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Standard & Poor's UTILITIES & PERSPECTIVES

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STANDARD &
POOR'S

Utility Spotlight

Bank Morgan May Benefit From Oil Mega-mergers

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At the beginning of 1998, Standard & Poor's anticipated that a large number of states would adopt electric restructuring legislation that included stranded cost recovery. Legislation had already been adopted in such large states as Illinois, California, Massachusetts, and Pennsylvania, along with key regulatory action in New York. Lawmakers in other states, such as Virginia, Maryland, and Michigan, were poised to implement electric restructuring. As the year draws to a close, however, the possibility of legislation has evaporated in many jurisdictions under the weight of such issues as taxation, election-year politics, consumer confusion, legal challenges, and opposition by special interest groups.

Referenda in California and Massachusetts seeking to overturn electric restructuring laws clearly steered many states away from sponsoring their own restructuring bills. The defeat of these voter initiatives might buoy the prospects for increased competition and comprehensive reform in many locales during 1999. However, ardent resistance by some groups could lead to additional ballot initiatives, which would be costly and time-consuming, as it was in California, where investor-owned utilities (IOUs) spent about \$30 million on an advertising blitz to educate the public. To mitigate this risk, Standard & Poor's believes that consensus among large industrial customers, key lawmakers, and utility companies must be reached in each state before a bill is introduced.

Legal challenges have also crippled plans in other states. In Arizona, the state Supreme Court has delayed ruling on the planned phase-in of electric deregulation scheduled to begin Jan. 1, 1999. A settlement addressing electric restructuring had been reached

between the regulatory body, the Arizona Corporation Commission (ACC), and Arizona's two major IOUs, Arizona Public Service Co. and Tucson Electric Power Co. Further complicating this matter is the recent election of a new ACC commissioner, effective Jan. 4, 1999, who may try to unravel the settlement. Another factor that will likely delay restructuring in some states is the high turnover of members in state houses. The large number of freshman lawmakers recently elected in several states that were on the precipice of adopting legislation might hinder near-term passage of a restructuring bill. The learning curve for these new lawmakers on this complex issue could postpone debate, with the newcomers instead concentrating on currying favor through budget and tax policy. Given the complicated nature of the electric restructuring issue and the politically charged environment in some states, politicians may continue to skirt this issue for as long as possible.

In Michigan, which had high legislative turnover in November, the complexity of electric restructuring and the priorities of newly elected lawmakers will probably prevent a restructuring bill from being introduced in 1999. The best chance of restructuring legislation being enacted over the next 12 months was an amended bill introduced in the late November 1998 session after the election. That bill was ratified by the state senate, but was not voted on by the state house before the session ended.

In Ohio, hesitation by lawmakers to tackle property taxation tied to the restructuring debate doomed passage of a bill this year. Despite the backing of popular

In the Spotlight

Kinder Morgan May Benefit From Oil Mega-mergers

Kinder Morgan Energy Partners L.P. (A-/Stable/-) is an independent provider of midstream energy services, owns and operates one of the largest refined products pipelines in the U.S., a 24% interest in a major Southeastern U.S. products pipeline, and a score of bulk terminal facilities that transload coal, coke, and other energy commodities. Since its formation in February 1997, the company has grown significantly, mainly through acquisitions. The proposed \$77 billion merger of Exxon Corp. and Mobil Inc. (to be called Exxon Mobil Corp.) could create additional, attractive growth opportunities for Kinder Morgan.

Exxon Mobil management may choose to rationalize underperforming or noncore assets to enhance shareholder value. In addition to gas stations and refineries, pipelines and other midstream assets such as product storage facilities are prime divestiture candidates. Moreover, the Federal Trade Commission or the Department of Justice, in reviewing the merger for possible antitrust concerns, could require Exxon Mobil to sell certain assets. Following the merger of Shell Oil Co.'s and Texaco Inc.'s downstream operations, Shell sold its 24% stake in Plantation Pipe Line Co. (A-/A-) to Kinder Morgan for \$110 million in September 1998. Kinder Morgan is well positioned to increase its ownership interest if Exxon decides to divest its 48% stake in Plantation Pipe Line. Kinder Morgan expects to spend \$300 million to \$500 million on acquisitions in the next few years.

Core to this growth plan is Kinder Morgan's strategy of only acquiring assets that generate fees and have no commodity risk. Acquiring additional pipelines and storage facilities would fit well into the company's growth strategy. The company has ample financial flexibility, including a relatively unlevered balance sheet, to fund its growth initiatives. Moreover, due to Kinder Morgan's limited partnership corporate structure, the company enjoys a low cost of capital, which enhances the economics of potential projects.

Management's continued success in integrating acquisitions and its disciplined approach to exploiting cost synergies are critical for the company's ability to maintain its above-average corporate credit rating. Kinder Morgan's success in acquiring and then integrating companies is mostly due to the talents of former Enron Corp. executives Rich Kinder and Bill Morgan. However, credit quality could suffer if the company bids too aggressively for future acquisitions or is unable to realize expected synergies from its purchases. Thus far, Kinder Morgan's acquisitions have been conservatively financed and the company has stated its desire to maintain a conservative balance sheet. Credit quality would be diminished if the company's financial policy changes.

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UTILITIES & PERSPECTIVES

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STANDARD & POOR'S RATINGS SERVICES

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Cover Story

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Governor George Voinovich (who was elected to the U.S. Senate, effective January 1999) and the support of the four major Ohio IOU holding companies (American Electric Power Co., FirstEnergy Corp., DPL Inc., and Cinergy Corp.) an electric restructuring bill died in committee during the after-election session. The legislation failed in large part because a disproportionate amount of local property taxes are collected from the Ohio IOUs' operating plants to fund education. Therefore, the sale of generating assets and the recognition of stranded investment and related assets would require the state legislature to reform property tax assessments, a political hot button they were unwilling to push this year. With a new governor, turnover in the legislature, and the property tax issue looming, the outlook for Ohio legislation in 1999 is cloudy at best.

Additionally, low rates for industrial customers have quelled the restructuring debate in Indiana, whose legislature failed to get a bill out of committee, and in Kentucky, whose legislature charged a task force with studying electric restructuring and preparing a report by the end of 1999. In Florida, the small industrial base has been unable to generate enough political interest to advance a restructuring bill during this year's session. Interestingly, Duke Energy Corp.'s proposal to build a 514MW gas-fired plant primarily for merchant use in Florida may be decided by the Florida legislature, which would heighten restructuring awareness in the state.

Considering the political hurdles, including the learning curve, taxation, and higher priority issues, the prospects for widespread electric restructuring gains in 1999 are remote. However, Standard & Poor's continues to believe that legislation providing for significant recovery of high-cost assets and obligations that would be stranded investment in a competitive environment is an important part of the credit picture for the evolving industry. Still, the credit consequences of postponement are not dire since IOUs will continue to recover stranded costs through rates and, in some instances, through accelerated depreciation programs. But, given the adage "all politics is local," the restructuring debate is likely to be postponed in many states during 1999.

However, the new secretary of the Department of Energy, Bill Richardson has intimated that he will strongly push for federal electric restructuring in 1999. Richardson's influence on Capitol Hill and the potential of the Clinton administration to take hold of this issue may force the hand of dawdling states. Despite this impetus, enacting complex legislation such as electric restructuring may be difficult in 1999 considering the political maneuvering that is occurring related to other issues. Standard & Poor's believes that beyond 1999 the earliest date that federal electric restructuring would be enacted may be as late as 2003 due to a myriad of factors including a presidential election in 2000 and the unknown agenda of a new administration. ■

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Events to Watch For

Week of December 14, 1998 Utility Presentations

Utility	Date	Organization/City	Congress/Credit Rating
FirstEnergy Corp.	12/17	Analyst/portfolio manager meeting/New York	

*Standard & Poor's only names the date of the subsidiary.

Conversation With

David C. Wittig, CEO And President Of Western Resources Inc.

S&P: Given your investment banking background, what qualities can you bring to the table compared with the typical career utility CEO?

Wittig: The typical career path for a utility executive is becoming a thing of the past. The utility business hasn't been typical for the past few years and grows less so everyday. Western Resources has broken out of the typical utility mode. During the past three years, it has become a leading consumer services company focused on energy and monitored services.

Since Western Resources has transformed itself into an atypical utility company, what will benefit the company's future is a leadership team that has strong management skills, a deliberate strategy to position it for the future, and an appreciation of the need to change. We will seize business opportunities consistent with our growth goals. At the same time, our management team has a demonstrated ability to operate our business lines efficiently and profitably.

My experience in banking was to help companies change, whether buying someone, raising capital for growth, or selling businesses. By definition, investment banking clients are dynamic companies.

S&P: What are Western Resources' main challenges going forward?

Wittig: One of the main challenges is to educate the market about the real value of the company and the fundamental differences between utilities. This counters the homogenous approach taken by many analysts. We believe that Western Resources continues to be undervalued in the market.

Also, we must continue to position ourselves for growth in our customer base.

S&P: What are Western Resources' primary strengths and weaknesses?

Wittig: Strengths include our proven, extensive track record in growing the company. Three years ago, our customer base was less than 900,000. Today, through our ownership interests in Protection One, the nation's second-largest monitored services company, and ONEOK Inc., the nation's eighth-largest natural gas distribution company, we have access to more than four million customers.

Another strength is our strong, seasoned management team. Western Resources has a stable balance sheet and a good grip on expense control. We have a long-term strategy that governs our near-term plans, as well as our daily operating decisions.

Our main weakness is the need to clarify our vision, strategies, and operating outlook to the financial community to increase understanding and confidence in our stock value.

S&P: What does Western Resources have to do to be successful in an increasingly competitive electricity market?

Wittig: The strategy we are implementing now is moving the company toward being a successful player in the emerging competitive electric marketplace. We will grow the electric customer base to more than 1.1 million customers by the end of 1999 by completing the merger with Kansas City Power & Light Co. We now have access to more than four million customers with a stated objective of having between five and 10 million customers by 2001.

S&P: What will Western Resources look like in five years?

Wittig: Western Resources will be a holding company with substantial investments in monitored services and related products, electricity, and natural gas. In most cases, Western Resources will hold a majority interest in these consumer services companies and will direct cross-marketing strategies among them.

S&P: How important is credit quality versus shareholder value?

Wittig: We believe credit quality helps enhance shareholder value by enabling us to grow our businesses.

S&P: What does the pending acquisition of Kansas City Power & Light accomplish regarding your long-term business objectives?

Wittig: The merger will move the electric side of our business closer to the critical mass point discussed earlier. The merged company, to be named Westar Energy, will trade as a separate

pure-play electric company and will boast more than \$8.2 billion in assets and \$2 billion annual revenues. These financial strengths, coupled with control of more than 8,500MW of generation, will make Westar Energy a superregional competitor in the Midwest.

S&P: When do you expect the merger with Kansas City Power & Light to be completed?

Wittig: We have already received the overwhelming approval of Western Resources and Kansas City Power & Light shareholders. It is now up to the regulators. We expect approval in the state jurisdictions by third-quarter 1999. FERC could issue an order as early as second-quarter 1999, but if FERC decides to hold hearings, the process could take through the end of 1999.

S&P: Are additional acquisitions of regulated domestic electric or gas utilities likely?

Wittig: Yes, it is likely that the energy portions of our company—Westar Energy and ONEOK—will continue to expand through mergers, acquisitions, and alliances. As I stated before, successful competition will require a customer base of five to 10 million customers. Organic growth in the next few years will not fulfill that need, so acquisition of more customers is probable.

S&P: Is the company's objective to remain a vertically integrated utility?

Wittig: We continually examine the structure of our electric business. The generation segment is already operating in a partially deregulated atmosphere. Some observers have been predicting the demise of the vertically integrated electric utility for years and at the same time suggesting that convergence will be the hallmark of successful energy competitors. Other factors, such as legislative and regulatory constraints and incentives also might dictate changes in the current structure.

Our objective is to be a successful superregional energy provider. We are keeping our options open and flexible.

A Conversation With

S&P: When and what type of electric utility deregulation legislation do you expect in Kansas and Missouri?

Wittig: Both states are in the study stage of deregulation right now. Passage of massive restructuring legislation in either state does not appear likely in the near term.

S&P: Do you think legislation will include securitization?

Wittig: Deregulation legislation in Kansas and Missouri still appears to be a couple of years in the future, making the answer highly speculative. The Kansas retail wheeling test bill did include securitization, although there was opposition to that provision and the legislature never really debated the bill. Since time is on the side of securitization for at least a portion of stranded costs, I expect the Kansas and Missouri bills to authorize securitization.

S&P: What is your nonregulated strategy?

Wittig: To seek out and pursue business lines that are compatible with our investment criteria and growth strategies, i.e., customer growth and monthly recurring revenues.

S&P: In five years, how much of Western Resources' earnings will come from nonregulated businesses?

Wittig: We do not have a fixed goal for nonregulated investment. Clearly, we are expanding into nonregulated businesses such as monitored services. This is the portion of our business that offers the greatest opportunity for earnings and cash flow growth. We also know that our electric generation assets are being deregulated, which should also generate cash and earnings. Our decisions to invest in these nonregulated businesses will continue to be driven by our desire to maximize return to our investors.

S&P: Given Western Resources' appetite for acquisitions, how do you convince fixed-income investors that credit quality will not slip?

Wittig: Despite its growth, Western Resources has not changed its focus on a strong balance sheet. To

that end, we intend to maintain our credit ratings and financial strength. Additionally, our subsidiaries will be accessing the capital markets on their own. As such, we don't expect to grow our businesses solely on the back of Western Resources' balance sheet. As we did when we acquired Kansas Gas & Electric Co. and pursued ADT Security Services, we may temporarily borrow against our balance sheet. But at the end of the day, we will, through the issuance of equity and other means, de-leverage the balance sheet and return to a stronger financial profile.

S&P: How do you plan to finance future nonregulated businesses?

Wittig: We expect our nonregulated subsidiaries to fund their own growth by accessing capital markets. To the extent that Western Resources requires capital to grow its ownership interest in nonregulated businesses, it will issue debt and equity consistent with its goal of maintaining a strong financial profile.

S&P: How do you decide where and how much exposure you are willing to take in any one nonregulated business?

Wittig: To date our focus has been on businesses with recurring monthly revenues and growth potential. We also like businesses in which our ownership position is strategic. Through our ownership interest in Protection One, we are now the second-largest monitored services provider in the U.S. Also, our recent acquisition of Lifeline makes us the nation's largest provider of monitored medical assistance. But our growth in these industries has been selective. For example, there have been several large monitored security properties sold recently that we chose not to buy. Our size in this industry now provides us with the opportunity to grow our customer base through our Dealer Program much more efficiently than through large nonstrategic acquisitions. We prefer to invest in publicly traded companies. To be able to point to ONEOK's or Protection One's stock price and say what it is worth comforts us and our shareholders.

S&P: What are the company's objectives in the monitored security business?

