



## Department of Energy

Washington, DC 20585

July 28, 2003

Mr. Paul N. Cicio  
Executive Director  
Industrial Energy Consumers of America  
One Thomas Circle, NW, Tenth Floor  
Washington, D.C. 20005

Dear Mr. Cicio:

Thank you for your June 23, 2003, letter to Secretary Abraham, in which you present the IECA's recommendations for dealing with adverse conditions in U.S. natural gas markets. On behalf of the Secretary, I am pleased to respond to your concerns. We at the Department of Energy (DOE) appreciate your efforts to offer policy options for addressing natural gas supply and price issues. President Bush's Administration is actively working to assure adequate supplies of natural gas at reasonable prices.

We agree on the need for a national initiative to improve energy conservation. Earlier this month, Secretary Abraham announced -- in association with the Alliance to Save Energy, the American Public Power Association, the Edison Electric Institute, and the American Gas Association -- a "Smart Energy Campaign" to help better inform consumers, homeowners, and businesses as to opportunities for cutting their energy bills. As part of the Campaign, DOE: established a new website, [www.eere.energy.gov/consumerinfo/energy\\_savers/](http://www.eere.energy.gov/consumerinfo/energy_savers/), that describes specific conservation measures consumers can take; recorded a series of public service announcements in English and Spanish; and is contacting news outlets throughout the country to ask for their cooperation in publicizing the Smart Energy Campaign and the new website. Our partner organizations will also begin a bill-stuffing effort to help inform their customers about smart energy practices. In addition, we have begun a Smart Energy Tour that includes regional energy events designed to spread the message of smart energy use. Following up our June 26 Natural Gas Summit, which I know you attended, DOE is also sponsoring regional natural gas forums as a further means of receiving public input.

We also agree with your recommendation in support of further developing alternatives to the use of natural gas as a fuel source for electricity generation. Under the aegis of DOE's Clean Coal Power Initiative, eight clean coal projects have been selected to use advanced technology to utilize the energy of waste coal piles. Also, we are pleased to note that for the first time in about a decade, construction has begun on several new U.S. coal-fired power plants. A 500 MW plant is scheduled to come on line in Pennsylvania in 2004, a 268 MW plant is scheduled to come on line in Kentucky in 2005, and a 500 MW plant is scheduled to come on line in Illinois in 2006. In addition, DOE has begun



an initiative called Nuclear Power 2010 to deploy new, Generation III nuclear plants by the end of the decade.

Representatives from the White House and several Federal departments and agencies, including DOE, have met to discuss your recommendation for temporary waivers from certain Clean Air Act requirements. Our initial reaction is that the Environmental Protection Agency should consider requests for flexibility on permit requirements due to natural gas market conditions on a case-by-case basis. This approach worked effectively during the California energy crisis of 2000-01. Be assured that each of your recommendations will be carefully considered. Regarding long-term issues, Secretary Abraham will be receiving a comprehensive report on longer-term natural gas issues from the National Petroleum Council later this fall.

Again, thank you for your thoughtful letter, and for your interest in the energy policies of President Bush's Administration.

Regards,

A handwritten signature in cursive script that reads "Vicky A. Bailey". The signature is written in dark ink and is positioned above the typed name and title.

Vicky A. Bailey  
Assistant Secretary  
Office of Policy and International Affairs