June 25, 2001

Dear Max:

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

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

Thanks again for your letter on this very important matter.

Sincerely,

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

The Honorable Max Baucus
United States Senate
Washington, DC 20510

010626

21250

DOE022-0131

 Obtained and made public by the Natural Resources Defense Council, March/April 2002
United States Senate  
WASHINGTON, DC 20510-2602  

June 8, 2001  

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

Dear Mr. President:  

I am writing to reiterate that I do not support California’s waiver request from the 2% federal oxygenated fuel requirement.  

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

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

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

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

With best personal regards, I am  

Sincerely,  

[Signature]

MSB/ser

21251  
DOE022-0132  

Obtained and made public by the Natural Resources Defense Council, March/April 2002
Vice President Richard B. Cheney
The White House
Washington, DC 20501

Dear Mr. Vice President:

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

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

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

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

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

August 8, 2001
One recent development gives us, and hopefully you, extra confidence that this new borrowing authority will be well spent. To assure that BPA properly prioritizes its transmission investments, a technical review committee consisting of BPA's transmission customers was recently created, and is already beginning its work. This review process (which received the full support of the Senate Appropriations Committee in its July 13 report on the Energy and Water Development Appropriations bill) will allow meaningful customer input and thereby help assure that BPA's transmission investments will provide the most cost-effective, reliable service for the region's consumers.

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

Kris Mikkelsen
General Manager
Inland Power & Light

Al Gonzalez
General Manager
Central Electric Cooperative, Inc.

Patrick Ashby
General Manager
Tillamook Public Utility District

James W. Sanders
General Manager
Benton Public Utility District

Don Godard
Manager
Grant Public Utility District

David E. Piper
Chief Executive Officer
Pacific Northwest Generating Company

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

James C. Miller
Senior Vice President
Delivery
Idaho Power Company

Brett Wilcox
President
Goldendale Aluminum and Northwest Aluminum

21253
DOE022-0134
cc: Secretary of Energy Spencer Abraham
    Senate Appropriations Committee Chairman Robert C. Byrd
    House Appropriations Committee Chairman C.W. Young
    Senate Budget Committee Chairman Kent Conrad
    House Budget Committee Chairman Jim Nussle
    Senate Energy Committee Chairman Jeff Bingaman
    House Energy and Commerce Chairman W.J. "Billy" Tauzin
    OMB Director Mitchell E. Daniels Jr.
    NW members of Congress
    Governor Dirk Kempthorne
    Governor John Kitzhaber
    Governor Gary Lock
    Governor Judy Martz
July 31, 2001

Dear Joe:

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

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

Thanks again for your letter on this very important matter.

Sincerely,

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

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

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

† Copy of Response

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21257
DOE022-0138

Obtained and made public by the Natural Resources Defense Council, March/April 2002
The President  
The White House  
Washington, D.C. 20500  

Dear President Bush:  

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

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

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

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

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

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DOE022-0139  

Obtained and made public by the Natural Resources Defense Council, March/April 2002
the South Caucasus hinders U.S. policy goals of promoting regional stability based upon the development of strong political, economic and security ties among all countries of the Caucasus and the United States. Therefore, we believe that Armenia, which represents the most reliable, direct and cost-effective East-West oil and gas pipeline route, must not be excluded.

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

Sincerely,

[Signatures]

John Elsner

[Signatures]

Mark Tella

[Signatures]

Joe Kyl

[Signatures]

Bill Thomas

[Signatures]

Cecil McCarty

[Signatures]

Rex Rodnight

[Signatures]

Jerry C. Coutelle

[Signatures]

Jim Brown

[Signatures]

Zack M. Root

[Signatures]

Pete Stank

[Signatures]

Obtained and made public by the Natural Resources Defense Council, March/April 2002
July 31, 2001

Dear Pat:

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

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

Thanks again for your letter on this very important matter.

Sincerely,

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

The Honorable Pat Roberts
United States Senate
Washington, DC 20510
July 31, 2001

Dear Senator Johnson:

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

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

Thanks again for your letter on this very important matter.

Sincerely,

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

The Honorable Tim Johnson
United States Senate
Washington, DC 20510
July 17, 2001

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

Dear Mr. President:

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

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

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

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

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

Agriculture, small businesses owners, rural and low-income consumers, and the nation are best served if potential domestic energy alternatives are considered as part of an overall national energy policy debate, rather than in isolation. Gulf of Mexico exploration and production have allowed for the growing use of natural gas and oil—vital parts of this nation's productive economy and energy future that limit imports. Moreover, America's farmers and food producers are this nation's frontline environmental stewards. They are sensitive to the ongoing need to protect and conserve soil, air and water quality, as well as the Gulf of Mexico's waters and beaches.
If we are to meet the growing demand for these necessary fuels, and for U.S. agriculture to remain productive and competitive, it is imperative that domestic reserves are explored and developed as soon and as safely as possible in the context of a balanced energy policy. Thank you for your consideration.

