January 20, 2001

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

Dear Mr. Vice President:

As you assume the responsibilities of office, I want to share with you some thoughts on an issue I know is of vital concern to you and the President: national energy policy.

During the campaign, both you and President Bush correctly focused on the critical need for a coherent, forward-looking national energy policy. I could not agree more. One of the key challenges in crafting a more effective national energy strategy is greater policy coherence in Washington. Clearly, one of the shortcomings of the previous Administration was lack of coordination among federal agencies.

A truly national energy policy must engage the efforts of many agencies in a common purpose, including the Department of Energy, Department of Interior, Environmental Protection Agency, Department of the Treasury, and others. We cannot have an energy policy at DOE, a lands policy at DOI, an environmental policy at EPA. We need an integrated and comprehensive national energy policy that meets the needs of all Americans for affordable, clean, and reliable energy.

An issue as complex and far-reaching as energy will certainly require leadership from the White House. For this reason, I urge you and your colleagues in the Administration to conduct an early and comprehensive inter-agency review of national energy policy.

As you know better than most, previous incoming Administrations have conducted such reviews on critical issues. It is my hope that you will afford national energy policy a similar high-level review with White House oversight to lay a solid foundation for success in this Administration on this vital issue.

Sincerely,

[Signature]

PIB:bjt

cc: Secretary Designee Spencer Abraham
    Secretary Designee Paul H. O'Neill
    Secretary Designee Christine Todd Whitman
    Secretary Designee Gale Norton
The Honorable Spencer Abraham, Secretary  
Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585  

Mr. Secretary:  

A PLAN: TO ESTABLISH A SYNFUELS INDUSTRY  

As a concerned citizen with an interest in energy policy, particularly with regard to synfuels development I have been troubled, over the years, by a national energy policy that seemingly ignores the development of synfuels. Unquestionably, synfuels can be a significant contributor to future energy needs, but there seems to be a pervasive climate of negative thought regarding the viability of a synfuels development program, undoubtedly reinforced by the easy availability of foreign oil. Environmental concerns about clean air, the increasing rate of crude oil imports, etc. surprisingly has not stimulated a renewed interest in the development of alternate fuels. The absence of an aggressive and innovative government program, similar to the effort that produced synthetic rubber has been puzzling to me and it seems that the major obstacle to synfuels development is financial rather than the lack of technology. Considering the significant importance synfuel development would bring to the economy, the federal government should assume the responsibility to initiate an innovative and acceptable financial program for the development of synfuels as it did in the development of synthetic rubber.

The following discussion outlines a proven financial program which could free the capability of private industry to proceed in the development of alternate energy sources; you might find the program interesting and workable and indeed worth pursuing. Although the following outline of a financial program for synfuels development is necessarily oversimplified, it might be sufficiently described to suggest the possibilities of an innovative program with all of the benefits of oil and gas exploration investment but with substantially higher success expectations. The program addresses the problems of (1) where is the money to come from, (2) how can synfuel with its cost uncertainties compete with the world price of oil controlled by a cartel, and (3) the public apprehensions that the government, i.e. the taxpayer, will be fleeced somewhere in the process.

At one time I was described as an expert in steamship subsidies during my tenure with Price Waterhouse. My later experience in working as a financial officer in the oil and gas industry suggests to me that the principles of steamship operating-differential subsidies could work in the development of alternate fuel sources with the same remarkable success it achieved in building and maintaining an American Merchant Marine, through private industry. The problems of the American Merchant Marine paralleled those of synfuel development because it was impossible for American flag vessels to compete with the enormous cost-competitive advantage of foreign flag vessels. The provisions of operating-differential subsidies, as embodied in the Merchant Marine Act of 1936, and unlike typical
subsidies, provide for recapture which I suspect will tend to satisfy conservative political philosophy and mitigate the public apprehensions of unjust enrichment of business at government expense.

Operating-differential subsidies could provide a financial capability for synfuel development by making possible competitive parity with the world price of oil. Operating-differential subsidies do not reward inefficiency because they do not work on a cost-plus principle and tend to obviate the disadvantages inherent in purchase price guarantees and other such programs.

