

memorandum

Memorandum for: Mary Hutzler
Director, Office of Integrated Analysis and Forecasting
EI-80
From: *Mazur*
Mark Mazur, Acting Director, Office of Policy
Date: May 20, 1999
Subject: Energy Subsidy Study

This is to request that the Energy Information Administration (EIA) undertake a service report for the Office of Policy that updates EIA's 1992 report on Federal Energy Subsidies and begins an examination of the energy market impacts of these subsidies. The report will serve as a building block to promote understanding regarding the level and composition of direct market interventions which may affect the use of energy or the composition of energy supply, and how these interventions have changed since the 1992 report. The report will be used in interagency discussions and may be the first of several reports requested.

The analysis should include the following:

- an update of any additions/deletions of Federal subsidies based on Administration and Congressional action since the 1992 report was written; and
- an estimate of the size of each current subsidy.

Subsidies to be included in the report are those wherein a government or public body provides a financial benefit. The subsidy must also be specific; for example, depreciation schedules, that can be used in non-energy sectors as well, are not included in the definition of a subsidy for this study.

This analysis will cover primary energy only, and to be most helpful, this report should be completed by August 15, 1999.


If you have any questions about this request, please let me know.



The Secretary of Energy
Washington, DC 20585

September 29, 1999

TO: Jay Hakes
Mary Hutzler

FROM: Mark Mazur, 
Director, Office of Policy

SUBJECT: Request for Additional Examination of Energy Market Interventions

This is to request that the Energy Information Administration (EIA) provide the Office of Policy with updated information regarding Federal interventions in energy markets affecting energy transformation and end-use. This analysis will complement the study of subsidies affecting primary energy sources prepared in response to our earlier request.

Subsidies or other interventions in energy markets to be addressed are those affecting energy transformation or end-use wherein a government or public body provides a financial benefit. Attention should be focused on interventions specifically targeted on energy transformation and end-use. Broad policies or programs that are generally applicable throughout the economy need not be considered.

For all subsidies falling within the scope of this request, your analysis should include:

- an update of any additions/deletions of Federal subsidies based on Administration and Congressional action since the time of EIA's 1992 report
- an estimate of the size of each current subsidy.

Where there has been a significant change in the amount or scope of a particular subsidy relative to information presented in EIA's 1992 report, it would be useful if the updated report were to review the legal and/or programmatic developments that led to such a change. While the focus is on subsidies available as of the date of this request, the report should also identify any subsidies in energy markets affecting energy transformation or end-use that were addressed in the 1992 report but have since been eliminated.

To be most helpful, your report should be completed by January 15, 2000. Please let me know if you have any questions about this request.

cc: Howard Gruenspecht



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