emergency Management Agency, the Environmental Protection Agency, the President's Deputy Chief of Staff for Policy, and the Assistants to the President for Economic Policy and Intergovernmental Affairs.

The group will consider the ideas and recommendations of consumers, businesses, and independent experts on how best to address the broad range of energy issues now facing the Nation, including rapidly rising costs for natural gas, electricity supply and price problems in the West and the increasing dependence of the United States on imported oil. I am certain that Chevron's recommendations will be given careful consideration in this process.

Thank you for writing.

Sincerely,

A handwritten signature in cursive script that reads "Margot Anderson".

Margot Anderson  
Acting Director  
Office of Policy



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From the desk of

**John Barker**



Dear Mr. Abraham:

Our country sorely needs a national energy policy.

A rationale policy that balances our energy needs with reasonable environmental requirements.

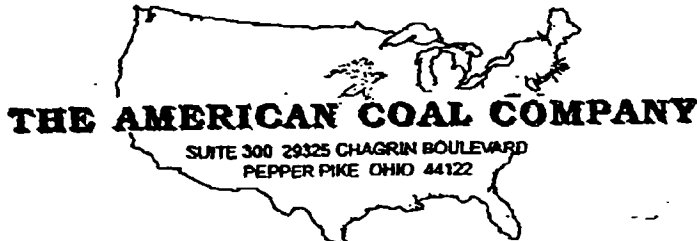
A policy that encourages the development of our own natural resources & reduces our dependence on imports

A policy that encourages the development of all of our energy resources & does not favor one fuel over another.

I hope you find the attached paper of interest. I wrote it to put my thoughts together. Feel free to use it if it will advance our objectives.

V.T.Y.  
J.E. Barker

27817



ROBERT E. MURRAY  
Director

PHONE (216) 765-1240  
FAX (216) 765-2654

March 14, 2001

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

2001-006933 Mar 14 p 3:04

Dear Secretary Spencer:

This is in follow-up to our meeting in Washington, D.C. on March 1, wherein we discussed a meeting regarding the National Energy Policy.

We understand that you are currently meeting with Senators regarding the National Energy Policy, and we believe that my input would be very valuable to you at this time.

I am available to come to Washington to meet with you at your convenience and would like to do so as soon as possible. Please have your office call my Executive Secretary, Mrs. Renca Wolfe, at (740) 926-1351 to coordinate the visit.

Thank you for your kind consideration of this request.

Sincerely,

THE AMERICAN COAL COMPANY

Robert E. Murray  
Director

REM:arw

cc: Mr. Kyle McFlarrow, Chief of Staff  
Ms. Leila Sepehri, Scheduler

27818

2001-002956



**Department of Energy**  
Washington, DC 20585

March 15, 2001

Dr. John R. Snell  
President  
Worldwide Technologies  
918 Rosewood  
East Lansing, Michigan 48823

Dear Dr. Snell:

Thank you for your letter of February 1, 2001, which provided useful insights on domestic and global energy and environmental issues, including global climate change. We appreciate you sharing your knowledge and ideas to assist in mapping out a possible way forward. The Administration is taking these issues very seriously as it addresses our nation's energy problems.

The Administration's White House Energy Task Force, led by Vice President Cheney, is creating a national energy policy. The Task Force is devising ways to increase oil, natural gas, coal, and nuclear energy supplies from domestic sources. Conservation and efficiency improvements are also a priority with the Task Force.

It is evident you and your organizations have had first-hand exposure to the previous and on-going technology research and development programs sponsored by the Department of Energy, particularly those focusing on energy efficiency and renewable energy. It is anticipated the Department will continue to pursue these programs to ensure our nation will continue to have reliable and environmentally sound energy supply. Your package of information is being shared with the Department's Office of Energy Efficiency and Renewable Energy, who will contact you directly should there be an interest in pursuing your ideas on further R&D in the area of bioenergy.

Thank you for your interest in energy policy.

Sincerely,

A handwritten signature in cursive script that reads "Margot Anderson".

Margot Anderson  
Acting Director  
Office of Policy



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March 16, 2001

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

Dear Secretary Abraham:

The recent reversal of the administration's position on mitigation of carbon dioxide emissions is a monumental mistake. Recognizing that pressure from the National Coal Council contributed to this decision, I must in good conscience submit my resignation from the Council.

I have served on the Council for the past four years. My objective, in keeping with my primary expertise in the area of biomass systems, has been to foster more efficient and less environmentally damaging electric generation using solid fuels – both coal and biomass. It seemed to me that the council was moving toward positions consistent with this objective. In fact, the major emphasis during the years 1999 and 2000 was the definition of more effective means of carbon dioxide reduction and sequestration – one method being the co-firing of coal with closed-loop biomass.

But it was evident at the last Council meeting in November that its leadership was intent on bolstering the economic well-being of the industry, if need be at the expense of the environment. My hope was that concerns about our environment would not be ignored, but it is clear now that my hope has not been realized.

