Department of Energy
Washington, DC 20585

August 10, 2001

Mr. Jim Wells
Director
Natural Resources and Environment
United States General Accounting Office
441 G St., N.W.
Room 2T23
Washington, DC 20548

Dear Mr. Wells:

This is in response to the "Follow-up Questions For DOE," dated July 25, 2001, regarding the General Accounting Office's review of the development of the National Energy Policy. In a meeting with GAO representatives on July 25, 2001, DOE employees provided oral answers to a number of the questions, specifically, all questions in categories 1 and 3, question 2 of category 5, and questions 1, 2, and 3 of category 6. GAO representatives stated, in the meeting, that written responses need not be supplied for these questions. Enclosed are answers to the remaining "Follow-up Questions."

Sincerely,

Margot Anderson
Deputy Assistant Secretary for Policy
Office of Policy and International Affairs

Obtained and made public by the Natural Resources Defense Council, March/April 2002
2. Please clarify the membership and employment status of DOE personnel serving on the NEPDG support group.

- Information we received from the Office of the Vice President on May 4, 2001 indicates that Mr. Lundquist and Ms. Knutson were employed as DOE consultants for 1 and 2 weeks during Feb. 2001. If this is correct, should they be considered full-time employees during this time?

The Office of Human Resources Management, MA-3, advises that Andrew Lundquist was employed by the Department of Energy on a full-time basis as a consultant from February 1, 2001 to February 12, 2001, and Karen Knutson was employed on a full-time basis as a consultant from February 7, 2001 until February 12, 2001. These individuals were appointed as Federal employees under the authority of 5 U.S.C. § 3109 and section 623 of the Department of Energy Organization Act (Pub. L. No. 95-91) to appoint experts and consultants. Each employee's consultant appointment was converted to a limited term Senior Executive Service position on February 12, 2001.

- Four of the individuals that DOE indicates were on the support staff were hired after the NEPDG was created. Were these individuals specifically to work with the NEPDG, as their employment dates suggest?

As Joseph Kelliher, Office of the Secretary, stated in the follow-up meeting on July 25, 2001, since these individuals were hired at the start of the new administration, no conclusions should be drawn that they were hired specifically to work with the NEPDG; in Mr. Kelliher's view, these individuals would probably have been employed by DOE whether or not they were assigned to work on the NEPDG support staff. Unless extended, the NEPDG would terminate no later than the end of fiscal year 2001, pursuant to the President's memorandum of January 29, 2001. Mr. Kelliher notes that the NEPDG will remain in existence until the end. The Office of Human Resources Management advises that four DOE personnel continue to serve on detail to the NEPDG support staff, specifically Andrew Lundquist, Karen Knutson, Kjersten Scott Drager, and Charles Smith. Elena Subio Melchert returned to the Office of Fossil Energy, DOE, on June 4, 2001. James Thomas Sims terminated his employment with the Department of Energy on May 25, 2001.

- The Office of the Vice President's information identifies 3 additional individuals as associated with the support group (John Fenzel, Tom Nayak, and Fran Norris). Are they also DOE employees?

The Office of Human Resources Management advises that John Fenzel, Tom Nayak and Fran Norris are not employed by the Department of Energy.

- We believe one of the support staff is a White House fellow. Who is that individual, what is his/her parent agency, and should this person should [sic] be considered a DOE employee?
The Office of Human Resources Management, DOE, advises that none of the individuals employed by DOE and detailed to the NEPDG support staff are White House Fellows.

4. Please provide additional information on DOE’s process for developing input to the NEPDG and related documentation.

- At our June 8 Entrance Meeting, you indicated that DOE’s Office of Policy conducted a telephone survey. In your response, you state that DOE’s Office of Policy contacted several environmental groups to discuss policy options. Please identify which organizations were contacted, when they were contacted and whether it was by phone, email, or in a meeting, and when the contacts occurred. Also, provide copies of emails or memos documenting the contacts.

In discussion of this question in the follow-up meeting of July 25, 2001, GAO representatives stated that a general description of the types of contacts made would be sufficient to answer this question. Margot Anderson, Deputy Assistant Secretary, Office of Policy and International Affairs, provides the following information in response to this question.

Beginning March 21, 2001, staff from the former Office of Policy contacted environmental and energy efficiency non-governmental organizations (NGOs). The contacts were made by telephone. In several instances, messages were left. Not all attempts at contact resulted in replies. Successful contacts and at least one substantive discussion was held with each of the following NGOs during the last 10 days of March, 2001.

