

Appendix A. Analysis Request Letter

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United States Senate

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April 24, 2006

The Honorable Guy F. Caruso
Administrator, Energy Information Administration
Department of Energy
Room 2H-027/FORS
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Mr. Caruso:

I am writing to request your assistance in analyzing the impact on utility sector carbon emissions of legislation that I am considering introducing. It is my understanding that you previously prepared an analysis comparing Senator Bingaman's renewable portfolio standard and the National Commission on Energy Policy's carbon cap and trade proposal. It would be my hope that you would use the same model to review the impact of my draft legislation, which I have enclosed, on utility sector carbon emissions.

This draft bill is loosely modeled on the Bingaman legislation but with three major differences. First, unlike the Bingaman proposal, which obligates utilities to hold renewable credits equal to a certain amount of total utility retail sales, my proposal would impose the obligation on utility sales growth rather than total sales. This change was made in order to more fairly allocate the burden between slow and faster growing utilities. Second, because my bill calculates the utility obligation on incremental sales, the yearly percentages are much larger. Third, the draft bill expands eligible resources beyond traditional renewable resources to include IGCC with carbon capture, new nuclear facilities, and expenditures on demand side management programs.

Accordingly, the legislation is really a clean energy resources bill designed to promote the development not only of renewables but also conservation and zero carbon emissions resources. This feature also is designed to allow utilities located in areas of the country that do not have indigenous sources of renewable fuels to develop resources that are carbon free rather than simply purchase renewable credits from other parts of the country.

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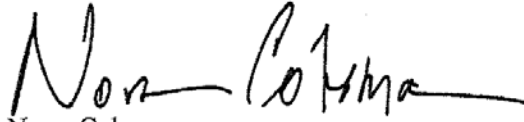
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In sum, the bill is designed to address some of the criticisms that have been leveled at the Bingaman approach while remaining faithful to the objective of promoting renewable resources and new generation technologies. It is my hope that the overall impact on utility carbon emissions also will be similar.

Thank you for your assistance on this matter. If you or your staff has any questions regarding the draft legislation, please feel free to contact Tony Eberhard on my staff at (202) 224-7424.

Sincerely,

A handwritten signature in black ink that reads "Norm Coleman". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.

Norm Coleman
United States Senate