This recent reversal in policy is profoundly short-sighted, an obvious and expedient response to industry interests – I should say to *misperceived* industry interests. Already we are experiencing notable glacial melting, rising ocean levels and temperatures, falling water tables, increased frequency of catastrophic weather events, and the loss of arable and forested lands. The Intergovernmental Panel on Climate Change has in clear terms recommended immediate action to reduce greenhouse gases as essential to minimizing the potentially disastrous temperature increases projected over the century ahead. Unless real efforts are made in the near-term, our earth's natural systems may be irretrievably harmed and our social systems will not have the capability of maintaining themselves.

Our European colleagues have recognized the dangers posed by climate change and are effectively acting on this recognition. They are working collaboratively to improve the technical and economic viability of renewable energy systems and investing in large-scale improvements in energy efficiencies. Our country could make comparable efforts without harm to existing industrial investments. Conversely, failing to address the present potential for widespread ecological disaster can only result in harm to our environmental, social, and economic well-being.

I hope that you, along with Council leadership, will encourage President Bush to adopt an approach to energy policy that is in the interests of *everyone*. A sound national policy will recognize the very real environmental and economic implications of climate change -and the opportunities that the development of new and improved energy technologies would bring.

Sincerely,



27820

March 16, 2001

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

Dear Mr. President:

We are writing to offer you our encouragement and support for your effort to develop a national energy policy.

We agree with you that we need to act now to meet America's energy needs for the 21<sup>st</sup> Century. While the current energy situation presents our nation with some serious challenges and obstacles to overcome, it also presents us with a tremendous opportunity to achieve energy policy changes that would provide ample, reliable energy supplies at reasonable prices, thus help ensure economic and national security for all American families and businesses.

Such a policy should provide market-based solutions to the challenges associated with maximizing our energy supplies, meeting our infrastructure needs, and ensuring environmental protection. It must also encourage the development of the next generation of energy technologies and meet consumer demand for reliable energy at reasonable prices. America needs to preserve and enhance the use of all available energy sources, including conventional, alternative and renewable fuels, as well as promote even greater energy efficiency. Such an energy policy should also protect low-income families and seniors in need through the expansion of the Low Income Heating and Energy Assistance Program (LIHEAP).

We are committed to providing you and the Congress with the support necessary to enact a national energy policy that will assure reliable energy security for American families and businesses, and thereby help ensure prosperity for future generations.

Respectfully,

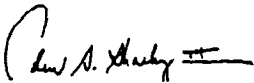


Frederick L. Webber  
President and CEO  
American Chemistry Council

W. Henson Moore  
President and CEO  
American Forest & Paper  
Association

David N. Parker  
President and CEO  
American Gas Association



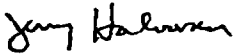
Andrew G. Sharkey III  
President and CEO  
American Iron and Steel Institute



Red Cavaney  
President and CEO  
American Petroleum Institute



Thomas R. Kuhn  
President  
Edison Electric Institute



Jerald V. Halvorsen  
President  
Interstate Natural Gas  
Association of America



Michael Baroody  
Executive Vice President  
National Association  
of Manufacturers



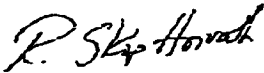
John R. Cady  
President and CEO  
National Food  
Processors Association



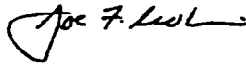
Jack Gerard  
President  
National Mining Association



Richard Roldan  
Vice President Govt. Relations  
National Propane Gas Association



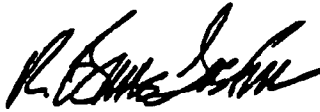
R. Skip Horvath  
President  
Natural Gas Supply Association



Joe F. Colvin  
President and CEO  
Nuclear Energy Institute



Ray Roper  
President  
Printing Industries of America



Bruce R. Josten  
Executive Vice President  
U.S. Chamber of Commerce



Wayne Gibbens  
President  
U.S. Oil and Gas Association

cc: Vice-President Richard Cheney  
Secretary Paul O'Neill  
Secretary Gale Norton  
Secretary Don Evans  
Secretary Ann Veneman  
Secretary Norman Mineta  
Secretary Spencer Abraham  
Director Mitchell E. Daniels Jr.  
Administrator Christine Todd Whitman

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007603

Secretary, The

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From: Mike\_Rothman@ML.COM%internet [Mike\_Rothman@ML.COM]  
Sent: Monday, March 19, 2001 4:51 PM  
To: Secretary, The  
Subject: Policy

FROM: Mike\_Rothman@ML.com  
NAME: Michael Rothman  
SUBJECT: Policy  
ZIP: 10281-1319  
CITY: New York City  
PARM.1: TO:the.secretary@hq.doe.gov  
STATE: NY  
TOPIC: Dialogue  
SUBMIT: Send Comments  
CONTACT: email  
COUNTRY:

MESSAGE: Dear Secretary Abrahams, By way of introduction, I'm Michael Rothman, director of energy market research at Merrill Lynch & Co. I've been at the firm for 16 1/2 years and have been attending the OPEC ministerial meetings since 1986. I would welcome the opportunity to discuss a number of topical issues regarding energy policy particularly in light of the administration's reaction to the outcome of the recent OPEC meeting. Respectfully, Michael Rothman  
MAILADDR: World Financial Center, North Tower, 19th Fir

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