Operating-differential subsidies are contracted for long periods of time, typically 10 years, and the amounts subject to recapture are not determined year by year but cumulatively over the contract period and are based on a formula for net income. By this technique, subsidies may be large in the early years but as efficiency and profitability improve in later years, previously granted subsidies are subject to recapture based upon profitability, as defined. As an example, one of my former clients (the largest in the industry) had large subsidy grants in the early years of their subsidy contract, but by the time the 10 years had passed the government had recaptured 100% of all subsidies previously granted. Moreover, any subsidies not recaptured are included in net income and are fully taxable as ordinary income.

Operating-differential subsidies also include construction subsidies but if an energy company producing synfuels was guaranteed the capability of competing with the world price of oil through operating-differential subsidies, it would seem that the problem of plant construction financing through the private sector would be materially eased thereby relieving the government, or markedly reducing demands against the government, from granting direct loans or loan guarantees. It would also make it possible for smaller companies through joint ventures to become involved in synfuel development and thereby dilute the concentration of this activity generally in the hands of giant companies. This is an important factor because it not only spreads the opportunity to participate in what may become a major industry but also because traditionally in the U.S. it has been the smaller companies that have been the innovators and doers.

The machinery for steamship operating-differential subsidies has been in existence since 1936 and much precedent and experience has been established over the years; the program could be readily modified to apply to synfuel development. The mere production of liquefied coal or shale oil could materially reduce America's dependence on foreign oil and the consequential benefits to the economy would be far-reaching. A significant factor of synfuel subsidies patterned after maritime subsidies is that the development process and control would remain entirely in the hands of private industry subject to the constraints and rewards of any other business venture. It is a practical and workable program, which will ultimately cost far less than programs that have been discussed from time to time, require little or no government interference, and would be self-eliminating when no longer needed.

I urge you to seriously consider the program outlined above when you can find a spare moment in your undoubtedly busy schedule; I would welcome your comments and opinion.

Very truly Yours,

cc: The Honorable Dick Cheney
Vice President

27618

Obtained and made public by the Natural Resources Defense Council, May 2002
January 22, 2001

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

Dear Secretary Abraham:

Congratulations on your confirmation as Energy Secretary. I was hoping see you in person Friday afternoon at the Phoenix Park Hotel but was delayed.

I want to pledge NEMA’s support to you as an information resource during these important times. A national energy policy is clearly called for and we stand ready to assist you in that regard. We have particular expertise in energy efficiency as our members produce lighting, electric motors and transformers. Our vice president of government affairs Tim Feldman has served on Secretary Richardson and O’Leary’s Advisory Committee on Efficiency Standards.

NEMA is the leading association representing 475 companies that design, develop and manufacture products involved in the generation, transmission, distribution, control and end use of electricity. NEMA members employ 500,000 people in the United States and have annual revenues of $100 billion.

Again, my congratulations and best wishes for every success.

Sincerely,

MALCOLM E. O’HAGAN
President

National Electrical Manufacturers Association
1300 North 17th Street, Suite 1847
Reston, VA 22091
(703) 841-3271
FAX (703) 841-3371
mal_e_hagan@nema.org

27619

Obtained and made public by the Natural Resources Defense Council, May 2002
From: "Tearse, Hal" <HTearse@DainRauscher.com> on 01/23/2001 03:38 PM GMT

To: "president@whitehouse.gov" <president@Whitehouse.GOV>
cc: 
Subject: Energy policy

Instead of destroying the Arctic refuge I would suggest a comprehensive energy policy that would include:
- Tax benefits for the continued exploration of oil and gas supplies
- Tax Benefits for the continued and aggressive development of alternative energy sources (ie: wind, solar etc)

A policy that will take in consideration the ever increasing energy needs of our country. The current crisis in California will be repeated in major population centers all over this country in the next ten years.

Now that you are President, perhaps you can really do something long term and important for all the people.

Lastly: Tax cuts are good for business, people and government. Lower taxes have always resulted in higher revenues for the government. So go ahead and lower taxes, a lot. Have the courage to do what's right.

Good Luck.

Hal Tearse
Vice President-Investment Officer
Private Client Group
Minneapolis, MN 55402
612-371-2891 1-800-223-2724

Please note: We do not accept any buy or sell orders via the e-mail system.
To: The Honorable Spencer Abraham  
From: Kathy Sanzaro  
Company: Secretary of Energy  
Company: Timmons and Co.  
Fax Number: 202-586-4403  
Fax Number: 202-822-9376  

Subject: Appointment Request  

Pages including cover page: 1  
Date: 1/25/01  
Time: 11:32:32  

MESSAGE  
Larry Harlow, President of Timmons and Company, Inc., would like to request a 15 to 20 minute meeting for his clients, Red Cavaney, President and CEO of API (American Petroleum Institute) and Peter Bijur, Chairman of the Board and CEO, Texaco, Inc.