Wittig: This is a market that is rapidly growing. We have goals of increasing revenue annually by 15% to 20% and earnings before interest, taxes, depreciation, and amortization by 30%. Next year we expect earnings from ongoing monitored security operations to more than double.

S&P: Which signs would indicate that it is time to exit a business?

Wittig: There are obvious signs that most businesses recognize when they decide to exit. These include decreasing revenues and profits, and technological obsolescence. However, on occasion, a business must be ready to exit an industry with growing revenues and profits if its resources invested in that industry can be better directed to benefit its investors.

S&P: What is Western Resources doing to prepare for Y2K and will the company be ready?

Wittig: Western Resources has implemented a Year 2000 project involving a six-person project office team and 17 additional project managers. We've been working on this for more than two years, and our target for becoming Year 2000-ready is the end of this year. We're right on track with that target.

In late 1996, we began efforts to make our electric utility business unit, systems, and computer software Y2K compatible. Since that time, our Y2K project managers have assessed all the critical internal systems and are replacing or repairing components as necessary. Our efforts also include testing all internal critical systems to verify their readiness.

In addition to this internal process, which includes Kansas City Power & Light and Kansas Gas & Electric, we are working with our vendors to ensure uninterrupted service of all our essential business functions.

This project supports our top priority, which is to provide high-quality service today, tomorrow, and beyond 2000.

WS Comments

CreditWatch Actions After ScottishPower/PaciCorp Merger Announcement

SOn Dec. 8, Standard & Poor's placed its long-term ratings on ScottishPower PLC and its wholly owned subsidiary, Southern Water Services Ltd., on CreditWatch with negative implications. At the same time, Standard & Poor's revised its CreditWatch placement on PaciCorp, PaciCorp Delaware L.P., Utah Power & Light Co., PaciCorp Capital I, and PaciCorp Capital II collectively PaciCorp) to positive from negative. Standard & Poor's also affirmed its short-term ratings on ScottishPower and PaciCorp. The ratings of PaciCorp Group Holdings Co. and its subsidiary PaciCorp Australia LLC remain on CreditWatch with positive implications, where they were placed by Standard & Poor's on Oct. 23, 1998.

These actions reflect the announcement of the proposed all paper merger of ScottishPower (the stronger credit at 'A+') with PaciCorp (the weaker credit at 'A'). The merger will give ScottishPower shareholders about 64% ownership and current PaciCorp shareholders about 36% ownership in the combined group, which will continue to be called ScottishPower. ScottishPower will make a £500 million share buyback of ScottishPower shares before the completion of the merger. However, Standard & Poor's believes that ScottishPower's management is committed to maintaining financial strength commensurate with a rating in the 'A' category, with pretax interest coverage of about 3 times (i.e., equivalent to funds from operation interest coverage in 4x to 5x range). The share-swap nature of the merger should not impact the leveraging of the group, and should improve cost efficiencies within the newly merged entity. It is likely that the ratings of ScottishPower, PaciCorp, and PaciCorp Australia will become aligned subject to the company's final structure company after the merger.

If the ratings of ScottishPower are lowered as a result of its CreditWatch action, then the ratings of PaciCorp, PaciCorp Delaware, Utah Power & Light, PaciCorp Capital I, and PaciCorp Capital II will likely be affirmed. However, the ratings of PaciCorp Group Holdings would continue to reflect its structural subordination to the rest of the group. Upgrades of these ratings would only come about if ScottishPower's ratings are affirmed as a result of

the realization of sufficient synergies and structural benefits from the newly merged entity. The resolution of the CreditWatch placement depends on the outcome of the regulatory approval process.

ScottishPower (including its subsidiaries Monweb PLC and Southern Water) is a U.K. utility serving about five million homes in the U.K. Its main activities are generating, transmitting, distributing, and supplying electricity, gas, water, and wastewater services.

PaciCorp is a fully vertically integrated electrical utility in the U.S. that provides electricity to 1.4 million customers in six western states. PaciCorp also controls 10,000MW of generation capacity supplied by its own coal mines as well as PowerCo, the Australian electricity distribution and marketing subsidiary.

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have an original cost of about \$500 million. New valuations will be reflected in the company's year-end balance sheet. The write-off will result in a noncash charge to earnings, but the equity layer will be largely preserved due to the write-up of fossil assets. At the end of the restructuring, the retained earnings balance will be zero. Importantly, proceeds from the soon-to-be issued securitization bonds will be used to retire a large amount of debt, thereby strengthening capital structure balance.

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Boston Ed, CES Units Placed On CreditWatch

SOn Dec. 7, Standard & Poor's placed its ratings of Boston Edison Co. ('A-'), a wholly owned subsidiary of BEC Energy Holding Co., on CreditWatch with negative implications. The 'A-' rating on Boston Ed's commercial paper was affirmed and is not on CreditWatch. Standard & Poor's also placed its ratings of Commonwealth Energy System (CES) subsidiary Commonwealth Gas Co. ('A-') on CreditWatch with negative implications, and subsidiaries Canal Electric Co. ('BBB+'), Commonwealth Electric Co. ('BBB'), and Cambridge Electric Light Co. ('BBB') on CreditWatch with positive implications. A CreditWatch listing indicates that a rating might be affirmed, raised, or lowered.

The CreditWatch listings reflect the Dec. 7 announcement that BEC intends to combine with weaker credit CES to form a new exempt public utility holding company by mid-1999. BEC and CES would exchange their common shares for a combination of stock in the holding company and cash. The cash component is limited to a total of \$300 million and should be financed with cash on hand and by internally generated funds. The new entity would serve 1.3 million customers (80% electric) in 81 Massachusetts communities, and would have a market capitalization of \$4.4 billion. The companies also would operate unregulated businesses with a primary focus on telecommunications.

Net savings of \$500 million over 10 years are expected, one-half of which would come from work force reductions. The merger is conditioned upon approvals of each company's shareholders and approvals from the Massachusetts Department of Telecommunications and Energy (DTE), and various federal agencies. Following a review of the

Illinova To Exit Nuclear Business; No Immediate Ratings Impact

SAs expected, Illinova Corp. (B3B-/Stable/-), the parent holding company of Illinois Power Co. (IPC; BBB/Stable/A-2), has decided to exit its nuclear business by selling or shutting down the Clinton station and to proceed with an accounting reorganization. Standard & Poor's views this development as a positive step toward enhancing the company's business profile, but it is not yet sufficient to warrant a ratings or outlook change.

Disposal of Clinton would lower Illinois Power's risk profile by eliminating the operational risk and high costs associated with owning Clinton. The plant has been inoperable since September 1996, causing erosion of Illinova's and IPC's key financial parameters. A sale or closure of Clinton will result in a large write-down because the book value of Clinton will greatly exceed its market value. However, the SEC has approved a quasi-reorganization in which the company may write-up to market the value of its fossil plants to offset a substantial part of the related charge. IPC would create a regulatory asset that would represent transition revenues recoverable under Illinois deregulation legislation. Clinton is on the books for \$1.6 billion (net of deferred taxes) and the nonnuclear plants

News Comments

companies' operating plans and financial projections. Standard & Poor's will consolidate its ratings on the operating companies, each of which is expected to be rated 'A-' or BBB+.

The merger would combine two companies with a shared focus on owning and operating the lower-risk transmission and distribution assets. To this end, Boston Ed earlier this year sold all 2,000MW of its nonnuclear generation assets, and recently announced an agreement with Entergy Nuclear Generating Co., a subsidiary of Energy Corp., to sell its 670MW Pilgrim nuclear station. Likewise, CES is set to complete the sale of its 585MW of generation to Southern Co. in the next few months. The companies' low-risk profiles are further bolstered by favorable terms in their electric restructuring agreements, which have been approved by the DTE Board; have been provided full recovery of stranded costs, which are represented principally by the companies' above-market purchased power contracts. These positive developments more than offset the impact of a required 10% rate reduction that went into effect in Massachusetts on March 1, 1998, when supplier choice for all customers became effective. ■

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CERJ Is Downgraded

FOn Dec. 7, Standard & Poor's lowered its local currency corporate credit rating on Companhia de Eletricidade do Rio de Janeiro (CERJ) to 'BB' from 'BB+'. At the same time, Standard & Poor's affirmed its 'BB-' foreign currency corporate credit rating on CERJ. The outlook on both ratings remains negative.

The downgrade reflects CERJ's significant debt leverage, which is expected to near 80% on an adjusted basis by year-end 1998, and the uncertainty of financing costs. In April 1998, CERJ obtained a US\$350 million bridge loan to acquire an 18.5% stake in Companhia Energética do Ceará (COBCE), which was refinanced by a combination of two one-year local and foreign currency syndicated loans with maturities in 1999. The syndicated local currency loan, together with local lines of credit, float at a premium over the local borrowing rate, which has reached levels of more than 40% since mid-September 1998. The stress placed on CERJ to service these yields has forced the company to borrow to pay interest expenses. CERJ's shareholders have approved the issuance of convertible securities with a

value of up to Brazilian real 360 million. Once sold, these bonds should somewhat reduce CERJ's interest expense burden. However, the increase in nominal debt and the uncertainty of future interest rate levels increases financial risk. ■

CERJ's rating reflects the challenges of operating in Brazil and a relatively new, evolving, and untested regulatory environment. Offsetting strengths include the monopoly franchise in a large territory in Rio de Janeiro, a favorable tariff formula, and the distribution operations experience of CERJ's operator and 21.1% owner, Chiloelectric S.A. Local currency A-/Stable/-; foreign currency A-/Stable/-I. Furthermore, CERJ's bondholders have demonstrated support during the difficult capital market environment.

Given a large residential customer base, deterioration in the economic and operating environment in Brazil is not expected to negatively affect electric customer demand. However, the negative outlook on CERJ's local currency rating reflects weakened investor confidence, which has reduced the financial flexibility of Brazilian companies. The outlook could improve if CERJ reduces its debt gearing and locks in favorable long-term fixed interest rates. However, further deterioration in CERJ's credit position could lead to a downgrade. The outlook on the company's foreign currency rating reflects Brazil's outlook. ■

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Alabama Power's Shelf Is Rated

FOn Dec. 4, Standard & Poor's assigned its preliminary 'A+'/'A' rating to Alabama Power Co.'s \$1.392 billion Rule 415 universal shelf registration of mixed securities, including first mortgage bonds, notes, and preferred securities. The outlook is stable.

Ratings reflect Alabama Power's supportive regulatory environment, strong projected sales growth, and competitive rates. However, because Alabama Power is a subsidiary of Southern Co., its ratings are influenced by its association with the parent and its five electric operating affiliates in the

southeastern U.S. Southern's collective system size provides Alabama Power with operational and financial flexibility, efficiencies in fuel and material procurement, and a stronger market presence.

Yet Southern is aggressively growing its nonregulated businesses and its stable outlook is based on the expectation that management will finance its nonregulated acquisitions in a manner commensurate with the related business risk and the company's existing ratings. Southern recently announced its acquisition of generating plants in California and New York, a business that incorporates highly risky commodity activities. To date, Southern's strong business and financial profits have absorbed the increased risk associated with the company's acquisitive operating strategy. However, Southern has limited capacity to absorb additional acquisitions based on current fundamentals.

Contributing to Alabama Power's above-average business position is the constructive treatment it receives from the Alabama Public Service Commission (PSC). The PSC authorized the company to reduce balance sheet items (including deferred assets) up to an amount equal to five times the total estimated annual revenue reduction resulting from future rate reductions. The PSC also allows pricing options for the utility's commercial and industrial customers. Alabama Power's retail electric rates are competitive at about 20% less than the industry average. The company's electric sales at Alabama Power are expected to grow at a moderate 1.5% annually in the next several years.

Financially, Alabama Power is expected to continue to record good operational results, and pretax interest coverage should near 4 times (x) by 2000. Funds from operations interest coverage is also solid for the rating and should exceed 4.5x by 2000.

Notwithstanding stable finances, the rating on Alabama Power may come under pressure as Southern pursues aggressive investments in domestic and global markets. Alabama Power's stable outlook is based on the expectation that any future Southern acquisition will not increase the holding company's consolidated business risk or place a strain on finances. Large investments with above-average business risk could result in ratings reviews at the holding company and operating company levels. Southern has stated its commitment to maintain the 'A+' credit rating currently in place on its core U.S. operations. ■

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Views Comments

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American States Water's Shelf, Units Notes Rated

A+ On Dec. 10, Standard & Poor's assigned its preliminary 'A' rating to American States Water Co.'s \$80 million senior unsecured debt and preferred stock Rule 415 shelf registration. The company also may issue common stock under this shelf. Also, Standard & Poor's assigned its 'A+' rating to Southern California Water Co.'s \$50 million unsecured medium-term notes series C. The outlook is stable. The rating at American States Water, a water utility holding company, is one notch lower than Southern California Water's due to structural subordination.

The water utility's creditworthiness reflects gradually improving financial measures and an above average business profile attributable to a stable customer base, a supportive regulatory environment, and conservative management. These attributes are somewhat tempered by modest customer growth and the company's limited control over water supply.

Southern California Water mainly engages in purchasing, producing, distributing, and selling water to more than 240,000 customers, primarily in Southern California. In addition, a subsidiary, Bear Valley Electric Service Co., provides electric service

to about 21,000 customers. The parent company's unregulated operations, primarily operation and maintenance contracts for municipality-owned water and wastewater systems, are modest.

The utility acquires about 57% of its water from surface sources and purchases the rest from regional water agencies. Southern California Water benefits from a supportive regulatory environment that allows such mechanisms as balancing account, attrition rate adjustments, and pass-through adjustments. Significant capital expenditures, about \$170 million in the next five years, will focus on rehabilitating and replacing an aging pipeline system, and require the utility to file regularly with the California Public Utilities Commission for rate increases. Cash flow after dividends is expected to fund about 60% of construction expenditures. Assuming adequate rate relief and stable earnings growth, funds from operations interest coverage approaches 3.6 times, while funds from operations to total debt should remain at more than 18%. Additionally, the capital structure is expected to be conservative, with leverage at about 50%.

The stable outlook reflects steady operations at the utility that are characterized by a secure customer base and supportive regulation. In addition, management's financial policy is expected to remain conservative. ■

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Niagara Mohawk To Sell Generating Units

? Standard & Poor's took no action on its ratings of Niagara Mohawk Power Corp. (BB+/Positive/-) following the company's Dec. 3 announcement that it will sell to Orion Power Holdings Inc. 72 hydroelectric generating units for \$425 million, or 1.7 times their book value. The outlook is positive. As expected, Niagara Mohawk will apply the proceeds from the sale of its hydro facilities to pay down debt. Standard & Poor's has stated that the pending divestiture of Niagara Mohawk's almost 4,000MW of nonnuclear generating assets would likely establish the basis for a ratings upgrade. This portfolio still includes about \$700 million (book value) of thermal facilities, totaling 3,256MW of capacity, that remain to be sold.

