

Bill Fang - RE: Climate Change: Update on Power Partners Rollout, and Response Requested on Industry Initiatives

From: Bill Fang
To: Dobriansky, Larisa
Date: 12/2/02 2:29 PM
Subject: RE: Climate Change: Update on Power Partners Rollout, and Response Requested on Industry Initiatives
CC: Eric Holdsworth; Ronald Shiflett

Larisa, I know that Ron Shiflett has been in contact with you regarding the IPP initiative, but if you feel a 3-way conference call would be helpful, please let us know.

With respect to Power Partners, the core of EEI's response will be comprised of individual company responses. Company responses will be facilitated by the Power Partners Resource Guide, which EEI, DOE, EPRI and the other EPICl trade groups are all working on. In a letter that Tom Kuhn will send to our CEO's around Wednesday, Dec. 4, we are saying (subject to further senior management review): "The Administration has strongly recommended that companies focus on quantitative, concrete and specific activities to reduce, avoid or sequester GHGs, or to reduce carbon intensity. Preliminary indications are that a number of Power Partners companies may consider committing to either a numerical range of tons of GHG reductions or a numerical (percentage) range of carbon intensity reductions." I will Email a copy of this letter to you as soon as it is transmitted.

As we have discussed, after an umbrella MOU is negotiated between DOE and the EPICl trade groups, EEI member companies will enter into individual MOU's in 2003 and subsequently. Commitment numbers can be derived from these agreements in a "bottom up" approach, especially for those companies that commit to a range of tons or range of carbon intensity reductions.

In addition, as I think you are aware, I believe that NEI will commit to the equivalent of 10,000 MW of added capacity over the next 10 years. If fully realized, the NEI initiative would result in 22 mmtCe annual avoidance (or about 81 million tons of CO₂). Except for 1 TVA plant and a few equity shares held by munis and coops, NEI's initiative will be undertaken by EEI member companies (i.e., investor-owned utilities).

With regard to industry initiatives, the results that we can currently anticipate are as follows:

- * Utilitree II — as much as 2 mmtCO₂ sequestered over the lifetime of the projects.
- * C2P2 — will increase current coal combustion products use, and increase CO₂ avoidances from the current 16 mmtCO₂ to as much as 30 mmtCO₂ annually.
- * IPP initiative — 1.8-18 mmtCO₂e annually reduced, avoided or sequestered from 2002-2010, depending on government (DOE) funding.
- * Restoration of abandoned mine lands, wind, and biomass initiatives — tons reduced, avoided or sequestered in the short to medium term are uncertain until projects are developed, but are potentially high.
- * EPRI's long-term R, D & D initiatives — tons unlikely in the short to medium term, but the potential in the long term is high.

In addition to the EEI and NEI efforts, I know that you are generally aware that the other 5

EPICl trade groups will be engaging in member company activities as well as industry-wide initiatives.

In terms of participation "milestones," our Power Partners program description contemplated a 60% generation participation level. Leaving aside TVA (which is a Power Partners member), the 35 EEI member companies that currently comprise Power Partners already represent 81% of EEI IOU generation.

I look forward to meeting with you and CEQ officials at 2 p.m. Tuesday and/or speaking with you later this week.

>>> "Dobriansky, Larisa" <Larisa.Dobriansky@hq.doe.gov> 12/01/02 10:29AM >>>
I would like to submit some comments on your IPPI to solicit interest in coordinating with our Energy Efficiency for Sustainable Development Partnership.

Also, would like to confer with you this week on the roll-out and further coordination with respect to your Action Plan. What types of milestones can the association set for itself in terms of increasing participation levels or achieving certain concrete results from your industry initiatives?

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

From: Bill Fang [mailto:BFang@eei.org]

Sent: Monday, November 25, 2002 1:12 PM

To: Dobriansky, Larisa

Cc: Eric Holdsworth; Quin Shea

Subject: Fwd: Climate Change: Update on Power Partners Rollout, and ResponseRequested on Industry Initiatives

Larisa, following up on our conversation last Friday, I thought we had sent you the attached last month but perhaps not.

We will be transmitting another letter to our CEO's later this week or early next week announcing the Jan. 23 kickoff date for the Power Partners/President's Energy Partners for Climate Action and updating our member companies on various industry initiatives. In addition, we will note the strong recommendation of the Administration that companies focus on quantitative, concrete and specific activities to reduce, avoid or sequester ghg's or to reduce carbon intensity.