Mr. Cavaney and Mr. Bijur will be available for a meeting between 8:00am and Noon on February 8th and 9th and would like to discuss the Nation's energy policy for increasing oil and natural gas production. Mr. Cavaney and Mr. Bijur will be accompanied by Larry Harlow.

Please call me at 202-331-1760 to discuss the possibility of arranging a meeting with Secretary Abraham. Also, if I can provide additional information, please let me know. Thank you for your attention to this request.
From: Patrick Huddie <phuddie@enigmatec.com> on 01/29/2001 09:52 PM GMT

To: president@Whitehouse.GOV
cc: 
Subject: National Energy Policy

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

The present energy crisis in California is a challenging matter for the second week of your presidency. This issue illustrates how important a rational energy policy is for the nation. Because California's government and special interests botched the transition to a free market the US Department of Energy has had to compel generating companies outside that state to sell power against their better judgment. Governor Davis and his legislative allies have resisted letting consumers pay the market price for their consumption patterns, and the result is a chronic shortage of supply and unrealistic expectations on the demand side. The role of price signals in changing producer and consumer behaviors was completely ignored.

My firm advises businesses in California, Maryland and elsewhere on energy strategy. It is clear to us that a predictable reliable supply is more important to business than a cheap supply, within reason. The impact of energy shortages in California shows how important energy is for the economy. A growing economy needs reliable power, especially in electricity hungry industries like semiconductor manufacturing and information services. One of our clients was asked to shut down and they lost production that cost several times more than the penalty they would have paid for staying open. Blacking out businesses to send employees home to protected residential neighborhoods on streets without traffic signals is absurd. I spent some time in Nigeria, where a generator was essential for every home because of incompetence and corruption at the power company in an major oil exporting nation! The USA does not need to have a third
world electricity system!

A rational energy policy would include coal, oil, gas and renewable energy sources, among which I count nuclear fission and fusion. Wind power and solar power are marginally useful, and good engineering can reduce consumption, but supply is king. At the same time the nation should not be so dependent on imported oil; recent advances in hydrogen fuel cells show the way to a future in which domestic oil is used for its highest value, petrochemicals and plastics, and electricity is generated efficiently where it is needed, be it in vehicles or at the workplace. The piece that is missing in that future is electricity to make the hydrogen fuel.

A nation with access to ample uranium and an effective moratorium against new nuclear power plants has its head in the sand. Recently the Calvert Cliffs nuclear plant in Maryland was inspected and re-licensed; its capital cost is fully amortized and Maryland will be able to rely on the safe Calvert Cliffs power plant for another 20 years. France relies on nuclear power for about 70% of its electricity. If the private sector can't build new nuclear plants with the confidence of the public, why not have the the Federal Government construct new plants on Federal land distant from cities and have the Department of Energy operate these plants safely?

The nuclear submarine and carrier fleets are the backbone of US naval power and the Navy seems to have the technical competence that reassures public opinion about carriers that home port in inhabited areas. In most cases government should not engage in a business activity if the private sector can do the job, but nuclear electricity generation seems to be one of those special cases in which the Federal government has unique abilities and assets that support the strategic position of the USA. I put it to you that ample domestic energy will reduce the need for this nation's armed forces to assume a posture for the defense of oil rich states that impacts other strategic priorities.

There are those who will say that radioactive waste is impossible to deal with, but they are wrong. The technology to embed waste in glass blocks is a reality; the waste does not leach out of glass and can be stored safely and indefinitely, or until we find a use for the rare isotopes in what we now call waste (I should declare that I own a few shares in Duratek, a company that pioneered this glass technology).

While there is certainly no one solution to the diverse energy needs of this economy, I urge you to explore all the immediate options with a critical eye, and to invest in energy research as if it really was a
national priority. Mr. Alan Greenspan has identified energy as a key factor in economic growth. Energy is the key to prosperity and comfort, and there is no reason for us to suffer energy crises inflicted by OPUC or excessive regulation. I believe that the ingenuity of this country is limitless, if the free market can operate and the government regulates fairly. You have a big job in front of you, and I wish you good luck.