The positive outlook reflects the expectation that Niagara Mohawk will rapidly amortize its incremental debt obligations, dedicating internally generated cash flow and the proceeds of any net proceeds of its fossil and hydro generating assets sale to achieve a more balanced capital structure. The outlook also reflects the reduced business risk profile that the divestiture of Niagara Mohawk's nonnuclear generating assets will engender. ■

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Last Week's Ratings Reviews

LAST WEEK'S RATINGS ACTIVITY

Week of December 7, 1998

Utility	Actions	To	From	Date
Boston Edison Co.	Outlook revised	Watch Neg	Stable	12/7/98
Charteridge Electric Light Co.	Outlook revised	Watch Pos	Positive	12/7/98
Conant Electric Co.	Outlook revised	Watch Pos	Positive	12/7/98
Commonwealth Electric Co.	Outlook revised	Watch Pos	Positive	12/7/98
Commonwealth Energy Systems	Outlook revised	Watch Pos	Positive	12/7/98
Commonwealth Gas Co.	Outlook revised	Watch Pos	Positive	12/7/98
Northwest Pipeline Corp.	Rating affirmed	BBB	Stable	12/7/98
Pacific Capital	Outlook revised	Watch Pos	Watch Neg	12/7/98
PacificGas	Outlook revised	Watch Pos	Watch Neg	12/7/98
PacifiCorp	Outlook revised	Watch Pos	Watch Neg	12/7/98
PacifiCorp Daktronics I.P.	Outlook revised	Watch Pos	Watch Neg	12/7/98
Texas Gas Transmission Corp.	Rating affirmed	BBB	-	12/7/98
Terraco Energy Co.	Rating affirmed	BBB	-	12/7/98
Transcontinental Gas Pipe Line Corp.	Rating affirmed	BBB	-	12/7/98
Utah Power & Light Co.	Outlook revised	Watch Pos	Watch Neg	12/7/98
Williams Cos. Inc. (Phd)	Rating affirmed	BBB-	-	12/7/98
Williams Holdings of Delaware Inc.	Rating affirmed	BBB-	-	12/7/98

All new Ratings shown are corporate credit ratings.

FINANCING ACTIVITY

December 7 - December 11th, 1998

NEW DEBT ISSUES

Company	Rating	Outlook	Issue Date	Amount Issued (mil. \$)	Coupon Rate (%)	Security Type	Maturity Date	Price (\$)	SPX Spread Over Treasury	Call Features	Underwriter
Electric/Water											
Central Illinois Public Service Co.	AA	Stable	12/7/98	75	—	Senior notes	—	—	—	—	Lehman Brothers
Energy Corp.	BBB+	Stable	12/7/98	200	—	Debentures	12/15/03	—	—	—	Morgan Stanley Dean Witter
Massachusetts Electric Co.	AA	Positive	12/8/98	75	6.72	MTN	11/2/00	100	—	—	ES First Boston
Sierra Pacific Power Co.	A	—	12/8/98	35	—	MTN	—	—	—	—	Merrill Lynch
PSI Energy Inc	BBB+	Stable	12/8/98	50	6	Notes	12/15/01	—	—	—	Wartburg Dillon Read
Gas											
Enron Corp.	BBB+	Stable	12/8/98	250	6.55	Notes	7/15/28	97.575	—	—	Credit Suisse
Williams Holdings of Delaware Inc.	BBB-	Positive	12/4/98	175	6.125	Notes	12/1/03	93.832	—	—	Chase Securities
Williams Holdings of Delaware Inc.	BBB-	Positive	12/4/98	250	6.5	Notes	12/1/03	90.537	—	—	Chase Securities

There were no gas or telecommunications debt issues this week.

NEW PREFERRED STOCK ISSUES

Company	Rating	Outlook	Issue Date	# Shares Issued (000)	Coupon Rate (%)	Security Type	Price (\$)	Call Features	Underwriter
There were no new electric/water, gas, or telecommunications preferred stock issues this week.									

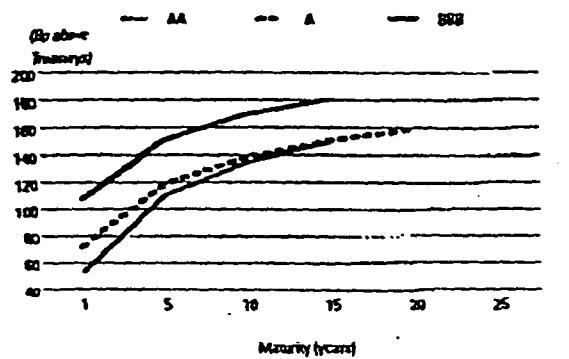
NEW REGISTRATIONS

Company	Rating	Outlook	Registered Date	Amount Registered (mil. \$)	Stock (%)	Security Type
Electric/Water						
American States Water Co.	A	Stable	12/1/98	60	Y	Mixed Share
Southern California Water Co.	A+	Stable	12/1/98	80	Y	MTN

There were no gas or telecommunications registrations this week.

*As of 12:00 p.m., local time. All short ratings except medium-term note programs are preliminary until down-dated.

ELECTRIC, WATER, AND GAS YIELD CURVES



Minimum \$100 million outstanding. Data: Standard & Poor's Fixed Income Research—BankCorp.

TREASURY AND CORPORATE BOND YIELDS

MATURITY	Industrials						Electric		
	1	2	3	4	5	6	7	8	9
1	4.26	4.27	4.28	4.22	5.77	6.23	7.70	8.31	8.67
2	4.28	5.12	5.23	5.38	6.23	6.35	6.29	6.33	6.48
3	4.29	5.49	5.29	5.38	6.71	7.50	8.26	10.05	8.83
5	4.92	6.31	6.16	6.46	7.21	8.04	—	—	6.67
7	5.23	6.34	6.81	6.30	7.69	—	—	—	NA
10	—	—	—	—	—	—	—	—	NA
20	—	—	—	—	—	—	—	—	NA
30	—	—	—	—	—	—	—	—	NA

Minimum \$100 million outstanding. NA—Not available. Source: Standard & Poor's Fixed Income Research—BankCorp.

JUNIOR CREDIT RANKINGS

for Information Requirements Survey & Prior's Rating, Duties, and Duties by Type for stations.

This Fig., chapter 18, 1922, reflects the most current ratings, standings, and novelties. It is prepared by corporate credit rating companies. Within corporate credit rating enterprises, issues are grouped by Outlook; and within Outlook, by date of issue.

Strength, measured by RELATIVE STRENGTH, with the strongest being the strongest, and the last being the weakest.

1. Standard & Poor's Long-term Debt Rating measures the recorded duration of an issuer's long-term debt rating over the last ten years. In ascertaining a rating, Standard & Poor's gives weight to any changes in the economic and/or fundamental business conditions. An upgrade is not necessarily a precursor of a ratings change or future performance. A downgrade is not necessarily a precursor of a ratings change or future performance. Changes in ratings are based on a review of the issuer's financial condition, its ability to meet its obligations, and its prospects for the future.

"Stable" and "Less Rich" regions are less likely to change and "Developing" means regions may be shifted to "Advanced" N.M. status as circumstances change.

Utility business profiles are categorized from 1 (*foreign*) to 10 (*local*). In order to determine a utility's business profile, Standard & Poor's analyzes the following qualitative business or operating characteristics typical of a utility's services and service area economy: competitive position, load and power supply; operations; asset concentration; regulation; and management. Telecommunications companies have been assigned business profiles.

Interest rate settings, short-term long-term ratings/breakdown of Credit Metrics/short-term testing, are local and foreign currency unless otherwise noted. A dash '-' indicates not rated. An asterisk '*' indicates that the rating was reviewed this week and its existing position was updated.

**U.S. ELECTRIC COMPANY CREDIT
RANKINGS**

Company	Corporate Credit Rating	Debt Rating	Debt Pd.
Wisconsin Electric Power	AA/Stable/A-1+	A-/Stable/A-1	4
Wisconsin Public Service	AA/Stable/A-1+	A-/Stable/A-1	4
Temco Electric	AA/Stable/A-1+	A-/Stable/A-1	4
Madison Gas & Electric	AA/Stable/A-1+	A-/Stable/A-1	5
Southern Indiana Gas & Electric	AA/Stable—	A-/Stable—	5
Wisconsin Power & Light	AA/Stable/A-1+	A-/Stable/A-1	4
Union Electric	AA/Stable/A-1+	A-/Stable/A-1	4
Corsair Wind Power Service	AA/Stable/A-1+	A-/Stable/A-1	4
Dayton Power & Light	AA/Stable/A-1+	A-/Stable/A-1	4
Kentucky States Power	AA-/Stable/A-1+	A-/Stable/A-1	4
Oklahoma Gas & Electric	AA-/Stable/A-1+	A-/Stable/A-1	4
Florida Power & Light	AA-/Stable/A-1+	A-/Stable/A-1	3
Indianapolis Power & Light	AA-/Stable/A-1+	A-/Stable/A-1	4
Florida Power & Light	AA-/Negative/A-1+	A-/Negative/A-1	5
U.S. ILL Power	AA-/Negative/A-1+	A-/Negative/A-1	5
and Kansas Light & Power	AA-/On Negative/A-1+	A-/On Negative/A-1	5
San Diego Gas & Electric	AA-/Positive/A-1	A-/Positive/A-1	5
Micromaxx Energy	A-/Positive/A-1	A-/Positive/A-1	3
New England Power	A-/Positive/A-1	A-/Positive/A-1	3
Pacific Gas & Electric	A-/Positive/A-1	A-/Positive/A-1	3
Southern California Edison	A-/Positive/A-1	A-/Positive/A-1	3
Louisville Gas & Electric	A-/Stable/A-1	A-/Stable/A-1	4
S. Jersey Utilities	A-/Stable/A-1	A-/Stable/A-1	4
Utah Power	A-/Stable/A-1	A-/Stable/A-1	4
Duke Energy Corp.	A-/Stable/A-1	A-/Stable/A-1	4
National Grid Power	A-/Stable—	A-/Stable—	2
Entergy Power	A-/Stable/A-1	A-/Stable/A-1	4
Gulf Power	A-/Stable—	A-/Stable—	2

U.S. ELECTRIC COMPANY CREDIT
BANKERS (continued)

Company	Location	Credit Rating	Score
Georgia Power	A-/Stable/A-1	4	
Southeastern Electric & Power	A-/Stable/-	4	
South Carolina Electric & Gas	A-/Stable/A-1	5	
Baltimore Gas & Electric	A-/Stable/A-1	5	
Consolidated Edison	A-/Stable/A-1	5	
Primerica Electric	A-/Stable/A-1	5	
Minneapolis Power & Light	A-/Stable/A-1	5	
West Penn Power	A-/Stable/A-1	5	
Northwestern Corporation	A-/Stable/-	5	
Interstate Power	B+/Stable/A-1	5	
IES Utilities Inc.	A-/Stable/A-1	5	
Southwestern Electric Power	A-/Negative/-	4	
Public Service Co. of Oklahoma	A-/Negative/-	4	
Mid-American Energy Co.	A-/DN-Neg/A-3	5	
*PacifiCorp	A/DW-Pas/A-1	3	
New England Electric System	A-/Positive/A-1	4	
Southwestern Public Service	A-/Stable/A-1	4	
Virginia Electric & Power	A-/Stable/A-1	5	
Southern Indiana Public Service	A-/Stable/A-1	5	
Portland General Electric	A-/Stable/A-1	4	
Central Hudson Gas & Electric	A-/Stable/-	5	
Rock Hill Corp.	A-/Stable/-	5	
Potomac Electric Power	A-/Stable/A-1	5	
MarkWest Generation LLC	A-/Stable/-	5	
Detroit Edison Power & Light	A-/Stable/A-1	5	
SEFCO Corp.	A-/Stable/A-1	5	
Gasana Power & Light	A-/Stable/A-1	5	
Central Power & Light	A-/Negative/-	4	

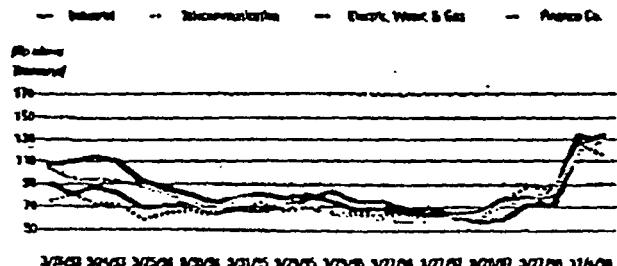
**U.S. ELECTRIC COMPANY CREDIT
RANKINGS (continued) :-**

Company	Segment	Rating	Risk	PL
Intert. Texas Utilities	A/Negative/-			2
Washington Water	A/Negative/-			3
Power				
Kansas City Power & Light	A/CW-Neg/A-1			5
Terrell Harris Electric	A/CW-Pos/-			6
Orange & Rockland Utilities	A/CW-Pos/A-2			3
Houston Industries Inc.	A/Positive/A-2			4
Piedmont Gas B.	A/Positive/-			5
Electric				
Public Serv. Co. of Colorado	A/Positive/A-2			3
Ohio Power	B/Positive/-			4
Columbus Southern Power	A/Positive/-			4
Appalachian Power	A/Positive/-			4
PG&E Energy	A/Stable/-			4
Con Edison Inc. B.	A/Stable/-			4
Electric				
Pacific States Electric & Gas	A/Stable/A-2			3
Atmosph. Gas & Electric	A/Stable/A-2			5
Virginia Electric & Power	A/Stable/A-2			4
DCI-Duke Light & Power	A/Stable/-			5
Southern Pacific Power	A/CW-Neg/A-2			3
Edison Ed. Corp.	A/CW-Neg/A-2			3
PEPCO, Inc.	A/CW-Neg/A-2			3
Metropolitan Edison	BBB+/CW-Pos/-			6
Jersey City Natural Power	BBB+/CW-Pos/-			7
Light				
Dowell Energy	BBB+/CW-Pos/-			3
Western Resources Inc.	BBB+/CW-Pos/A-2			6
Mississippi Amer.	BBB+/CW-Pos/A-2			6
Indiana Michigan Power	BBB+/Positive/-			4
Kentucky Power	BBB+/Positive/-			4
PEPCO Energy	BBB+/Positive/A-2			7
Eastern Edison	BBB+/Positive/-			3

U.S. ELECTRIC COMPANY CREDIT
MANUFACTURES (continued)

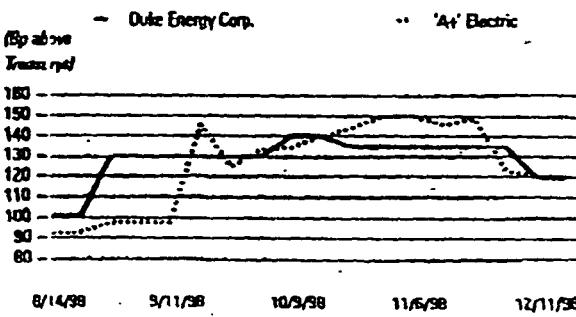
Company	Current Debt Rating	Old Rating
Puget Sound Energy	BBB/Stable/A-2	5
Duke Power	BBB/Stable/A-2	6
Hawaiian Electric	BBB/Stable/A-2	6
Texas Utilities Electric	BBB/Stable/A-2	5
America Public Service	BBB/Stable/A-2	6
New York State	BBB/Stable/A-2	6
Electric & Gas		
Minnesota Power & Light	BBB/Stable/A-2	7
Deutsche Edison	BBB/Negative/A-2	7
Nevada Power	BBB/ON-Two/A-2	6
Cambridge Electric	BBB/ON-Two/-	5
Light		
Commonwealth Electric	BBB/ON-Two/-	6
Commonwealth Edison	BBB/Positive/A-2	7
Unicorp United	BBB/Stable/A-2	5
Alstec Power	BBB/Stable/A-2	7
Central Maine	BBB/Negative/-	6
Public Service		
Energy Arkansas	BBB/Negative/-	7
Energy Louisiana	BBB/Negative/-	7
Energy Mississippi	BBB/Negative/-	7
Energy New England	BBB/Negative/-	7
Calculated Power	BBB/ON-Two/-	7
Consolidated Energy Co.	BBB/Positive/-	5
United Illuminating	BBB/Positive/-	6
Texas-New Mexico Power	BBB/Positive/-	5
Energy Bell South	BBB/Negative/-	6
Southern Power Resources	BBB/Negative/-	N/A
Kansas City Power & Light	BBB/ON-Two/-	7
Magnus Nuclear Power	BB/Positive/-	7
Ohio Edison	BB/Positive/-	5
Cleveland Electric Illuminating	BB/Positive/-	6
Toledo Edison	BB/Positive/-	6
El Paso Electric	BB/Positive/-	7

SECTOR RELATIVE VALUE RATING CATEGORY 'A'



Supervision and minimum \$100 million in assets. Source: Standard & Poor's BondCom.

