January 6, 2009

Ms. Susan Beard
Designated Agency Ethics Official
U.S. Department of Energy
1000 Independence, Ave., SW
Washington, DC 20585

Dear Ms. Beard:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of Energy.

As required by the United States Senate Committee on Energy and Natural Resources Recusal Policy dated May 6, 1993, and 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my positions as Director of the Lawrence Berkeley National Laboratory (LBNL), Professor at the University of California at Berkeley, and Board Member with the University of Rochester. The University of California manages and operates LBNL for the Department of Energy. You have advised me that I will have a "covered relationship" for a period of one year from each resignation under 5 C.F.R. § 2635.502 with the University of California and the University of Rochester. You have advised me that my "covered relationship" with the University of California will include a "covered relationship" with Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS). You have further advised me that the policy of the Senate Committee on Energy and Natural Resources extends this "covered relationship" for the duration of my service in the position of Secretary with regard to those particular matters involving specific parties in which I participated personally and substantially in my previous positions with these entities, when the matter is one in which the Department of Energy is a party or has a substantial interest.

The only particular matter involving specific parties in which I participated personally and substantially with the University of California or the University of Rochester in which the Department of Energy is a party or has a substantial interest was

the contract to manage and operate LBNL. Based on consultations with the Committee, it is my understanding that the Committee's recusal policy would not limit my participation in matters involving the LBNL contract except as provided below.

Based on your consultations with the U.S. Office of Government Ethics, you have advised me that it is appropriate for me to be authorized, pursuant to 5 C.F.R. § 2635.502(d), to participate in particular matters involving specific parties in which the University of California, LANS, LLNS, or the University of Rochester is a party or represents a party. We have agreed, however, that this authorization will not extend to the aspects of particular matters involving specific parties that are described in the next paragraph.

My authorization under 5 C.F.R. § 2635.502(d) will not extend to my participation in the following aspects of particular matters involving specific parties in which the University of California, LANS, LLNS or the University of Rochester is a party or represents a party: (1) any evaluation of the work performed; (2) any award fee process; (3) any extension of a grant, contract or cooperative agreement; (4) any recompetition of a grant, contract or cooperative agreement; (5) any competition for a new grant, contract, or cooperative agreement; (6) any approval of technology transfer transactions (e.g., licenses); (7) any approval of real property transactions with the Department of Energy; (8) any approval of other specific agreements with the Department of Energy; or (9) direct negotiations with any of these entities related to financial arrangements between that entity and the Department of Energy.

I resigned from a position with Stanford University in August 2004. Pursuant to a standard employment policy, Stanford University considered me to be on a leave of absence for two years following my resignation. My leave of absence was extended for another two years because I was continuing to perform services for students and post-doctorate students at Stanford University following my resignation. Stanford University ceased to deem me to be in a leave of absence status on September 1, 2008, when Stanford University converted me to the honorary status of "Professor Emeritus." Based on your consultations with the U.S. Office of Government Ethics, you have advised me that I will not have a "covered relationship" under 5 C.F.R. § 2635.502 with Stanford University upon my confirmation as Secretary because I have not actually been an active employee of Stanford University in the past twelve months.

Upon confirmation, I will resign from my positions with the following entities: Helicos Biosciences Corporation, NABsys and Nvidia. Because I have interests in these entities, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of any of these entities in which I continue to have an interest, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation, I will resign from my positions with the following entities: The Hewlett Foundation; The Okinawa Institute of Science and Technology; The Moore Foundation; The MacArthur Foundation; The Richard C. Blum Center for Developing Economies. For a period of one year after my resignation for each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon confirmation, I also will resign my positions with The Copenhagen Climate Council and SEEO and my committee memberships on the Board of the National Academy of Sciences' America's Energy Future Committee and the Council of Competitiveness' Energy Security, Innovation & Sustainability Initiative Steering Committee.

Sincerely,

Steven Chu