Sincerely yours

Patrick Huddie

Dr. Patrick L. Huddie
Anderson, Huddie & Associates, LLC.
PO Box 825
Columbia, Maryland 21044-0825
mailto:phuddie@enigmatc.com
Phone (410) 923-0494 Fax (410) 923-4884

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January 26, 2001

2001-002182 Jan 29 A11:37

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

Dear Mr. Secretary:

We have written today to the President to express our desire to work with him and his Administration and the Congress in the development of a comprehensive national energy policy. A copy of that letter is enclosed.

We would very much appreciate the opportunity to meet with you and your Deputy Secretary early this year. We would like to discuss with you our views concerning national energy policy and the importance to American industry of the development of a policy and strategy that will assure delivery of natural gas and other energy to consumers at competitive and reasonable prices.

Sincerely,

Richard L. Fillman
Chairman

Enclosure
January 26, 2001

The Honorable George W. Bush
President
The White House

Dear Mr. President:

The Process Gas Consumers Group (PGC),\(^1\) an association of industrial users of natural gas, looks forward to working with you and the new Administration on energy issues. Of utmost priority, PGC urges you and your Administration to develop and coordinate with the Congress a comprehensive national energy strategy and to take actions that will lead to the development of reliable supplies of natural gas and other energy at competitive and reasonable prices and to the development of adequate pipeline and other infrastructure to deliver those supplies to PGC members and other consumers.

PGC’s members rely on natural gas as the necessary fuel for their manufacturing processes and, in some cases, as a raw material used in the manufacture of their final products. Since they must, and do, compete in the global economy, the recent upward spiral of natural gas prices has caused them significant hardship and, in some cases, has required production cutbacks. To ensure the future ability of energy-dependent companies to compete in their markets and to contribute fully to the nation’s economic and social vitality, PGC believes that your Administration and the Congress should strive to bring greater stability to energy policy and give energy issues much more cohesive and forceful action.

The development of a thoughtful national energy policy is a large task involving issues on which a variety of views will be expressed. PGC recommends that you include three issues in this process. First, PGC believes that a national energy policy must optimize the nation’s fuel choices, while also considering environmental goals. Although natural gas is an important fuel to meet energy and environmental goals, that fuel alone should not be the sole focus of the nation’s future energy requirements for electric generation. Therefore, a national energy strategy and plan should include development of and a balance among as wide a variety of fuel sources as possible, including natural gas, coal, oil, hydropower, nuclear power, renewables and unconventional energy sources. Second, it is very important to revisit promptly current policies and restrictions that impede or prevent reasonable and environmentally-conscious oil and natural gas exploration and development, including offshore and on federal lands. Third, a national

energy strategy should promote conservation of natural resources and energy and increased efficiency in the use of energy.

PGC looks forward to the opportunity to play a constructive role in development of a national energy policy and would be pleased to share its views on energy issues with you, your Administration and the Congress during the coming months.

Sincerely,

Richard L. Fillman
Chairman

cc: The Honorable E. Spencer Abraham
    The Honorable Frank H. Murkowski
    The Honorable W. J. (Billy) Tauzin
    The Honorable Andrew H. Card

Obtained and made public by the Natural Resources Defense Council, May 2002
January 29, 2001

The Honorable Spencer Abraham
Secretary of Energy
1000 Independence Ave
Washington, DC 20585

Dear Secretary of Energy Abraham:

This is the third letter to 30 of my elected representatives in Houston, Austin, and Washington. This time I have added 12 more elected and appointed officials that have a special relationship to the energy industry, but I do not vote for directly.

Enclosed is a reprint: Front Page News that was written July 1, 2000. Energy expenditures in the United States went up $90 billion between 1999 and 2000. Would you like to forewarn your constituents how much they should expect to pay for energy in 2001? 2010? Many constituents are concerned about their energy bills today and more so, tomorrow's energy bill.

Recently I was in Vienna (observer at OPEC meeting) and Paris (Met with IEA staff) to get a gut feeling for the energy situation. I am positive that energy will remain "front page news" for the foreseeable future.

The world energy situation/problem will remain in chaos until the consumer and producer has better energy data and a reliable energy model that is transparent for all parties.