DUKE ENERGY CORP. VS. "A+" ELECTRIC



Source: Standard & Poor's BondCom and British Fund Income Services.

U.S. ELECTRIC COMPANY CREDIT RANKINGS (continued)

Company	Credit Rating	Re.	Per.
Public Service Co. New Mexico	BB+/CVA-Neg/-	7	
Winnipesaukee Electric	BB/CVA-Neg/-	8	
Massachusetts Electric	BB/CVA-Neg/-	8	
Connecticut Light & Power	BB/Stable/-	8	
Illinois Electric Power Co./Positive/-	7		
PAE Services Co./Neg /NA	BB/Stable/-	8	
Michigan	BB/CVA-Neg/-	8	
Northeast Utilities	BB/Stable/-	8	

U.S. GAS COMPANY CREDIT RATINGS (continued)

Company	Credit Rating	Re.	Per.
Providence Gas	BBB+/Positive/-	2	
Columbia Energy Group	BBB+/Stable/-	5	
Santec Inc.	BBB+/Stable/A-2	6	
Entron Corp.	BBB+/Stable/A-3	7	
South Jersey Gas	BBB+/Stable/-	3	
Southern Union	BBB+/Stable/-	3	
TE Products Pipeline Co.	BBB+/Stable/-	7	
Southwestern Energy Co.	BBB+/Stable/-	4	
Cascade Natural Gas	BBB+/Stable/-	3	
Valley Gas	BBB-/Stable/-	4	
Dynegy Inc.	BBB+/Stable/-	8	

U.S. TELECOMMUNICATION COMPANY CREDIT RATINGS (continued)

Company	Credit Rating	Re.	Per.
SBC Communications	AA/CVA-Pos/A-1+	2	
Pacific Bell	AA/CVA-Pos/-	2	
Pacific Teletel	AA/CVA-Pos/-	2	
GTE North	AA/CVA-Pos/A-1+	2	
GTE South	AA/CVA-Pos/A-1+	2	
GTE Midwest	AA/CVA-Pos/A-1+	2	
GTE Southwest	AA/CVA-Pos/A-1+	2	
GTE Northwest	AA/CVA-Pos/A-1+	2	
Circuit West Bell Tel	AA/CVA-Pos/-	2	
Frontier Telephone of Rochester, Inc.	AA-/Negative/A-1+	2	
Citation Utilities Co.	AA/CVA-Neg/A-1+	2	
AT & T Corp.	AA/CVA-Neg/A-1+	2	

INTERNATIONAL ELECTRIC COMPANY CREDIT RATINGS

Company	Credit Rating	Re.	Per.
Egyptian/Middle Eastern/Africa	AAA/Stable/A-1+	1	
Statoil SF	AAA/CVA-Neg/A-1+	3	
Electricite de France	AAA/CVA-Neg/A-1+	3	
Siemens SF	AA-/Stable/A-1+	8	
National Grid Co. PLC	AA/Stable/A-1+	2	
EVN AG	AA-/Stable/A-1+	3	
ELSAM (73)	AA-/Negative/-	4	
Vereinigte Gesellschaft	AA-/CVA-Neg/-	4	
Veolia AG	AA-/Negative/A-1+	NA	
Virginell AB	AA-/Negative/A-1+	4	
Empresa Nacional de Electricidad SA	AA-/Negative/A-1+	6	
Enel			
Southern Electric PLC	AA/CVA-Neg/A-1+	2	
PTV	AA/CVA-Neg/-	4	

U.S. GAS COMPANY CREDIT RATINGS

Company	Credit Rating	Re.	Per.
Dowey	BB+/Positive/-	2	
NextEra	AA/Stable/A-1+	2	
Kansas City	AA-/Stable/A-1+	2	
Washington Gas Light	AA-/Stable/A-1+	2	
Wisconsin Gas	AA-/Stable/A-1+	2	
Providence Light & Heat	AA-/Stable/A-1+	2	
North Star Gas	AA-/Stable/A-1+	3	
Laclede Gas	AA-/Stable/A-1+	3	
Des Moines Mutual Gas	AA-/Stable/A-1+	3	
Southwest California Gas	AA-/Negative/A-1+	2	
North Carolina Natural Gas	AA/CVA-Neg/-	2	
Tennessee	A-/Stable/-	4	
Transco			
Pennsylvania Eastern	A-/Stable/-	5	
Pipe Line			
PennEnergy Corp.	A-/Stable/-	6	
Pubco Enterprises	AA-/Positive/-	2	
Dimonics Gas	AA-/Negative/-	2	
Quaker Pipeline Co.	AA-/Negative/-	3	
Alabama Gas	AA-/Negative/-	2	
Midway Natural Gas	AA-/Positive/A-1	2	
Bonneville	AA-/Stable/A-1	4	
MOLYKEMERCO Energy	AA-/Stable/A-1	5	
Northstar Natural Gas	AA-/Stable/A-1	2	
Des Moines Util. Co.	AA-/Stable/A-1	2	
Midwest Gas Corp.	AA-/Stable/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Colorado Gas	A-/CVA-Neg/-	4	
Midwest Natural Gas	A-/Positive/-	4	
Missouri Gas	A-/Positive/-	4	
Northstar Natural Gas	A-/Stable/A-1	2	
Des Moines Util. Co.	A-/Stable/A-1	2	
Midwest Gas Corp.	A-/Stable/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
Providence Light & Heat	AA-/Positive/-	2	
Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
DBE Inc.	A-/Stable/-	3	
Key State Gas	AA-/Stable/A-1	4	
Piedmont Natural Gas	AA-/Stable/-	3	
Quaker Natural Gas	AA-/Stable/-	3	
Quaker Corp.	AA-/Negative/A-1	5	
Energy Corp.	AA-/Negative/-	5	
Gasco Resources	AA-/Negative/A-1	6	
Transco			
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Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp.	AA-/Positive/-	2	
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Northstar Natural Gas	AA-/Positive/-	2	
Des Moines Util. Co.	AA-/Positive/-	2	
Midwest Gas Corp			

INTERNATIONAL ELECTRIC COMPANY CREDIT RATINGS (continued)	
Company	Corporate Credit Rating
Sociedad Electrica de Argentina S.A. (SA)	BBB-/Stable/-
Entelias Energia S.A.	BBB-/OW-Neg/-
JSC Kogoc	BB-/Negative/-
Makaranga (AO) Ltd.	BBB-/Negative/-
Makaranga (AO) Ltd.	BBB-/Negative/-
India America Cables S.A.	Local currency A-/Stable/-
Ecuador S.A.	Local currency A-/Stable/-
Empresas Nacionales de Electricidad S.A. (Enel)	Local currency A-/Stable/-
Entel S.A.	Local currency BBB-/Stable/-
Empresa Electrica Pichincha S.A.	Foreign currency BBB-/Stable/-
Empresas Municipales de Quito S.A. (EMQU)	Local currency BBB-/Stable/-
Empresa de Energia del Pacifico (Epuel)	Foreign currency BBB-/Stable/-
Local currency BBB-/Stable/-	
Entelacion Electrica SAESP (SA)	Local currency A-/Stable/-
Compania de Transporte de Energia Electrica	Foreign currency BBB-/Stable/-
Asturias Telefonos SA	BBB-/Stable/-
Empresas Distribuidoras de S.A. (Edes)	BBB-/Stable/-
Empresa Distribuidora Nacional S.A. (Endesa)	BBB-/Stable/-
Empresa Electrica Guadalquivir S.A.	BBB-/Stable/-
Wels Energy Ventures Inc.	BBB-/Stable/-
Empresas Electricas de Buenos Aires S.A. (EEBA)	BBB-/OW-Neg/-
Entel S.A.	BB+/OW-Neg/-
Cancion Federal de Direccionada S.A. (CFD)	BB-/Negative/-
Ocio S.A.	Local currency BBB-/Stable/-
Central Puerto S.A.	Foreign currency BB-/Stable/-
Centrales Basicas S.A. (Cobas)	BB-/Stable/-
Empresas S.A. (Ecuador)	Local currency BB-/Negative/-
Compania de Distribuidora Rio de Janeiro (CDRJ)	Foreign currency BB-/Negative/-
Empresario S.A. (Ecuador)	Local currency BB-/Negative/-
DERT-Servicios de Banca S.A.	Foreign currency BB-/Negative/-
Electridad de Ecuador (EDQ)	Local currency BB-/Negative/-
Siemens Pacific	Local currency AA-/Stable/-
Texas Power Now	Local currency AA-/Stable/-
Zetland Ltd.	Local currency AA-/Stable/-

INTERNATIONAL GAS COMPANY CREDIT RANKINGS (continued)			
Company	Corporate Credit Rating	Business	Rating
Natural Gas Corp.	A/Stable/A-1	Rating	P.W.
Holdingco Inc.			
Energex Ltd.	BBB/Very D/Faa-2		
	BBB/Stable/A-2		
INTERNATIONAL WATER COMPANY CREDIT RANKINGS			
Company	Corporate Credit Rating	Business	Rating
Energy/Middle East/Marine			
Northwestern Water Corp. PLC	AA/Very Neg/-		
Trans Water PLC	AA/Very Neg/A-1		
Yankee Water Co.	AA/Very Neg/A-1		
Anglo American PLC	AA/Very Neg/A-1		
Western Water Services Ltd.	AA/Stable/A-1		
North West Water Ltd.	AA/Neg/Very A-1		
Scandinavian Water Services Ltd.	AA/Very Neg/A-1		
Suez Lyonnaise des Eaux	AA/CW Neg/A-1		
Western Water PLC	A/Stable/-		
United Utilities PLC	A/Neg/Very A-1		
Amherst Water Services Ltd.	A/Neg/Very A-1		
Enviro Water PLC	A/Stable/-		
Dow Chemical	A/Stable/-		
Vivendi S.A.	A/Neg/Very A-2		
Rand Water Services Ltd.	BBB+/Stable/A-2		
Latin America Compania de Saneamiento Basico do Estado			
de Sao Paulo (SABESP)	Local currency AA/Very Neg/		
	Foreign currency AA/Very Neg/		
Asia Pacific Sydney Water Corp. Ltd.	Local currency AA/Stable/A-1		
Melbourne Water Corp.	Foreign currency AA/Poor/A-1		
Motorcare Services Ltd.	AA/Stable/A-1		
	AA/Stable/A-1		
INTERNATIONAL TELECOMMUNICATION COMPANY CREDIT RANKINGS			
Company	Corporate Credit Rating	Business	Rating
Companhia Energetica do Brasil Telecommunications PLC			
Emarcom Telecom	AAA/Very Neg/A-1+		
Emarcom AS	AA/Stable/A-1+		
Emarcom/GTE PTT Nederland NV	AA/Neg/Very A-1+		
Emarcom Universal AS	AA/Very Neg/		
Globe AS	AA/Stable/A-1+		
Intermedia	AA/Stable/A-1+		
Intermedia Telefonica AG	AA/Stable/-		
Intermedia Telecommunications SA	AA/Stable/A-1+		
Intermedia Group PLC	AA/Stable/A-1+		
ITI Telecom AS	AA/Neg/Very A-1+		
Itelcom International LLC	AA/Stable/A-1		
Itelcom International Corp. Ltd.	A/Stable/-		
Itelcom S.A.	A/Stable/-		
Jatra Telefonia Cyfrowa TIC	Local Currency BBB-/Stable		
Kyoto Maxcom Corp.	Foreign Currency BB/Stable/-		
Alcatel Nouveau	BBV/Stable/-		

INTERNATIONAL TELECOMMUNICATION COMPANY CREDIT RATINGS (continued)	
Company	Leasing Credit Rating
Amtelcom	B-/Negative/-
Viasat - telecommunications	Dom. Joint Stock Company
CII Holding S.A.	B+/Positive/-
Melco Holdings S.A.	B+/Stable/-
Estar Holdings Ltd.	B+/Stable/-
DAT Telecom Group PLC	B-/Negative/-
Peruana Electrica S.A.C.	B-/Stable/-
Bank ITT	B-/Stable/-
Exxon Telecommunications PLC	B-/Stable/-
Luz del Andes	B-/Stable/-
Corporacion de Telecomunicaciones de Chile	A-/Positive/-
Teleoperadora de Chile S.A.	A-/Positive/-
Compania de Radiocomunicaciones Montevideo S.A.	A-/Stable/-
Telecom Argentina S.A.	BBB-/Stable/-
Telecom Argentina S.A.C.	BBB-/Stable/-
France Telecom S.A.	BBB-/Stable/-
Compania Interamericana de Telecomunicaciones (COMITEL)	BBB-/Stable/-
Esco Leonsell	BBB-/Stable/-
ICCI Crisis Holdings	BB-/Stable/-
Conatel S.A.	BB-/Stable/-
CANTV Financiera Ltd.	Local currency BB-/Stable/-
Impres S.A.	Foreign currency B+/Stable/-
Occidente y Centro Circular S.A.	B+/Stable/-
Servicio Mexicano de Cables S.A. de C.V.	BBB-/Stable/-
Telcom S.A.	B+/Stable/-
Telsetel S.A.	B+/Stable/-
Asia/Pacific	
Nippon Telegraph & Telephone Corp.	AAA-/Positive/-
Telecom Australia Ltd.	AA-/Positive/-
Telecom New Zealand Ltd.	AA-/Negative/-A+
KT Telecom Co. Ltd.	AA-/Positive/-A+
Malaysia Maxis Berhad	A+/Stable/-
Advanced Info Services	A-/Stable/-
Philippine Long Distance Telephone Co.	BBB-/Negative/-
Global Access Communication	BB-/Negative/-
TeleCo Ltd.	
Ericsson Telefon	BB/CW-Neg/-
Skynet Palaua Indonesia	B+/CW-Doub/-
	B-/CW-Neg/-

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A Conversation With

Dr. E. Linn Draper, Jr., Chairman, President, and CEO American Electric Power Co.