Sincerely,

Tim Johnson
United States Senate

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

DATE: August 16, 2001

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

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

Sincerely,

Cecelia Boyer
Special Assistant to the Vice President
for Correspondence
July 23, 2001

Vice President Richard Cheney
Chairman, Energy Task Force
The White House
Washington, DC 20500

Re: National Energy Policy

Dear Vice President Cheney:

Congratulations on your rational and sound energy policy, including national exploration of natural resources to develop energy self-sufficiency. I also admire President Bush’s and your stand regarding the global warming issue and withholding your support of the Kyoto Agreement.

Having over 40 years management experience in the energy field, including overseeing the development of new and renewable energy technologies at the Electric Power Research Institute (EPRI) and being a resident of California, it is really painful to witness the political mismanagement of energy resources in this state. This government created crisis has been long in the making by our Democrat controlled Legislature and their politically appointed committees, and more recently promulgated by our elected Democratic Governor Davis. The California “crisis” could have been easily resolved by letting the prices rise, which would have resulted in an immediate decrease in demand and increase in supply of electricity in the absence of political interference. Instead, Governor Davis elected to opt for the political expediency of price controls, government regulation and market interference, while blaming everyone but his own mismanagement for the problem.

Unfortunately, the press and the public have accommodated his position and most voters believe that there is no energy problem other than the one created by the “greedy” energy companies, supported by the Bush Administration. The result is a widely held perception that deregulation and the power industry are to blame, even though we only had quasi deregulation at the energy supply side, while maintaining full PUC regulation at the retail level and of new power plant
construction. Most importantly, this debacle and associated rhetoric have provided fuel for the opposition of your administration's energy policy. At the same time, the environmental political forces have faulted your administration for not supporting renewable energy resources development and the international global warming treaty.

Based upon my extensive experience in the RD&D of renewable energy technologies, to include: solar thermal, photovoltaics, wind, ocean thermal, geothermal, and fusion, I have long ago concluded that these technologies are far too expensive in cost and much too limited in reliability of supply. This is due to their low energy density and intermittent availability. Consequently, the advocates for deployment of these renewable resources cannot make a serious case for displacing most of the conventional resources available.

Fortunately, there is a new technology in the advanced stages of development which has the potential to greatly improve the overall energy efficiency of converting conventional depletable energy resources, oil and gas, while at the same time reducing and eliminating harmful emissions. This technology is the fuel cell, which has achieved significant progress during the last several years and has the ability to significantly improve the overall conversion efficiency of natural gas, propane gas, and oil derivatives.

The fuel cell can provide both electric and thermal energy, operating as small co-generators located at dispersed customer sites (residences, commercial buildings). The waste products are pure water and reduced carbon dioxide. Subsequently, when the cost have significantly been reduced through large-scale production for these small-scale stationary applications, these fuel cell systems can be incorporated into hybrid electric cars, with the potential of obtaining fuel efficiencies of 100 mpg. As you can readily surmise, more than doubling the conversion efficiency of scarce energy resources, while simultaneously eliminating harmful emissions, for both stationary and mobile applications, is a two-fold political and economic winner.

As an independent consultant, with over 25 years of experience in fuel cell development, I have conducted a great number of studies relating to the commercialization of this important 21st century technology and presented my findings as invited speaker at various national and international energy symposia and workshops. For your information, I have included a few select presentations addressing the commercialization and market opportunities of small-scale fuel cells.

To further the commercialization of fuel cells, I formed a potential users group (Small-scale Fuel Cell Commercialization Group) several years ago. This group
To further the commercialization of fuel cells, I formed a potential users group (Small-scale Fuel Cell Commercialization Group) several years ago. This group issued a Market Opportunity Notice (MON) with market-derived technical and cost specifications for small distributed market residential fuel cell systems, which has become a de facto strawman for fuel cell developers.

Unfortunately, the DOE has politically focused its fuel cell program on the much lower value automotive applications. Since cars are relatively cheap per unit weight, the fuel cell for this application has a market-derived value of only one-twenty-fifth of that for the much higher market value small-scale stationary residential and commercial applications ($80/kW versus $2,000/kW, respectively). Consequently, the initial market entry of fuel cells is projected to be the much higher value stationary applications. Only when the fuel cell costs have been decreased sufficiently, as a result of continued production learning and innovation, will the mobile applications become market viable.

Both these stationary and subsequent mobile markets have the potential to reduce energy consumption of depletable oil and gas resources at least two-fold, while essentially eliminating harmful emissions associated with the current conversions of these resources.

Obviously, the economic and political benefits of this fuel cell technology are enormous for this country and the world. Your inclusion of this technology development and deployment in your energy plan will have tremendous political implications. This inclusion will simultaneously reduce our foreign energy dependency, with the associated balance of trade and national security benefits, while eliminating harmful emissions, including substantially reducing the CO₂ emissions. The former being the concern of many environmental activist groups critical of your administration's policy and the latter deflating the arguments against the industrialized nations for contributing to the real or alleged global warming.