My recommendation is that every political, corporate, and private entity should prepare a Master Energy Plan to prepare and survive in the future. It will be well worth the effort. California is a case example of what can happen without a plan.

The Houston Energy Chamber of Commerce stands ready to assist your political entity. Enclosed is a flyer on designing a Master Energy Plan.

Sincerely

Dale W. Steffes

Enclosures: AEE article
Flyer on Master Energy Plan

Obtained and made public by the Natural Resources Defense Council, May 2002
Designing and Implementing a
Master Energy Plan
For Energy Consumers, Energy Producers

ONE-DAY SEMINAR

LOCATIONS & DATES
Houston Hotel, Monthly, First Tuesday
(Minimum of 6 participants required)
In-House for individual company, country
By mutual agreement

ABOUT THE SEMINAR
This one-day seminar is to provide strategic planners and strategic forecaster with the process to design and implement a Master Energy Plan for their company or country.

The seminar provides participants a macro model of the world energy system that tracks dollars and BTU's.

ABOUT THE INSTRUCTOR
Dale W. Steffes is an independent consultant specializing on the management functions of strategic planning and strategic forecasting for companies and political entities dealing with the energy industry. He has over 30 years of professional experience assisting clients with their Master Energy Plans.

He is a Registered Professional Engineer, and a Certified Energy Manager. He has degrees in Mechanical Engineering, Business Administration and Theology.

He wrote an "Energy Outlook" regular column for the Journal of Commerce for seven years. He is a regular contributor to the Strategic Planning for Energy and Environment journal.

FEES
Regular Individual Fee $ 995.00
WEA Member Fee $ 495.00
Private In-House Fee (Max 15) $ 3,950.00
Plus travel expenses.

CONTACT
Planning & Forecasting Consultants
Box 820228, Houston, Texas 77282
Tel 713 467 4732 Fax 281 497 4128
Email: Dalestel

Seminar Outline
Management System
Influences
Issues
Forecasting Methodology
Energy Models
Assumption Generator
Natural Resources
Geographical
Economic
Technology
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Political
Ecological
Regions
United States
Mexico & Canada
Latin America
Western Europe
E. Europe and FSU
Japan
China
South Asia
Southeast Asia & Oceania
Africa
Middle East
Major Industry Cost Centers
Oil at Wellhead
Natural Gas at Wellhead
Coal at Minemouth
Nuclear at Busbar
Hydro at Busbar
Crude Oil Pipelines
Crude Oil Barges, Trucks, etc.
Natural Gas Pipelines
Railroad Coal Transport
Petroleum Refineries
Hydrocarbon Electric Generators
Liquid Petroleum Pipelines
Electric Transmission
Gasoline Distribution
Natural Gas Distribution
Electric Distribution
Energy Imports
Energy Exports
Energy Consumer Sector Expenditure
Transportation
Industrial
Commercial
Residential

27629

Obtained and made public by the Natural Resources Defense Council, May 2002
January 29, 2001

2001-002368 1/29 P 5:27

The Honorable Spence Abraham
Secretary of Energy
Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Abraham:

Congratulations on your cabinet appointment as Secretary of Energy.

We look forward to continuing to work with you and your staff as you address the nations growing energy concerns.

I am forwarding to you a note from Bill Jewell who is the Director for our energy business with some thoughts on energy policy for your consideration.

We would be happy to provide additional information if desired.

Regards,

Wilma I. Delaney
Vice President

Attachment
January 22, 2001

Bush/Cheney Transition Team - Energy
Washington, D.C.

Thank you for the opportunity to provide input on the important and timely issue of energy policy. The Dow Chemical Company is a substantial consumer of natural gas, electricity and hydrocarbon feedstock. Your deliberations concerning the reliability and competitiveness of energy supplies have a tremendous impact on our company as well as the nation. Reliable and competitive sources of energy for our country are a requirement for sustainable economic growth. As you move forward in this debate, we would be grateful if you considered the following key points.

- The United States needs robust, diverse and competitive sources of energy. Dow believes that only a balanced energy supply that includes coal, oil, nuclear, natural gas, hydro, solar, wind, biomass and energy efficiency gains will yield reliable and competitively priced energy. Reliance on natural gas as The growth fuel for the nation is of doubtful prudence.