S&P: What will it take for AEP to be successful going forward?

Draper: I think it's a matter of continuing to adapt quickly to new markets and opportunities and responding to market conditions. We've come a long way at AEP in rethinking how we do things, how we view our customers and markets, but we've been operating for decades under a regulated environment and for the most part continue to do so. I'm proud of the progress we've made, but the future will require us to become even more flexible, responsive, and quicker in matters ranging from handling customer complaints to new business opportunities.

S&P: What is AEP going to look like 10 years from now?

Draper: Given the pace and scope of restructuring, it's really anyone's guess about how the industry will look. Things have moved more slowly than we would have thought a few years ago, as we deal with issues such as local taxes, independent system operators (ISOs), environmental issues, and stranded commitments. In retrospect, a more considered approach is probably better for the industry. How AEP will look will depend largely on how these issues will be resolved. But AEP will be there and will be a major player 10 years from now.

S&P: How important is it to maintain current credit ratings at AEP?

Draper: While our long-term goal is to achieve an 'A' senior debt rating for each of our subsidiaries, we believe that it is very important for each subsidiary to have financial flexibility, maintaining, at the very minimum, an investment-grade credit rating for each of their various securities. This financial flexibility enables us to remain an attractive investment to a wide range and sufficient quantity of investors for additional capital requirements and for any potential industry restructuring initiatives in the future.

S&P: Will the AEP operating units issue new first mortgage bonds?

Draper: Not in the near future. With the changes that have already occurred in this industry and the potential changes that we may still face in the future, we believe it is important to remain flexible in financing the current capital needs of our subsidiary companies. We plan to transition to unsecured debt as senior debt matures.

S&P: Would you consider doing an equity carve-out of your unregulated operations similar to what Entergy has proposed?

Draper: Never say never—but currently we do not see the need or the benefit of doing an equity carve-out of our nonregulated businesses. Perhaps in the future, to enhance shareholder value, it would be one of the options that we would consider.

S&P: What are the major road blocks to completing the Central and South West merger?

Draper: The merger agreement between AEP and CSW contains certain conditions that must be achieved prior to closing. As a result of the overwhelmingly positive vote of the respective shareholders of the two companies, the remaining conditions relate mainly to regulatory approvals. Such approvals are required in Texas, Louisiana, Oklahoma, and Arkansas, and are needed from the FERC, the NRC, the Department of Justice, and the SEC. Although schedules have not been set in all of these proceedings, it is expected that all regulatory approvals should be received by the end of the first half of 1999.

S&P: Can a U.S. company own more than one U.K. regional electric company (REC)?

Draper: It is our belief that there is no prohibition regarding a single U.S. company owning more than one U.K. REC. We would expect that U.K. regulatory

authorities would be involved in the review of such an arrangement.

S&P: How much effort is AEP making in trying to get PUHCA abolished?

Draper: AEP is a member of the Repeal PUHCA NOW! Coalition, which is comprised of 14 registered electric and gas utilities. We certainly think that repealing PUHCA is an important step if the energy industry is to evolve in the U.S. like it has the potential to. This is a very high legislative priority.

S&P: If PUHCA was abolished, would your strategy change much?

Draper: I don't think our strategy would change much, but our responsiveness and ability to do certain things would. Because we are subject to PUHCA, we are at a disadvantage to other electric utilities and nonutility generators in the wholesale market. With the repeal of PUHCA, we could compete on a level playing field as the electricity industry moves forward to customer choice in electricity supply. We will continue to be a leader in the energy business under any circumstances, but the repeal of PUHCA will help AEP serve customers faster and better.

S&P: In the future, how many generating and transmission companies are there likely to be in the U.S.?

Draper: You hear ranges from 10 to 50. I don't know, but I suspect there will be a small fraction of today's total.

S&P: Who and what type of electric utility legislation do you expect in Ohio?

Draper: Legislation to restructure Ohio's electric utility industry was introduced in March 1998. That bill would introduce competition to all classes of retail customers beginning in January 2000. AEP provided testimony during hearings in May. Basically, we have some problems with the proposed legislation, as do other low-cost providers in the state. Legislative leaders have indicated that passage is unlikely this year.

A Conversation With

S&P: What are your plans regarding joining an ISO?

Draper: Our goal is to be part of the largest possible regional transmission organization that supports a vigorous, competitive electricity market. That's why we're talking to more than one ISO organization. We believe that any ISO should make it possible for a wide range of sellers to gain economically efficient access to critical customer markets.

S&P: Will ISOs survive, or will they be an interim step toward for-profit transmission companies, such as in the gas industry?

Draper: If you mean will ISOs operate in a manner that allows them to earn something greater than a regulated rate of return, it's too early to say. It's not clear if regulators will allow ISOs to operate in that fashion. There appears to be some movement in the industry toward transcos instead of ISOs, but no clear trend is emerging.

S&P: Do you plan any generating plant closings?

Draper: There are no plans to close any of the plants in the immediate future. We are continually evaluating the competitive standing of each facility. As the future unfolds and various capital and environmental requirements are forecast, and each unit's competitive standing is affected, we will make decisions to retire, repower, or replace generating units.

S&P: What are your plans for the Cook nuclear units?

Draper: Returning the two units to service is extremely important and a high priority for management. Since the Sept. 9 shutdown, considerable work has been done. The initial focus was to address the NRC's Confirmatory Action Letter and culminated in a public meeting on Feb. 27 with the resolution of nine of the 10 issues identified in the letter. The final issue, which involves an assessment of other potential problems in safety-related systems that may affect system operability, will be resolved as part of the restart process.

We have developed a restart plan for the plant. The first phase of the plan was a discovery process and was completed June 1. While several issues have been identified during the discovery phase, at this time the longest known task prior to restart is the

inspection and necessary modification and repairs of the ice condenser system.

The first restart meeting with the NRC took place on June 4. We will have monthly restart meetings that will become more frequent as the restart date approaches. A firm restart schedule will be developed during June, based on our best current analysis of the path ahead.

On May 20, an enforcement conference took place in a public forum to discuss apparent violations at the plant. I expect that the result of the NRC enforcement process will be a proposed civil penalty.

S&P: Will you continue to seek long-term contracts from your largest domestic customers?

Draper: Long-term contracts from our largest customers are probably a thing of the past. Customers expect choice in the near term and do not want to be locked in to a contract that might be more expensive than market price in a deregulated market. Even if there were long-term contracts in place, the deregulation process may require a "trash look," allowing companies to get out of unfavorable contracts. The utility may not want to enforce a contract if it is too far out of line with the market price, recognizing there may be a short-term gain but that it would ultimately lose the customer when the contract expires.

In some low-cost states, customers may feel they have a good deal now and that competition will cause their price to increase and they may want to sign long-term contracts and lock the utility in. Smart money, though, is on the former scenario.

S&P: How do you plan to finance your future nonregulated businesses?

Draper: Initially, additional equity will be provided through sales of AEP common stock through our Dividend Reinvestment Plan and existing revolving credit facility. In the longer term, cash flow from the nonregulated businesses will be a major source of equity funds. Debt will be obtained on a nonrecourse basis whenever feasible.

S&P: What businesses and world regions look the most promising for AEP's growth?

Draper: Our global strategy is the most promising in the near term, focusing on Asia-Pacific, Europe, Latin America, and North America. By regionalizing our efforts, we can better position AEP in the international marketplace by establishing a local

focus. The Asia-Pacific region, because of its projected energy requirements, is likely to provide the highest growth opportunity.

S&P: How do you decide where and how much exposure you are willing to take in any one business or region?

Draper: We assess the country risk, such as the political, economic, monetary, and legal risks, and the project risks, such as technology, fuel, partner, and power purchaser risks, to determine the required return on investment. We then go through a detailed screening process starting at the regional level and ending up at the AEP board of directors.

S&P: Are you satisfied with your China investments?

Draper: Yes. The Nanyang power plant construction is ahead of schedule. Unit 1 is expected to come on-line at the end of this year and Unit 2 will follow sometime in early 1999.

S&P: Are you concerned with China's political and legal system?

Draper: As a result of our five-year experience in China, we believe we have an understanding of the political and legal risks and have become comfortable with both.

S&P: At this point, how much is AEP willing to invest in China?

Draper: It depends on the specific opportunity and its associated risks. We evaluate projects project by project to maintain our goal of having a diverse portfolio of projects in different areas of the world. Our long-term objective in China is to develop 1,200MW generation projects.

S&P: What concerns you most about the Year 2000 issue and will AEP be ready, domestically and internationally?

Draper: The Year 2000 issue is a tremendous challenge, but I think it can be managed in our industry. In our industry, probably what concerns me most is our reliance on third parties, be they contractors, suppliers, or other utilities, that can affect the reliability of the entire grid. AEP has been working on this problem since 1996 and is prepared to complete the tasks to ensure that the power will continue flowing into the next century. ■

@QUESTION = S&P: What do you see as the major challenges for the FERC?

@ANSWER - Hoecker: Overall, the challenge facing regulators is to help manage the risks associated with the transition from monopoly and strong government intrusion into energy markets to an environment of competition and light-handed regulation. In the electric area, the major challenge is to oversee and facilitate the quick transition from regulated monopoly to competition in bulk power markets. For example, customer concerns about undue discrimination in providing transmission services remain a major obstacle to competition despite the first steps that have been made toward open access in the bulk power market. The commission must more forcefully promote the many benefits regional transmission organizations can provide (complete separation of generation and transmission functions, nonpancaked rates, etc.) and decide whether to make participation in an independent system operator (ISO) or other regional transmission organizations mandatory in the future.

In the gas area, more than six years have passed since we implemented unbundling and open access to pipeline transportation. The interstate gas market is dynamic and increasingly competitive. However, the market has not fully developed, especially the short-term market. Not long ago, short-term transactions lasted one month to one year. Now they last one day or less. Structural impediments to the development of this market remain. We have issued a series of proposed rules that explore our continuing need to refine the way that the FERC regulates natural gas transmission and determine how to help the market be more efficient, effective, and transparent.

@QUESTION = S&P: What concerns you most about the electric and gas industries' future?

@ANSWER = Hoecker: Circumstances and economic necessity dictate that we complete the transition to full wholesale electric competition in the next few years. Large customers are becoming uneasy and skeptical, if not angry, about delays in achieving truly open competition. They will not wait forever to receive the promised benefits of the competitive regulatory model. Small commercial and residential customers do not yet clearly understand the potential benefits of retail competitive choice, however. I believe that independent regional transmission organizations are a big part of the answer, insofar as this agency's responsibility to bring order and competitive dynamics to the bulk power market. My preference would be for the commission to issue a final rule on this topic no later than December 1999.

Gas end-use markets continue to be served by monopolies. The interstate transportation market is increasingly competitive, but many supply sources are served only by a single system because of the state of pipeline technology. We need to continually monitor these markets not only to protect captive customers, but to give the entities serving those markets opportunities to provide creative new services.

One of the biggest challenges is ensuring that we have an accurate assessment of how our industries are evolving regarding market power and service offerings so that we can provide assistance where required. Accurately assessing the industry's health is not as easy as it sounds; as markets become more sophisticated, it becomes more difficult to tell who the players are and who has real control of capacity.

I am concerned that the states' slowness in promoting retail unbundling programs may leave the gas industry in the dust while electric utilities make major headway toward restructuring at the retail level.

@QUESTION - S&P: Do you feel that PURPA and PUHCA are slowing development of a competitive market? What are the prospects for repeal or reform?

@ANSWER - Hoecker: PURPA was the first step toward establishing a competitive bulk power market. It increased efficiency in the electric markets and spurred new technologies. If qualifying facilities resulted in above-market rates in some instances, it was part of an allocation of risks between the parties. This situation has nevertheless exacerbated the high prices resulting from certain base load investments by utilities. In any case, PURPA has accomplished its purposes and now looks increasingly out of place.

While many of the PUHCA limitations were effectively removed in the Energy Policy Act of 1992, PUHCA should be amended or repealed with one important caveat: The commission and the states must be given adequate authority to protect consumers against affiliate abuse and cross-subsidization. The statute continues to inhibit good regulation and even tends to encourage utility mergers that have competitive problems.

@QUESTION - S&P: Why is electric deregulation proceeding so slowly?

@ANSWER - Hoecker: I'm not altogether comfortable with your assumption. Only two years have passed since Orders 888 and 889 became effective and ushered in an era of open-access transmission services. And numerous states are implementing retail choice programs. However, I would prefer that we complete the transition to fully competitive markets more quickly to avoid a patchwork of regulatory arrangements and the associated inefficiencies. There are still bulk power issues that need our attention. Regional transmission organizations are one. Transparent pricing is another.

@QUESTION - S&P: What is the outlook for federal utility legislation? What do you see as the most contentious issue that federal law makers must deal with?

@ANSWER - Hoecker: I hope the 106th Congress can pass needed legislation. The issues deserve serious attention by Congress. Department of Energy Secretary Richardson is making enactment of legislation a priority. I have testified on Capitol Hill about what we regard as key issues: jurisdiction over the national transmission grid, regional transmission organizations, mandatory reliability standards with federal oversight and enforcement, and repeal of PUHCA with adequate consumer protection against affiliate abuse.

@QUESTION - S&P: What do you think is the proper role of state regulators in deregulation?

@ANSWER - Hoecker: State commissions will have important roles in the new competitive markets. First, they must ensure that retail access works in those states that adopt it. Second, they must work cooperatively with the FERC at ensuring grid reliability. States are responsible for siting necessary generation and transmission to remove constraints. Third, I hope they will work with the commission in establishing regional transmission organizations and agreeing on what ongoing roles the states will have. However, the increasing volume of bulk power transactions has tended to make federal regulation more important to the future success of competition.

On the gas side, we will hold a public conference on Feb. 25, 1999, to discuss with all industry participants these very significant issues as they relate to natural gas access at the retail level. Maintaining an integrated, national gas transportation grid as the states implement retail unbundling will remain an important issue.

@QUESTION = S&P: How important is credit quality in your decision-making process? Should FERC credit analysis be mandated for energy marketing license approval?

