

Appendix A.

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United States Senate

COMMITTEE ON  
ENERGY AND NATURAL RESOURCES

WASHINGTON, DC 20510-6150

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June 10, 2003

The Honorable Guy Caruso  
Administrator  
Energy Information Administration  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, DC 20585

Dear Mr. Caruso:

I would appreciate if EIA would review its RPS analysis of May 8, 2003 based on different assumptions. A description of the requested assumptions to be applied is attached. Please ensure that all responses use both a flat 1.5 cent/kWh credit cap and a 1.5 cent/kWh credit cap adjusted for inflation. To the extent possible, include total calculations as well as any tables, graphs, and yearly breakdowns in your review.

I ask that the requested assumptions be completed as soon as possible. I also request that my staff be briefed prior to any release of any information.

If you have any questions regarding this request, or need clarification, please contact Lisa Epifani at 202-224-4971 or [lisa\\_epifani@energy.senate.gov](mailto:lisa_epifani@energy.senate.gov). Thank you for your efforts and attention to this request.

Sincerely,



Pete V. Domenici  
Chairman

### **Assumptions for EIA RPS Analysis**

#### Request for more detailed data from May 2003 study

1. What is the total cumulative cost in real and nominal dollars of the analysis all the way through 2030? In this and in all subsequent questions, "real" dollar values should only differ from nominal dollar values by the amount of price inflation, i.e., they should not be further adjusted by a real discount rate.
2. Please provide a table with year-by-year values (in both real and nominal dollars) for credits and for allowances.

#### Request assumptions for a separate model run and analysis

3. For every year when the supply of renewables is less than the required level of (demand for) renewables, assume that the market price for credits purchased from suppliers of renewable generation equals the allowance cost of 1.5 cent/kWh.
4. What is the end effect on the analysis if you dropped out all State renewable programs (eliminating stimulation of renewables tied to State programs as described at p. 7)?
5. Run the analysis with lower biomass co-firing (approximate one test as a zero growth and one at 10 billion kWh).
6. Provide a detailed definition of "net resource costs" and an itemization of what is included as well as any graphic representation of such costs.
7. What are the total cumulative costs in real and nominal dollars of these analyses all the way through 2030?
8. Please provide a table with year-by-year values (in both real and nominal dollars) for credits and for allowances for these analyses.

#### Request for separate "simple" analysis

9. What is the total cumulative cost in real and nominal dollars through 2030 if every necessary credit had to be purchased from the Secretary for 1.5 cent/kWh? That is, if no new renewables were built and all requirements under the RPS were met by buying allowances from the government at 1.5 cent/kWh.
10. Please also provide a table with year-by-year values (in both real and nominal dollars) for allowances.

Additional questions

11. Given that wind is the largest growing renewable resource according to the analysis, how many acres of land will be needed to sustain that growth?
12. There are potentially amendments that will increase siting protocols for windmills in highly scenic areas. If siting becomes more onerous, what effect will this have? If the analysis' expected growth of wind resources was cut in half, what happens to allowance costs and consumer prices?