- Cogeneration of electricity and steam should be encouraged as a way of increasing reliable electric supply and improving efficiency. "Cogeneration parks" allow multiple adjacent consumers of energy (industrial as well as large private and public institutions) to combine electricity and steam demands to reach necessary economic thresholds. "Parks" also provide siting advantages for the community as well as reduce transmission and distribution requirements. This initiative would cause the shutdown of old less efficient boilers and help clean the air. The environment and competitiveness win.

Thanks again for the opportunity to provide input.

Very best regards,

R. W. Jewell
Business Director - Energy
713-978-3600

cc: M. Parker, CEO
    W. Delaney, Vice President - Government Affairs
CAITHNESS ENERGY, L.L.C.

The Grace Building
1114 Avenue of the Americas
New York, New York 10036-7790

James D. Bishop
Chairman and CEO

2000-002650

Via Facsimile and Federal Express

January 30, 2001

The Honorable Spencer Abraham
Secretary of Energy
Attn: F. Chase Hutto III
US Department of Energy
1000 Independence Avenue S.W.
Washington, D.C. 20585

Dear Secretary Abraham:

I am writing at the suggestion of Susan and David Easlick as a result of their conversations with you and Chase Hutto at the recent inauguration.

I am the Chairman and Chief Executive Officer of Caithness Energy, LLC. Caithness has been in the electric generation business for over twenty years. We believe ourselves to be the largest renewable energy generator in the United States. In addition, we have significant ownership interests in gas fired combined cycle technology. Our renewable generation includes major holdings in geothermal, solar and wind including the worlds largest solar generating station.

Caithness' President and Chief Operating Officer, Les Gelber, was an active participant in the recent talks in Washington DC, hosted by Secretary Summers and Secretary Richardson, on the California energy crisis. Caithness is the largest contract supplier of energy to Southern California Edison. Caithness projects make up 25% of Southern California Edison's contracted power ("QF Power"). Caithness continues to be involved with the ongoing efforts in California to solve the crisis.

As the new administration begins to deal with the issues and challenges surrounding this country's energy policy, I believe we can bring a unique perspective to your deliberation. I would be honored to meet with you at your convenience to discuss these issues. I have enclosed a draft of our soon to be updated brochure.

Kind personal regards,

Sincerely,

James D. Bishop, Sr.

cc: Leslie J. Gelber
    Susan and David Easlick

Telephone: (212) 921-9099 • Fax: (212) 921-9239

27632

Obtained and made public by the Natural Resources Defense Council, May 2002
From: "Michael S. Gordon" <msgordon@citrus.ucr.edu> on 01/30/2001 07:30 PM GMT

To: president@Whitehouse.GOV
cc: 
Subject: Energy policy

Mr. President & the staff that reads these letters -
In writing this letter there are two things I realize: it is unlikely to be read, and if it is read it is unlikely to be taken seriously. Despite those two rather daunting thoughts the recent trends in the white house have me fraught with frustration and anxiety about the future of our country. So while I am confident of the null impact of my letter, I nonetheless feel compelled to vent my distresses about the current policy.

While I strongly disagree with the new policies on abortion overseas and the new social services agency devoted to faith-based organizations, those are issues that should be dealt with in the U.S. supreme court. Moreover they seem an inevitability of electing a conservative president.

The proposal to which I can not leave unchallenged is further exploration for fuel in our national parks to relieve the energy crisis and the re-opening of potentially substandard energy plants. There is bipartisan agreement that our reliance on foreign oil, and a horrendous deregulation policy in California have brought about this energy crisis. Clearly there needs to be a decisive and effective strategy to relieve this situation before California's losses endanger the rest of the country, and perhaps the world.

Drilling for more oil, however, will have two consequences - quick, temporary relief from the crisis and unalterable damage to our national parks. A quick means-end analysis suggests an ephemeral gain is not of equal value to a permanent loss. Restarting older, likely less efficient and highly pollutant power plants will contribute to our rapid consumption of fossil fuels, further exasperating an already tenuous situation.

Therefore I urge, with all the miniscule muscle that this letter flexes, that the president address this energy crisis by considering all the non fossil-fuel based sources of energy. California has a bevy of wind generators already in place, running far from capacity; solar energy panels, if manufactured quickly, could be added as a permanent supplement to our energy needs; instead of drilling offshore for oil a more permanent solution would be an offshore hydroelectric plant. Fossil fuels will be exhausted and the president's proposal only plunges us deeper into that addiction. I urge him to consider a broader approach to this problem, and to respect the wishes of the half of the country that agrees to his leadership, but disagrees with his putative policies.