@ANSWER = Hoecker: I am not yet convinced that FERC should set credit standards to protect wholesale buyers. The commission does not consider an applicant's creditworthiness in making electric industry regulatory decisions. Purchasers and sellers in the wholesale power markets, which tend to be large and sophisticated in dealing with one another, generally do consider creditworthiness. I have no reason at this point to believe that the commission staff could do a better job than wholesale market participants or Wall Street in assessing credit risks associated with other buyers or sellers. Until I am convinced that wholesale buyers of electricity cannot obtain sufficient information to allow them to judge the credit risk of sellers, I think we should proceed with caution in this area.

@QUESTION = S&P: Can the FERC further expedite the utility merger-approval process? Do you foresee the need for any further change to the merger-approval process beyond more emphasis on market power issues?

@ANSWER = Hoecker: The commission has already done a lot in expediting its merger process. We are acting within 150 days of filing, which is 90 days after comments come in. Since I became chairman, we have issued final orders on 13 major utility mergers. I think further expedition might be possible if the commission were to adopt a single computer model that all applicants and intervenors had to use to study competitive effects in merger cases. We have received comments on this as part of our Merger Notice of Public Rulemaking (NOPR) but picking one model will be difficult.

@QUESTION = S&P: Are there any utilities that currently have market power and is that a concern for the FERC?

@ANSWER = Hoecker: The answer depends on whether you are talking about electric power or transmission markets. In transmission markets, transmission providers are monopolists that, by definition, have market power. The ownership of transmission within a vertically integrated utility contributes to generation market power. As a result, today we regulate their services on a cost-of-service basis and establish nondiscriminatory terms and conditions of the service they provide. It might, however, be possible to permit more pricing flexibility for regional transmission organizations.

While there might be a few utilities that possess horizontal market power in generation in certain "localized" load pockets, I do not believe they are prevalent. In the merger area, we are starting to see electric/gas combinations that may present vertical market power issues, and we will consider them case by case.

The extent to which market power remains a concern for the FERC will depend on the future business strategies and possible functional disaggregations of utility companies and on the level of market entry by nonutility participants.

@QUESTION = S&P: What role should the FERC play in the energy trading markets?

@ANSWER = Hoecker: We need to eradicate undue discrimination in transmission to build trust with all market participants that they will be treated fairly. The structure,

@ANSWER - Hoecker: Completing a generic initiative on regional transmission organizations is at the top of my list of electric priorities, and this process needs to be in place by the end of 1999. Looking at what we have learned about the evolving market and the unevenness of ISO proposals to date and understanding that issues (like pricing reform) must await a more national market structure, we have no choice but to begin this task. I expect the industry to respond positively once the direction of public policy and private competitive strategy becomes clear.

@QUESTION = S&P: What has the FERC learned during its regional technical conferences about the usefulness of ISOs?

@ANSWER - Hoecker: We learned that while there is widespread support for regional transmission organizations, there also is a critical need to break the log jam of legitimate, but soluble, local concerns that are inhibiting the creation of these institutions. Regional differences can be accommodated if certain basic principles are in place. I hope the commission can propose these rules in the next few months.

@QUESTION - S&P: Will the FERC allow for-profit electric transmission companies (transcos) to be formed, much like the interstate natural gas pipeline industry?

@ANSWER - Hoecker: There are for-profit transcos today. We don't object. The problem arises by virtue of their affiliation with generation and distribution functions. I have encouraged those advocating transcos to bring us concrete proposals, but no one has done so. There are some features of transcos that are advantageous: They can be created quickly, and, as for-profit institutions, they have the incentive to expand transmission facilities. They also raise some important questions. Transcos will be monopolies. How we regulate their rates is a key issue. Traditional cost-of-service regulation might be most appropriate but might not provide enough incentive to build "merchant" transmission projects. Moreover, I am concerned about whether the transco model can, at least during the initial transition period, cover a sufficiently large geographic area to make a competitive, efficient market and be truly independent of affiliate sellers. At bottom, all market participants must be able to feel comfortable that they are being treated fairly.

@QUESTION = S&P: Is the fate of straight-fixed-variable (SFV) rate design in the long-term gas transportation market really at risk?

@ANSWER - Hoecker: The commission began an inquiry in July that questions whether any single-rate design is always appropriate. In a netback world, SFV has strong defenders among participants in the gas production sector. I have always believed that SFV rate design should not be used if parties desire an alternative rate design. In fact, we have recently permitted pipelines to deviate from SFV. We have also permitted pipelines to negotiate individual transactions that are not SFV-based. In addition, the commission has not required strict adherence to SFV in the context of rate settlements.

Certainly, in the context of the inquiry, the commission is exploring alternative cost recovery methods. Since implementation of Order 636, a straight-fixed-variable rate design has served the industry well during this time of transition. The market has changed, however. We must continue to be flexible in adapting our policies to changing conditions.

@QUESTION = S&P: Will there be further clarification of offshore jurisdictional pipelines?

@ANSWER = Hoecker: In response to a court remand (127 F.3d 365), the commission issued a Notice of Inquiry seeking comments on the extent to which we might exercise authority under the Outer Continental Shelf Lands Act, and whether that act could be used as an alternative or supplement to the Natural Gas Act in regulating offshore facilities. These comments are being analyzed, and they will be the foundation for further action. At this time all I can say is, "Stay tuned..."

Folder Profile

Control #	1999-000573	Name	letter to the Secretary from Steve Zimmerman, Standard &P
Priority	Important	Folder Trigger	Invitation
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Standard & Poor would like to publish an interview with the Secretary—No Date Mentioned (Rec'd in ES 1/13/99)	Correspondence Date	12/14/98
Topical Index	Meeting Request	RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Appropriate Action	Classification	None
Special Instructions	Per SL/Johnston: Forward to Brooke Anderson for action	Point of Contact	MAUSERB 6-5936 Edwards, Kesha
		Action Office #	
		Assigned To	PA
		Date Due	
		Date Completed	1/13/99

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December 14, 1998

Mr. William Richardson
Secretary of Energy
c/o Peg Weathers
Director of Scheduling
Fax Number: 202-586-7573

ES- please forward to
Brooke for
action

Dear Secretary Richardson:

Thank you for your consideration of our request for a written interview with Standard & Poor's weekly newsletter *Utilities & Perspectives*. Should you agree to do the interview, I will prepare about 20 questions. You may, of course, answer any of the questions that you wish, and we will delete any unanswered questions from the published product. If there are issues that you would like to address that Standard & Poor's has not raised, please feel free to do so. This interview provides you with maximum flexibility. Standard & Poor's will not edit any of your responses.

Our newsletter subscription base includes U.S. electric and gas utilities, large institutional fixed-income investors, and some state regulators. I have enclosed a copy of a recent interview with FERC Chairman Jim Hoecker. *Utilities & Perspectives* has also published interviews with utility CEOs, regulators, investment bankers, top rated utility analysts, and emerging utility technology leaders.

It would be a great honor for Standard & Poor's to publish an interview with you. We have interviewed Ben Montoya, the CEO of Public Service Co. of New Mexico, who has strongly suggested that I pursue this interview with you.

If you have any questions, please call.

Respectively,



Steve Zimmerman
Director
(212) 208-1658

:nak

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Folder Profile

Control #	1999-000507	Name	letter to the Secretary from James M. Souby, Western Gove
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Encourages Secretary to support the enclosed proposal to increase the use of renewable energy and energy efficiency (Rec'd in ES 1/12/99)	Correspondence Date	1/7/99
Topical Index		RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Prog Determination	Classification	None
Special Instructions	Relates to ES98-012054.	Point of Contact	CARPENTC 202 586-4528 Carpenter, Catherine
		Action Office #	
		Assigned To	EE
		Date Due	
		Date Completed	1/12/99

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Department of Energy

Washington, DC 20585

1999-000507

FEB 18 1999

**James W. Souby, Executive Director
Western Governors' Association
400 N. Capitol Street, N.W. Suite 388
Washington, DC 20001**

Dear Mr. Souby:

Thank you for your letter dated January 7, 1999, to Secretary Richardson supporting a proposal submitted by the Western Governors' Association under the Department's Broad-Based Solicitation on Information Dissemination and Outreach (Solicitation DE-PS01-99EE). This solicitation was issued on December 3, 1998.

As you probably know, the Office of Energy Efficiency and Renewable Energy has strengthened its merit review procedures following reviews by the Congress and the Department's Procurement Executive. As a result, under the Broad-Based Solicitation, all applications will be selected through a merit-based selection process. All proposals will be scored based on defined evaluation criteria and program policy factors set forth in the solicitation.

The Department has received a large number of applications in response to the solicitation, and review of these applications is currently underway. We greatly appreciate the interest of the Western Governors' Association in this competitive solicitation and expect to make financial assistance awards in March and April. You can be assured that the proposal submitted by your organization will receive careful consideration by the Merit Review Committee and the Selection Official.

Please do not hesitate to contact me about matters of concern to you. If you have any further questions on the solicitation process, please call me or have a member of your staff contact Jacqueline Kniskern at (202) 426-0046.

Sincerely,

**Dan W. Reicher
Assistant Secretary
Energy Efficiency and Renewable Energy**

cc: Beth Tomason, MA-54



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January 7, 1999



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The Honorable Bill Richardson
Secretary
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Richardson:

In conformance with the recommendations of your staff, I am submitting the enclosed proposal under Solicitation DE-PS01-99EE10649 to seek the Department's support to expand the use of renewable energy and energy efficiency in the West in order to meet the air quality goals set by western governors and tribal leaders.

As Utah Governor Mike Leavitt conveyed to you in October, this project is an example of a broad new collaborative approach to implement energy and environmental policies in western states. The governors believe that diverse stakeholders working on a common problem, such as protecting visibility and air quality, will lead to more creative and cost-effective solutions than traditional regulatory approaches. This new approach, called Enlibra, was the subject of an Environmental Summit held last month in Phoenix in which representatives of the Department participated.

Under this proposal, the Western Regional Air Partnership (WRAP) comprised of western governors and tribal leaders, will develop strategies to implement the aggressive renewable energy and energy efficiency goals necessary to protect visibility in the Grand Canyon and other spectacular vistas in the West. The WRAP has created a Pollution Prevention Forum of diverse stakeholders to develop the strategies. This proposal, when combined with contributions from the Environmental Protection Agency and significant in-kind contributions from Forum members, will provide the resources necessary to enable the Forum to fulfill its challenging mandate.

The WRAP and this proposal embody the necessary federal-state-tribal collaboration needed to meet our common energy efficiency and renewable energy goals. We look forward to speedy action on this proposal.

Sincerely,

James M. Souby

dirrichard2.wpd

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A Project to Increase the Use of Renewable Energy and Energy Efficiency in the West

Volume II

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PROJECT DESCRIPTION

The objective of this proposal by the Western Governors' Association (WGA) is to build consensus among diverse stakeholders in the 12-state region covered by the Western Regional Air Partnership on ways to increase the use of renewable energy and energy efficiency in order to combat air pollution. While the Western Regional Air Partnership has as its primary focus reducing visibility impacts on the national parks and other class 1 areas in the region, the specific goals of increasing renewable energy production in the West to ten percent of western electricity needs by 2005 and 20 percent by 2015, increasing the use of energy efficiency measures in homes and businesses, and developing a green pricing program for the region dovetail with many of the goals of the Office of Energy Efficiency and Renewable Energy. Accordingly, this proposal is submitted under *Program Area of Interest 6.A. Cross-Cutting and Critical Needs: Information Dissemination, Outreach, and Training Activities*.

Background

The 1990 Amendments to the Clean Air Act created the Grand Canyon Visibility Transport Commission (GCVTC) to prepare recommendations to the Environmental Protection Agency on actions to protect visibility in the national park. Western governors expanded the role of the Commission to address visibility in all the parks and wilderness areas on the Colorado Plateau and expanded the membership to include eight states.

The Commission's report to EPA in June 1996 made numerous recommendations on how to protect visibility, including a recommendation that 10 percent of western electricity needs be met by renewables in 2005 and 20 percent by 2015.

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The governors and western tribal leaders have created the 12-state Western Regional Air Partnership (WRAP) to implement the Commission's recommendations. The WRAP has established a number of committees, called forums, to implement specific recommendations. (See the WRAP Organization Chart provided below). The Pollution Prevention Forum (P2 Forum), has several charges relating to renewable energy and energy efficiency. The P2 Forum is to develop a consensus report to the Initiatives Oversight Committee (IOC) and the WRAP and is to then implement the recommendations in the report so that individual states will be able to include these measures in their State Implementation Plans, which are to be submitted to EPA in 2003. The P2 Forum has as its first objective the implementation of the renewable energy recommendations of the GCVTC. However, the Forum will also develop a plan to increase energy efficiency and will examine the issue of green pricing. The Forum is co-chaired by Hap Boyd (Enron Wind Corporation) and Jeff Burks (Utah Office of Energy and Resource Planning). (The full charge to the Pollution Prevention Forum can be found in the Appendix.)

Proposal

The objective of this proposal is to develop a consensus among diverse stakeholders on implementation strategies to achieve the renewable energy production goals adopted by the GCVTC and the energy efficiency and green pricing directives set by the Commission. This will be done through the well-established consensus-building approach embodied in the Western Regional Air Partnership and its predecessor the Grand Canyon Visibility Transport Commission. Since the WRAP is comprised of both governors and tribal chairmen, the decision-making process will provide a direct link to the highest level state and tribal officials in the West.

Three types of resources are necessary to enable the Pollution Prevention Forum to fulfill its responsibilities: (1) ongoing Forum staff and meeting support; (2) hardship travel funds for Forum participants and invited presenters; and (3) funding and in-kind expertise to address priority analytic issues developed by the Forum. This proposal would provide the staffing and meeting resources necessary to operate the Forum, including organization of Forum meetings, briefing materials for meetings, and meeting summaries. In addition, the proposal would provide resources sufficient to fund, when necessary, travel for invited expert presenters, and to undertake the initial analysis necessary for the Forum to evaluate the impact of options to overcome barriers to expanded deployment of renewable resources and energy efficiency in the WRAP region. It would also fund travel for experts on the topics addressed in the final recommendations of the P2 forum in order to provide technical assistance to states and tribes on implementing the recommendations. Potential detailed studies have not yet been defined and thus are not funded by this proposal. Hardship travel funds for Forum members are being provided through a grant from EPA to the Western Governors' Association.