Furthermore, this technology can facilitate off-the-grid distributed energy systems for residential and commercial applications, which will reduce the customer dependency on centrally generated power. For example, if available, these systems would have realized tremendous market expansion during the recent and future energy rotating blackouts in California. Obviously, the potential impact of this technology on the deregulation of energy is very large.

In addition, the fuel cell systems will provide clean electrical power with extremely high reliability, both attributes being extremely important to the Silicon Valley and other high technology industries. Consequently, these distributed fuel cell systems, when developed in the United States, can be successfully exported,
especially to those countries without the financial resources to develop the very expensive power grids associated with central power generation. This technology export will again significantly benefit the trade balance of the U.S.

In view of the above, I strongly urge you to consider inclusion of this strategically very important fuel cell energy technology in your energy plan and, thus, reflect a fully integrated and environmentally conscious approach by your administration. Obviously, the full impact of a new technology will not be immediate, since all new product or technology market penetration occurs logistically ("S-shaped") over time.

Currently, as an independent consultant, I have no specific financial interest in any fuel cell company, however, I do have a great personal interest and ambition in bringing this technology into the market. Therefore, I hope that you will perceive this important information as an unbiased assessment of an energy development opportunity and benefit for this country and the world, as well as provide significant political ammunition in response to the various vocal critics of your administration’s policy. This fuel cell development is the technology of the 21st century and you can greatly facilitate in making its commercialization happen. In this context, if I can be of further assistance to you, I will be available to offer you my experience and consulting services at your convenience. I have included my biographical summary for your information.

Sincerely,

Peter B. Bos
President
Polydyne, Inc.

Enclosures.
Mr. Bos is the founder and President of Polydyne, Inc., a multi-disciplinary management consulting company, located in Pacific Palisades, California. Since its incorporation in 1981, Polydyne, Inc. has consulted with a large number of private companies and public agencies, specializing in integrated, market-oriented assessment of clean, innovative energy technologies for stationary and mobile applications.

With over forty years of management experience, Mr. Bos has extensive experience in the interdisciplinary synthesis of energy systems to include technology development and transfer, market analysis and penetration, energy investment and policy analysis, utility interfacing and regulatory considerations, and private and public sector interaction. He has been an invited speaker at various national and international symposia and workshops.

Mr. Bos has been involved in fuel cell research, development, and commercialization efforts since 1975, starting with the early attempts to commercialize the United Technology Corporation phosphoric acid fuel cell, which efforts are currently organized under the International Fuel Cells Corporation/ONSNI (IFC/ONSNI). Several years ago, Mr. Bos founded and currently is Managing Director of the Small-scale Fuel Cell Commercialization Group, Inc. (SFCCG, Inc.), a consortium of major electric and gas utilities in the U.S. and Canada, which is chartered to commercialize small-scale fuel cell systems following a market-driven commercialization strategy.

This market-driven strategy was originated by Polydyne, Inc. for the development of stationary and mobile technologies that have the potential for mitigating resource constraints and environmental problems for a large spectrum of commercial applications. This includes the identification of high value entry markets for and commercialization of fuel cells and batteries for both stationary and mobile applications. These high value entry markets identified are the distributed power stationary residential and small commercial markets and the remote telecommunications markets. To facilitate these efforts, Mr. Bos has developed several proprietary computer programs, to include Market Assessment and Penetration Models, Fuel Cell Design and Production Costing Program, Advanced Vehicle Design and Simulation Model, Financial Simulation Models, and the commercially available Financial Software: FAST 123 (Financial Analysis Standard).

Prior to founding Polydyne, Inc., Mr. Bos was Director of the Department for New Energy Resources Development at the Electric Power Research Institute (EPRI) and was responsible for planning, direction, and control of the utility-sponsored new energy technology programs, including solar, photovoltaics, wind, geothermal and fusion. Overall accomplishments at EPRI include management of major demonstration projects throughout the United States and authorship of numerous articles and reports. He has participated in many advisory committees and workshops and has contributed to significant program decisions on a national level. As a consequence, Mr. Bos is widely known throughout the utility and vendor industries, the U.S. Department of Energy and associated laboratories and in the energy community in general.

Mr. Bos holds an MBA degree from the Graduate School of Business Administration at the University of California, Los Angeles, and an Engineering degree from the Massachusetts Institute of Technology.

Tel. (310) 230-6083
Fax. (310) 230-6084
E-Mail: pbbos@aol.com

Polydyne, Inc.
16538 Calle Haleigh
Pacific Palisades, California 90272

21272

DOE022-0153

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

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

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

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

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

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

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

- Performance-Based & Fiscally Sound Investments

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

- Environmentally Friendly

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

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

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DOE022-0155
- **Efficiently Implemented**

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

- **Technically Proven**

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

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

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