- Alliance to Save Energy
- Environmental Defense
- American Council for an Energy Efficient Economy
- Sierra Club
- Resources for the Future
- World Resources Institute
- World Wildlife Fund
- Greenpeace
- Association for Wind Energy
- Tellus Institute

Not all organizations were responsive. Several did not return our phone calls and messages. We asked each organization for policy suggestions that might be considered for inclusion in the national plan directed toward energy supply, conservation, or efficiency. It was made clear in the course of discussion that we could not guarantee inclusion, but only consideration.

In general, we encountered a lack of responsiveness to the offer to submit ideas for NEP consideration, reflected in the paucity of callbacks and the occasional response of “check our web site.”
To develop NEP chapters and recommendations, DOE officials conducted a significant amount of work via email and telephone. Please provide examples of emails that illustrate the major types of exchanges among DOE officials.

Examples of emails that illustrate the types of exchanges between DOE officials with regard to the development of NEP chapters and recommendations are attached. Since, in the July 25, 2001, meeting, GAO representatives clarified that the review focuses on the procedure for development of the NEP, the attachments do not include documents related to substantive policy issues and deliberative processes.

5. Please provide additional details concerning the Secretary’s meeting on energy policy.

- The Secretary held 7 short meetings between March 14, 2001 and April 26, 2001 with non-Federal officials during which energy policy issues were discussed. Please identify the position within the department of DOE officials attending these meetings.

Kolevar, Kevin
Magwood, Bill
Barrett, Lake
Longsworth, Paul
Whatley, Michael
Kelliher, Joe
McCUTCHEON, John
McSlarrow, Kyle
Felner, Craig

Senior Policy Advisor, Office of the Secretary
Director, Office of Nuclear Energy, Science and Technology
Deputy Director, Office of Civilian Radioactive Waste Management
Senior Policy Advisor, Office of the Secretary
Special Assistant, (served as Acting Director), Office of Congressional and Intergovernmental Affairs
Consultant (now Senior Policy Advisor), Office of the Secretary
White House Liaison and Senior Advisor, Office of the Secretary
Chief of Staff, Office of the Secretary
Special Assistant, Office of Management and Administration

- Of these 7 meetings, White House officials attended only the April 25, 2001 meeting with “Coal Producers.” Why did the White House Officials attend this meeting? Who were the coal producers attending the meeting?

John McCUTCHEON, DOE White House Liaison and Senior Advisor, states that White House officials attended this meeting because it was organized by the White House. The meeting was held in the auditorium of the Old Executive Office Building. The Department did not establish the list of invitees to this event and Mr. McCUTCHEON does not know which coal producers attended the meeting.

6. Is additional data available on the costs (direct and indirect) of developing the NEP?

- Please provide estimate of salary for the NEPDG support staff and the 2 principal agency contacts to the support group (J. Kelliher and M. Anderson).

In the meeting of July 25, 2001, GAO representatives clarified that salary information should be provided for the period January 29, 2001 through May 16, 2001. The Office of the Chief Financial Officer provides the following salary information for this period for the individuals listed:
7. Please explain the relationship between the NEP and earlier bi-annual reports on national energy strategy.

- Section 801 of the DOE Organization Act requires the administration to prepare a proposed National Energy Strategy report every two years and submit the proposed strategy to Congress. The latest NES was due on April 1, 2001. Was such a report prepared? Was it submitted to the Congress?
- Is a FY 2001 NES report begin prepared? If it is, what is its status and when does DOE expect to issue it?
- In DOE's view, does completion of the NEPDG report constitute compliance with section 801? Please explain.
- If the NES does not substitute for the required report, why did the NEPDG decide to issue a separate NES? Please explain.
- Has the President delegated the responsibility for preparing the report required by section 801 to DOE, or to any other agency or official? Please supply a copy of the delegation(s), if applicable.
- Have DOE personnel had any discussions, either internally or with anyone outside DOE, regrading the report required under section 801 for FY 2001, including but not limited to discussions addressing the relationship between the NEDDG [sic] report and the report under section 801?
- If completion of the NEPDG report does not constitute compliance with section 801, to what extent will the report be used in developing the required report under section 801?