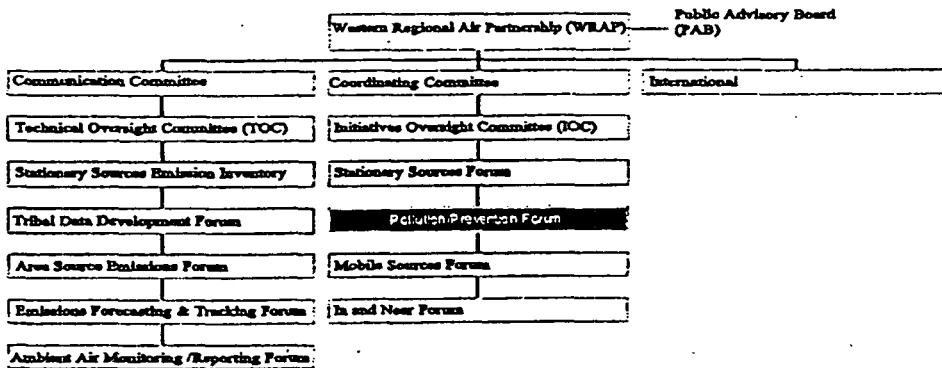
This proposal anticipates a three-year effort to develop strategies to meet the renewable energy production goals and the energy efficiency and green pricing objectives set by the GCVTC. In the first year, the Western Governors' Association anticipates holding three meetings of the Pollution Prevention Forum, two small working group technical meetings and one large meeting to seek agreement from parties who will need to act to implement the Forum's recommendations. The meeting schedule for the second year will be much the same. In the third year, there will be one Forum meeting and one large meeting. In year three there will also be travel by experts to help each state implement the Forum's recommendations. Written deliverables will include: meeting briefing materials and meeting summaries, special analyses needed to answer questions raised in the Pollution Prevention Forum

discussions, and recommendations from the Pollution Prevention Forum to the WRAP. These materials would also be posted on the WRAP Internet website.

The P2 Forum has an ambitious agenda. In order to encourage the participation of a wide range of experts and policy makers in the West, including a healthy mix of energy and air quality experts, the Western Governors' Association would designate the Western Interstate Energy Board (WIEB) to provide staffing for the Forum. WIEB is the energy arm of the Western Governors' Association, and is uniquely suited to provide staff support to the Forum because of its expertise in western energy issues, its existing network to state energy agencies, its knowledge of the views and priorities of western governors, its extensive experience in the preparation of briefing materials, its proven track record in organizing and executing both small and large meetings of diverse participants on difficult technical and policy issues, and its existing links to the Internet server housing the WRAP's home page. WIEB has also been instrumental in jumpstarting the work of the P2 Forum through the September 1998 "Background White Paper: Increasing the Use of Renewable Energy in the WRAP Region." This paper, which was developed by WIEB staff based on input from selected renewable energy experts, identifies the western renewable energy resource base, barriers to exploiting the resource base and potential actions to overcome such barriers.

The Western Governors' Association is requesting \$250,000 for three years to fund the activities of the Pollution Prevention Forum. In addition, calculations of the expected time which members of the Forum will spend on the project along with other interested parties is estimated at \$388,000.

WRAP



- * - Three more forums that are deserved to another time:
 - 1 - Mobile Sources
 - 2 - Air Quality Modeling
 - 3 - Control Options & Cost

APPLICATION NARRATIVE**1. Impact/Significance**

The five years of consensus-building efforts among western industry, environmental organizations, states and tribes which led to the GCVTC recommendations provide an ideal platform upon which to broaden the leadership and build additional support for renewable resources and energy efficiency throughout the West. The WRAP mechanism, which has the strong support of western governors and tribes, will strengthen the impact of this proposal by continuing to include the active participation of a diverse group of key stakeholders, including representatives from environmental organizations, the mining industry, the utility industry, and renewable energy producers along with representatives from western states and tribes and the federal government. Such diverse participation will greatly increase the awareness and understanding in the 12 state WRAP region of the potential for increased use of renewable energy and energy efficiency technologies. In addition, because the GCVTC and WRAP are consensus-building processes involving a wide spectrum of interest groups, the WRAP process presents a new opportunity for DOE to participate with diverse western interests and in doing so gain the support for renewables and energy efficiency measures from previously disinterested or antagonistic parties.

Increasing the deployment of renewable energy and energy efficiency technologies in the WRAP region will require a concerted consensus-building effort by the private sector, environmental groups, the federal government, and state, local and tribal governments. Such a concerted effort is especially critical given the changes now occurring in the electric power industry. The diverse participation engendered through the WRAP mechanism and the Pollution Prevention Forum provide an ideal opportunity to establish precisely the type of concerted effort required to affect significant policy changes throughout the WRAP region. By focusing on consensus action to remove barriers to realizing the potential for growth in the use of energy efficiency and renewables, this proposal will further accelerate the deployment of renewable energy and energy efficiency technologies.

This proposal is also likely to have a greater impact on promoting the increased use of renewable resource technologies due to the strong renewable resource base located in the West. The best solar, wind, and geothermal resources are located in the western states. The region is also growing rapidly, requiring the installation of significant new energy infrastructure. Because of the strong renewable resource base and the growing demand for new energy sources, the costs of producing renewable energy in the WRAP region are likely to be lower than in any other region of the country and the likelihood of successfully expanding the use of renewables would therefore be increased.

The impact of this proposal will be further enhanced due to the high level of political support which exists in the West for the WRAP and for expanding the deployment of renewable energy technologies. Support for such technologies and for the work accomplished by the National Renewable Energy Laboratory has been clearly stated by western governors (see box on next page for WGA Resolution 98-026, *Western State Leadership in Renewable Energy Development*). In addition, the implementation of the GCVTC recommendations is a centerpiece of the western governors' new environmental doctrine, *Enlibra*, an effort spearheaded by Utah Governor Leavitt and Oregon Governor Kitzhaber. As a result, implementing renewable energy and energy efficiency recommendations of the GCVTC is likely to receive a more favorable political response in the West than federal renewable energy efforts by themselves.

Western Governors' Association
June 30, 1998, Resolution 98 - 026

SUBJECT: Western State Leadership in Renewable Energy Development

A. BACKGROUND

1. The West has the greatest abundance of renewable energy resources of any region in the United States. The West has extensive hydroelectric generation, nearly all the geothermal energy production in the U.S., significant biomass production, and the best solar, wind and ocean resources in the U.S.
2. The development and deployment of technologies to utilize these resources will help diversify the western energy system and better position western companies to compete in the growing global renewable energy marketplace and to meet clean air mandates.
3. The successful deployment of renewable energy technologies requires continuing technological advances, removal of barriers to deployment, and ingenuity to find and exploit niche markets.
4. The federal government, through the U.S. Department of Energy's National Renewable Energy Laboratory and other national labs, has played a vital role in advancing renewable energy technology development and in assisting individual states in specific technical areas;
5. Western states are making major commitments to the development and deployment of renewable energy resources.

B. GOVERNORS' POLICY STATEMENT

1. Western governors believe that the development and deployment of renewable energy technologies can benefit the region by:
 - a. Diversifying the region's energy supply;
 - b. Promoting the development of new technologies and Western companies in a growing global market;
 - c. Reducing traditional air pollutants from energy production;
 - d. Providing a safety net in the event reductions in greenhouse gases are required; and
 - e. Meeting the obligation of today's westerners to their children, and to future citizens of the region through careful stewardship of indigenous natural resources.
2. Western governors recognize the leadership which individual Western states have provided in efforts to capitalize on the potential benefits of renewable energy development in the West.
3. Western governors recognize the contribution which the National Renewable Energy Laboratory and other federal labs have made in developing technologies which enable the cost-effective use of an increasing portion of the western renewable energy resource.
4. Western governors will promote renewable energy, including efforts of the National Renewable Energy Laboratory and other federal labs to continue outreach to western states to ensure that their research and development efforts are germane to the western resource base and thereby offer technology options that can contribute to increasing the availability of renewable power generation and to the resolution of important public policy issues in the region.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. WGA staff shall convey this resolution to the President, the Secretaries of Energy, Agriculture and Commerce, the Administrator of the Environmental Protection Agency, the National Renewable Energy Laboratory and appropriate members and committees of Congress.
2. WGA staff, in coordination with the Western Interstate Energy Board, is directed to monitor and share information on the initiatives of western states to capitalize on the renewable energy resources in the West. Staff is directed to seek opportunities where the National Renewable Energy Laboratory and other national labs can contribute to achieving the policy objectives of western governors. Staff is directed to monitor and report on the progress in implementing this resolution.

EPA is already funding a portion of the WRAP's work and has been a constructive partner in the organization of the Pollution Prevention Forum. While there are clear synergies between EPA and DOE on these programs, it would be productive for both the WRAP and DOE if the Department could contribute to

implementation of the renewable energy and energy efficiency goals of the GCVTC to ensure that the energy benefits (not just the environmental benefits) of renewable energy are fully recognized.

DOE support of implementation of the renewable energy and energy efficiency recommendations of the GCVTC provides an ideal opportunity to advance the policy goals of the Department and to broaden the leadership and support of renewable energy and energy efficiency to encompass new, powerful constituencies.

This project is designed to build consensus for action among diverse stakeholders to overcome barriers to expanding the use of renewable energy and energy efficiency in the WRAP region. The project will utilize the existing diverse stakeholder structure of the Western Regional Air Partnership to increase the understanding of renewable energy and energy efficiency technologies and build consensus among diverse stakeholders on actions to overcome barriers to expanded deployment of such technologies.

The activities of the WRAP are conducted by a network of committees and forums composed of WRAP members and stakeholders, including state and tribal citizens, elected officials, academia, and representatives from the business and environmental communities. These stakeholders are chosen to represent a wide range of social, cultural, economic, relative population, and technical viewpoints.

The National Tribal Environmental Council (NTEC) and the Western Governors' Association (WGA) jointly provide staff support to facilitate and coordinate the overall activities of the WRAP but not the forums. Under this proposal, technical staffing of the Pollution Prevention Forum will be provided by the staff of the Western Interstate Energy Board.

Membership in the Pollution Prevention Forum is governed by the following instructions from the WRAP. "Appointments to the Pollution Prevention Forum will be based on expertise relevant to preventing pollution caused by energy production, use, and marketing. Forum membership will be balanced by including representatives of all stakeholders invested in developing pollution prevention programs. Workgroups will be similarly balanced and comprised of experts with knowledge in specific fields critical to the workgroup's focus area." Co-chairs of the Pollution Prevention Forum are Hap Boyd, Enron Wind Corporation, and Jeff Burks, Utah Department of Natural Resources. Appointments are presently being made to the Forum and include representatives from western environmental groups, municipal utilities, investor-owned utilities, tribal representatives, state public utility commissions, the coal industry and renewable technology vendors. Additional appointments are expected to be made from academia, local government, and other energy suppliers.¹

As a result of the existing institutional structure of the WRAP and the existing policy directive to expand significantly the use of renewable energy and energy efficiency in the WRAP region, this project represents a highly cost-effective investment in improving the understanding of renewable energy technologies and energy efficiency, stimulating action to overcome barriers to expanding the use of renewable energy, accelerating the deployment of renewable technologies, increasing the use of energy efficiency, and developing green marketing programs in the West. In addition, the proposed funding from the Department of Energy would be leveraged by a 1:1.4 ratio with other funds and in-kind contributions.

2. Feasibility

¹ As of October 1998, appointments to the P2 Forum include: Co-chair Hap Boyd of Enron Wind Corporation; Co-chair Jeff Burks of the Utah Department of Natural Resources; Rose McKinney-James, President of the Corporation for Solar Technology and Renewable Resources; Terry O'Conner, Vice President of External Affairs for Arch Coal Co.; Van Jamison, President of Jamison Consulting; Steve Ellenbecker, Commissioner, Wyoming Public Utility Commissioner; and Julie Simpson, Environmental Specialist with the Nez Perce Tribe.

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The requisites and commitment for achieving the goal of this project are in place:

- An institutional structure of diverse interests already exists;
- There is political support from western governors and tribal leaders for the project;
- There is existing policy agreement on the goals (producing 10 percent of the region's electric power from renewables by 2005 and 20 percent by 2010, increasing energy efficiency and developing green marketing programs);
- Baseline scoping of the issues has been accomplished;
- Key representatives of diverse interest groups have already committed to participating; and
- Experienced staff is available to execute the project.

This project builds on the substantial work of the Grand Canyon Visibility Transportation Commission and institutional infrastructure provided by the Western Regional Air Partnership. Both the GCVTC and WRAP are proven consensus building processes involving diverse interests from throughout the West. This history and institutional structure provides a solid policy basis and significant momentum for actions to expand the deployment of renewable energy and energy efficiency technologies. The leadership and appointments to the WRAP's Pollution Prevention Forum continue the tradition of consensus building among diverse interests.

As evidenced by the adoption of the GCVTC recommendations and the adoption by western governors of WGA Resolution 98-026, there is significant political support from governors and tribal leaders for the WRAP and for expanding the use of renewable energy in the region. (See page 10 for a letter from Governor Leavitt of Utah in support of the WRAP and the P2 Forum). In adopting the recommendations of the GCVTC, the chief policy makers in the region agreed to set the ambitious goal of producing 10 percent of the region's electricity from renewables by 2005 and 20 percent by 2010. With this goal established, the task of the Pollution Prevention Forum is not to debate the validity of the goal, but to devise implementation strategies to meet the goal. The governors also detailed their interest in energy efficiency and green pricing programs.

The work of the Pollution Prevention Forum has been jumpstarted through the development of a "Background White Paper: Increasing the Use of Renewable Energy in the WRAP Region, September 1998" which identifies the western renewable energy resource base, barriers to exploiting the resource base and potential actions to overcome such barriers. The paper was developed by staff of the Western Interstate Energy Board based on input from selected renewable energy experts, including the National Renewable Energy Laboratory.

Key representatives from environmental organizations, the coal industry, utility industry, renewable energy producers, tribes and states have already agreed to serve on the Pollution Prevention Forum. Additional appointments to expand the diversity of representation on the Forum will be made. This level of commitment from stakeholders is essential to executing the project.

Finally, the project intends to utilize the technical staff support of the Western Interstate Energy Board²

²The Western Interstate Energy Board is an association of western states and western Canadian provinces. The legal basis of the Board is an interstate compact which has been ratified by Congress (PL 91-461). The Board includes a Federal Representative appointed by the President. It also serves as the energy advisory arm of the Western Governors' Association. The Board maintains a staff at its Denver, Colorado, office. Board members are appointed by the governor of each state and are generally the head of the state energy agency. The purposes of the Board are to:

- Provide a forum for identifying, discussing and resolving regional energy-related issues and problems of interest to its members and provide assistance in policy formulation;
- Provide multi-state services to member states, including the management and oversight of special projects;

which has a demonstrated track record of performance. The Western Interstate Energy Board, which is the energy arm of the Western Governors' Association, would be best suited to provide staff support to the Forum because of its expertise in western energy issues (particularly in electric industry restructuring), its existing network to state energy agencies (e.g., western state PUCs, state energy agencies and facility siting agencies), its knowledge of the views and priorities of western governors, its extensive experience in the analysis of western energy issues and preparation of briefing materials, its proven track record in organizing and executing both small and large meetings of diverse participants on difficult technical and policy issues, and its existing links to the Internet server housing the WRAP's home page.

See Appendix for resumes of key staff.

3. Approach

The following tasks will be undertaken in order to achieve the goal of developing strategies for the WRAP that will achieve the renewable energy and energy efficiency goals of the GCVTC. A workplan will be developed by the P2 Forum which will further refine the timeline for completing these tasks.