Respectfully,
Michael Gordon

Michael S. Gordon
Department of Psychology
University of California, Riverside
Riverside, CA 92521
January 30, 2001

George W. Bush
President of the United States
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President,

Congratulations on your election as the president of our great country. I look forward to the initiatives you will bring forward in the coming months and years.

The purpose of my letter is to convey a simple encouragement with regard to this countries energy policy: consider the role that information technology can play in integrating supply and demand viewpoints. An integrated supply/demand policy (a supply chain viewpoint) has the potential to bring unforeseen efficiencies to energy use.

As long as supply and demand management remain as segregated domains, there is a tremendous opportunity loss, perhaps 20-30%, in the economics of energy. This concerns not just the energy commodity, but the infrastructure and the industrial process design industries that surround it.

As the founder and manager of a small technology company striving to bring solutions to the last link in the energy supply chain, where the process is managed, I look forward to innovative and progressive energy policies from your administration.

Please consider me at your service. I would be pleased, at any time, to share the perspective of an entrepreneur on the front lines creating information-based solutions for energy users.

Sincerely,

Richard A. Jamieson, Ph.D.
CEO
CAITHNESS ENERGY, L.L.C.

The Grace Building
1114 Avenue of the Americas
New York, New York 10036-7790

James D. Bishop
Chairman and CEO

2000-002650

Via Facsimile and Federal Express

January 30, 2001

The Honorable Spencer Abraham
Secretary of Energy
Attn: F. Chase Hutto III
US Department of Energy
1000 Independence Avenue S.W.
Washington, D.C. 20585

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Kind personal regards,

Sincerely,

James D. Bishop, Sr.

cc: Leslie J. Gelber
    Susan and David Easlick

Telephone: (212) 921-9099 • Fax: (212) 921-9239

27635

Obtained and made public by the Natural Resources Defense Council, May 2002
January 31, 2001

The Honorable Spencer Abraham
Secretary of Energy
U.S. Department of Energy, S-1
1000 Independence Avenue, SW
Washington, DC  20585

Re: Fusion and Energy Policy

Dear Mr. Secretary:

Today, our nation is urgently searching for solutions to the power shortfall in the Pacific Coast region. While the immediate problem has many contributing causes, energy supply is essentially a long-term issue. We must not only react to recurring crises but also prepare for the future. In addition to acting to ameliorate the immediate problems, we urge you to address the nation's long-term energy needs through creation and funding of a focused R&D effort to expand our future commercial energy options.

We advocate an expanded, sustained energy R&D effort to provide the United States and the world with the energy it will need for the 21st century. The focus of this effort should be to provide new economic and environmentally acceptable energy technologies as soon as practical. The options that present themselves for mid-term application include advanced technologies for improving energy end-use efficiency, cleaner burning of fossil fuels, improvements in nuclear fission technologies, and less costly and more efficient renewable energy options. For the long term, we urge an accelerated effort to develop fusion energy.

Fusion power plants, when developed, offer a number of specific advantages, including an abundant fuel supply, no air pollution and much reduced risk from hazardous radioactive materials. At present, the United States has an excellent but underfunded scientific research program on fusion. Other nations, notably Japan and the European Union, pursue both scientific research and also a focused development strategy aimed at eventual commercialization.

We urge the United States to strengthen greatly its research into the fundamental science and advanced technology of fusion energy and to prepare a strategic plan for the realization of practical fusion energy as an important element in a long-term, environmentally responsible energy development strategy.

On August 9, 1999, the Fusion Energy Task Force of the Secretary of Energy's Advisory Board (SEAB) completed and delivered its Final Report: "Realizing the Promise of Fusion Energy." This report concludes: "the threshold scientific question — namely, whether a fusion system producing sufficient net energy gain to be attractive as a commercial power source can be sustained and controlled — can and will be solved." The report also noted that U.S. funding for fusion energy research is "subcritical" at this time.

We very much appreciate your efforts to establish a responsible energy research and development policy for both the near and long term, to prevent recurrence of our present energy supply difficulties.

Respectfully submitted on behalf of the following signatories,

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