The requirement of section 801 of the Department of Energy Organization Act (Pub. L. No. 95-91) that the President submit to Congress a proposed National Energy Policy Plan on a biennial basis was eliminated effective May 15, 2000, pursuant to section 3003 of the Federal Reports Elimination and Sunset Act of 1995 (Pub. L. No. 104-66) and section 236 of Appendix E of the Consolidated Appropriations Act, Fiscal Year 2000 (Pub.L. No. 106-113). Therefore, there was no statutory requirement to submit this Plan to Congress on April 1, 2001, or on May 17, 2001, when the National Energy Policy was issued.
All,

Subject: Important: NEP Status Report.
FYI: Mark's request came out of today's NEP meeting. I was hoping someone from EE would be there but I understand conflicts (I looped MB and Darrel - I'll add Michael to my list). As I told the group today, we are likely to get assignments every day as the editing team progresses. I'll let folks know by the end of the day if we need to meet the next day. Thanks.

Margot

Mark D. Friedrichs (PO-2)
Policy Office
U.S. Department of Energy
Washington, D.C. 20585
202-586-0124
Fax: 202-586-3047

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Thank you all very much!

Margot
All,

As we discussed:

Please make it obvious where your edits are so I can cut and paste. Thanks.

[Attached files: sens1.rst, regional effects with edits.doc]
All,

Margot

Original Message

From: Kelliher, Joseph
Sent: Monday, February 26, 2001 1:25 PM
To: Anderson, Margot
Subject: new draft

Sorry, I just realized I never sent it to you

excl.4.doc  secrpt3.doc
EIA - please take a fact-check look.

ch 8 march 24.doc
chapter 8 graphics
March 24.doc
All,

As drafts roll in (I've contacted most of you), I will combine and send out (by 6:00). We will be meeting Monday (2/19) at 10:00 to go over the NEP draft. We have to meet in PO's conference room (7B-040) so we don't have to go through the OSEC guards on a holiday (requires a list and pre-notification).

If you are gone by 6:00 and can't access your DOE e-mail from home, leave me a fax number.

Again, only sending to primary points of contact, not sub-section authors.

Margot
All,

Can I get an update on chapters 7, 8, and 9 before you leave today? Thanks.

Margot
Peter,

Can you contact these groups and get them to send you any energy policy options they are advocating? Can you then review the proposals and recommend some we might like to support that are consistent with the Administration energy statements to date? You can add others to the list, should you so desire. If this requires more than one person let me know and we can get the ODs to assign someone to help you. Need by Friday noon.

Margot

- Alliance to Save Energy
- Environmental Defense Fund (EDF)
- Union of Concerned Scientists
- American Council for an Energy Efficient Economy (ACEEE) (they issued a big report just recently)
- Sierra Club (new report out)
- World Resources Institute
- World Wildlife Fund
- Greenpeace
- AWEA (Association for Wind Energy)
- Tellus Institute
- Resources for the Future

RE: Bob Hall
ACEEE
Council for Egy, Eff, Economic

Howard Fuller 478-7710

1. Public Benefit Fund: 3% long ass for 25 year
    From E.F.Y. standards, too more application
    with sign: Refrigerator: Freezer, Traffic Lighs

will examine some stuff.

2. Voluntary agreement to reduce carbon/energy

    inputs

3. ESCOs for Federal Halls. (Like Sierra Club)

Xerox phone notes from my log - Peter Hayfill

9/24/01

206/65
WR1 - Nancy Kete left voice mail
no response received.

Voice of phone notes from Sog - Peter Keupp

2/6/06
Sierra

Automotive Efficiency integrate BAT eff shelves

Strengthen CAFE - count trade as cars
CAFE Test procedures must actual by 20%
- avg. speed, temp, % of highway

Short air Travel

Hot

Smith = building effy bill
light, heat, cool, shell

not metering

ESCO on federal building

Clean coal - worse than and it violates AEHT
- even when clean

Xerox of phone notes from my log - Pete Knapp
3/21-23/2001

2666
Ram Upperley
Envir. Defense
387-3600 x114

Spoke by phone; he will send
some pages

Some of phone notes from my log - Peter Krapff
3/21-3/23/01

26668
RFF - Ray Kopp, Howard Ernspruch

- Integrate load mgmt into smart appliances
- Transport - priorities for structure of внешне мест.
- Give NGO points in exchange for Ezy development
- Setting barriers; some mechanism to speed setting consensus

2-28-02 Note: This conversation took place about 6 weeks after the March 21-23 original contact, as the early messages were not returned until much later, "RFF phone doesn't work,"

[Signature]

26.06.02

Obtained and made public by the Natural Resources Defense Council, March/April 2002