- Task 1: Complete appointments of diverse stakeholders to the Pollution Prevention Forum.
Subtasks: 1.1 Ensure necessary diversity, including participation in the Forum by DOE and other appropriate federal agencies, state and local governments, tribes, industry, environmental groups, academia and other important stakeholders.
1.2 Provide Forum members with necessary background information on issues and Forum operation.
- Task 2: Develop a workplan to implement the charge of the Pollution Prevention Forum.
- Task 3: Organize meetings of the Pollution Prevention Forum.
Subtasks: 2.1 Arrange necessary meeting facilities.
2.2. Develop Forum meeting agenda.
2.3 Arrange for participation by technical experts, as needed.
2.4. Develop meeting briefing materials..
2.5. Prepare meeting summaries.
- Task 4: Organize small technical meetings
3.1 Arrange meeting facilities, agenda, and technical meeting summaries
- Task 5: Large meetings with parties capable of implementing desired actions
4.1 Work with key parties outside the Pollution Prevention Forum to develop large meetings (reach agreement on time, place, agenda).
4.2 Develop briefing materials for large meetings.
4.3 Conduct such meetings.
- Task 6: Provide Forum members with a baseline briefing on renewable energy and energy efficiency and the barriers to their expanded deployment in the region, and options for overcoming such barriers.
- Task 7: Select initial issues to be examined, including scoping of the major policy options for overcoming barriers to expanded use of renewables/energy efficiency/market trading in the WRAP region.
Subtasks: 4.1 Initial identification of issues for analysis.
4.2 Forum review of issues and redirection of analytic effort, as needed.
4.3 Present analyses to Forum.
4.4 Refine analyses based on directions from the Forum.
- Task 8: Reconnaissance of issues addressed in other WRAP forums which affect the ability to achieve the

-
- Monitor, analyze and report on federal, state and private sector activities affecting western energy interests; and
 - Assist states in coordinating activities with federal agencies.

renewable energy and energy efficiency goals (e.g., development of a visibility-impairing emission trading system by the Market Trading Forum) and establish liaison with other relevant Forums.

- Subtasks:
- 5.1 Identify related Forums and their key activities.
 - 5.2 Arrange presentation to Pollution Prevention Forum of important activities by other Forums.
 - 5.3 Establish liaison with related Forums and brief such Forums on the activities and interests of the Pollution Prevention Forum.

Task 9: Develop consensus reports by the Pollution Prevention Forum and present the findings to the Initiatives Oversight Committee (IOC) and the WRAP.

- Subtasks:
- 6.1 Draft proposed consensus report.
 - 6.2 Reach agreement on report.
 - 6.3 Present consensus report to the IOC and WRAP.

Task 10: Complete necessary reporting and liaison with the WRAP IOC.

Task 11: Provide requested individual assistance to states on: developing renewable resources, promoting energy efficiency and green power marketing.

Task 12: Maintain Pollution Prevention Forum Internet homepage.

Task 13: Develop final report to DOE.

TASKS	2nd quarter 1999	3rd quarter 1999	4th quarter 1999	1st quarter 2000	2 nd quarter 2000	3rd quarter 2000	4th quarter 2000	1st quarter 2001	2 nd quarter 2001	3rd quarter 2001	4th quarter 2001	1st quarter 2002
Task 1.1	Complete appointments											
Task 1.2	Initial briefing	Provide P2 members with issue briefings										
Task 2	Develop Workplan											
Task 3	P2 meeting	P2 meeting		P2 meeting		P2 meeting		P2 meeting	P2 meeting			P2 meeting
Task 4	Technical Work group		Technical Work group		Technical Work group			Technical Work group				
Task 5				Large meeting		Large meeting			Large meeting			
Task 6	RR briefing	Efficiency briefing										
Task 7	Issue identification	Presentation of analyses		Presentation of analyses		Presentation of analyses		Presentation of analyses	Presentation of analyses			
Task 8	Reconnaissance of other forums	Liaison with other forums										
Task 9				Renewables report		Efficiency report						
Task 10	Liaison with WRAP and IOC											
Task 11								Assistance to states in implementation				
Task 12	Maintain P2 Homepage											
Task 13												Final report to DOE

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The key deliverables from the project will be: (1) meeting briefing material; (2) meeting summaries; (3) a workplan to implement the charge of the Pollution Prevention Forum; (4) special analyses needed to answer questions raised in the Pollution Prevention Forum discussions; (5) a consensus report to the IOC and WRAP; and (6) a final report to DOE. These materials will be available on the Pollution Prevention Forum's Internet home page. The meetings will include an identification of participants that will enable follow-up by the Pollution Prevention Forum and DOE.

4. Cost

Proposed three-year budget under this proposal

First Year

Staff	\$30,500
Overhead	52,155
Meeting expense and long-distance	7,145
Travel for technical experts	10,200
Total	\$100,000

Second Year

Staff	\$25,640
Overhead	43,844
Meeting expense and long-distance	7,116
Travel for technical experts	8,400
Total	\$ 85,000

Third Year

Staff	\$14,400
Overhead	24,624
Meeting expense and long-distance	3,576
Travel for technical experts	22,400
Total	\$ 65,000

Staffing and office costs assume a part-time project manager (328 hours the first year at \$39/hour) and part-time policy analyst/Internet administrator/researcher (1007 hours the first year at an average rate of \$18/hour). It is estimated that the first year will be the most intensive in terms of staff hours. As a result, charges will be somewhat lower in the second year, with an estimated 300 hours spent on the project by the project manager and 815 hours by the part-time policy analyst/Internet administrator/researcher. By the third year, the project will shift to helping implement Forum recommendations and a large part of the work will be borne by technical experts (i.e., one state expert spending time in other states). In that year, there will be an estimated 205 hours spent on the project by the project manager and 352 by the part-time policy analyst/Internet administrator/researcher. Overhead (at 1.71 percent of direct labor costs) includes all non-salary costs, including fringe benefits, holiday, vacation and sick leave, support staff, and supplies, rent and other office expenses.

Meeting Support: Meeting expenses for the first year assume five small meetings (e.g., 15-25 people) at an average meeting cost of \$1,000 per meeting and one large meeting (e.g., meeting of 50 people) at an average meeting cost of \$2,600 per meeting. Of the five small meetings, it is assumed that the Forum, consisting of 15-20 people, would meet three times. The budget also assumes two smaller technical meetings which may be necessary to organize one or more of the larger meetings or to address specific technical issues, such as exploring potential synergies between hydroelectric storage and intermittent renewable generation or to evaluate information on the

consumer response to green pricing programs. The large meeting would be for the purpose of engaging those whose cooperation is necessary to implement a specific action. An example of a large meeting might be to work with transmission owners to encourage the adoption of transmission pricing systems more favorable to intermittent renewable energy sources, which are located distant from load centers. Large meetings might also address the adoption of solar portfolio standards or wires charges, or the development of uniform information disclosure procedures.

In the second year, there would be a similar number of meetings. In the third year, there would be one meeting of the Pollution Prevention Forum and one large meeting.

Long distance phone charges and conference calls are estimated to be around \$500 per year. The current charge for long-distance phone calls is ten cents per minute. Conference calls can be a very effective tool to keep expenses down and to keep in contact with forum members in several different cities or states.

Technical Experts: A number of these meetings may require the services of outside experts. For the purposes of the budget, it is assumed that each of the smaller meetings would, on average, require the payment of travel costs for two technical experts at \$600 per trip and that the three large meetings would require the payment of four technical experts at \$600 per trip. During the third year, travel for technical experts to assist states in implementing the recommendations of the Pollution Prevention Forum would be provided. This cost is estimated to be \$5,000 per quarter.

Standard Form 424A
BUDGET INFORMATION - Non-Construction Programs

OMB Approval no. 0348-0044

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DE-PS01-99EE10649	81-117			\$250,000		\$250,000
2.						
3.						
4.						
5. TOTALS	N/A			\$250,000		\$250,000

SECTION B - BUDGET CATEGORIES

6. OBJECT CLASS CATEGORIES	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Year 1	(2) Year 2	(3) Year 3	(4) Year 4	
a. Personnel	30,500	25,640	14,400		\$70,540
b. Fringe Benefits					
c. Travel	10,200	8,400	22,400		41,000
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other	\$ 7,145	7,116	\$ 3,576		17,837
i. Total direct Charges (sum of 6a-6h)	47,845	41,156	\$40,376		129,377
j. Indirect Charges	52,155	\$43,844	24,624		120,623
k. TOTALS (sum of 6i and 6j)	\$100,000	\$85,000	\$65,000		\$250,000
l. PROGRAM INCOME					

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SECTION C - NON FEDERAL RESOURCES

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.				
9.				
10.				
11.				
12. TOTALS (sum of lines 8 and 11)				

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$100,000	\$25,000	\$25,000	\$25,000	\$25,000
14. NonFederal					
15. TOTAL (sum of lines 13 and 14)	\$100,000	\$25,000		\$25,000	\$25,000

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. DE-PS01-99EE10649	\$100,000	\$85,000	\$65,000	
17.				
18.				
19.				
20. TOTALS (sum of lines 16 - 19)	\$100,000	\$85,000	\$65,000	

SECTION F - OTHER BUDGET INFORMATION

(Attach additional Sheets if Necessary)

21. Direct Charges: \$129,377 for the three-year project	22. Indirect Charges: \$120,623 for the three-year project
--	--

23. Remarks: These funds will be passed through to the Western Interstate Energy Board. See attached for explanation of the above budget categories.

file



MICHAEL O. LEAVITT
GOVERNOR

OLENE S. WALKER
LIEUTENANT GOVERNOR

STATE OF UTAH
OFFICE OF THE GOVERNOR
SALT LAKE CITY
84114-0601

October 1, 1998

The Honorable Bill Richardson
Secretary
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Richardson:

As you know, the West has some of the most spectacular vistas in the world. We are also a dynamic and growing region. To meet the challenge of protecting and enhancing our air quality while accommodating economic growth, western governors and tribal leaders have formed the Western Regional Air Partnership (WRAP) to implement the recommendations of the Grand Canyon Visibility Transport Commission. The WRAP is an example of the new collaborative approach needed to implement energy and environmental policies in the western states. It is founded on the belief that diverse stakeholders working on a common problem, such as protecting visibility and air quality, will lead to more creative and cost-effective solutions than traditional regulatory approaches by themselves.

Several of the key recommendations being implemented by the WRAP directly complement the mission of the Department of Energy. The WRAP is working to significantly expand the production of power from renewable energy resources and to increase the efficiency with which energy is used in the region. A forum of diverse stakeholders has been charged with developing strategies to meet these goals. The forum is co-chaired by my Department of Natural Resources and Enron Wind Corporation.

Given the shared interest to increase use of renewable energy and energy efficient technologies among DOE and western states and tribes, I strongly urge you to approve and fund the enclosed proposal which will provide necessary staff and analytic support to enable the WRAP to achieve the Commission's efficiency and renewable energy goals.

Please contact Jim Souby (303/623-9378) or Doug Larson (303/573-8910) if you need additional information.

Sincerely,

A handwritten signature in black ink that reads "Michael Leavitt".

Michael Leavitt, Co-Chairman
Western Regional Air Partnership
Governor of Utah

Western Governors' Association

Volume II

DE-PS01-99EE10649, Program Area of Interest 6.A.

APPENDIX

3B-16

Statement of Qualifications of Project Staff

DOUGLAS C. LARSON: Executive Director, Western Interstate Energy Board. Larson has been Executive Director of the Board since 1979. Prior to joining the Board, Larson was legislative analyst of the Western Governors' Regional Energy Policy Office, an association of the governors of 10 western states. He also served as a tax and fiscal analyst for the Joint Budget Committee of the California Legislature and worked in the State of Michigan's Office of Economic Expansion. Larson has served as a consultant to the Congressional Office of Technology Assessment, a member of the State and Regional Advisory Panel to the National Research Council's Energy Engineering Board, and on the Council on Environmental Quality's regional review panel for the United States' report to the United Nations Conference on the Environment and Economic Development. Larson received a Master of Public Policy degree from the University of Michigan in 1973 and an undergraduate degree from Oakland University in 1971.

Larson has 23 years of experience working on western state energy policy issues, including the full range of renewable and efficiency policies. He was involved in the creation of the western regional solar center, Western SUN, in the late 1970s. He has organized numerous meetings of western states and western Canadian provinces on renewable energy and energy efficiency topics. He also staffs a committee of western state public utility commissions, governors energy agencies and state facility siting agencies which has examined renewable energy and energy efficiency policies in the context of integrated resource planning, green pricing, and system benefit charges. Larson was an author of the renewable energy scoping paper, *A Background White Paper, Increasing the Use of Renewable Energy in the WRAP Region*, prepared for the Pollution Prevention Forum of the Western Regional Air Partnership.

DALE DECESARE: Policy Analyst, Western Interstate Energy Board. In this capacity, he has tracked legislative and regulatory developments affecting western energy systems; written and edited a weekly newsletter covering western energy developments; and was a co-author of the renewable energy scoping paper, *A Background White Paper, Increasing the Use of Renewable Energy in the WRAP Region*. DeCesare has previously served as a law clerk conducting legal research on a variety of corporate business issues. He has a J.D. from the University of Denver College of Law and a B.A. from Trinity University in San Antonio, Texas.

ALISON WILSON: Financial Administrator and Researcher, Western Interstate Energy Board. Wilson has been with the Board since 1979. She has a Master's degree in Library Science from the University of Denver. She has numerous years of experience with researching renewable energy and energy efficiency issues and has prepared reports for the Board on these topics. She was a co-author of the renewable energy scoping paper, *A Background White Paper, Increasing the Use of Renewable Energy in the WRAP Region*. Ms. Wilson also is in charge of the financial management of the Board.

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Pollution Prevention Forum Charge

Oversight: Initiatives Oversight Committee

Schedule: Anticipated Start Date: April, 1998

Mission:

The mission of the Pollution Prevention Forum is to develop programs for the WRAP to implement that will reduce pollution from traditional energy production through alternative approaches to energy use, generation, and marketing.

Background:

As the demand for energy increases, and the region's power base evolves, there is a tremendous opportunity to realize substantial benefits from energy efficiency, as well as to integrate cleaner, sustainable energy technologies into all aspects of our society. The West enjoys high potential for renewable energy production, especially electrical energy generation employing solar and wind power. However, as has been the case with the transition from regulated energy production to competitive marketing, programs will be needed to support the transition to increased energy efficiency and the development of economically viable sources of energy that are clean, renewable, and environmentally sustainable.

Scope and Relevant References:

The Pollution Prevention section of the GCVTC contains brief summaries of key issues [*Although education on pollution prevention is included in the GCVTC Pollution Prevention section, developing such a program calls for an entirely different set of skills than will be required for members of the Pollution Prevention forum. I would suggest that public outreach and education be approached in a more comprehensive way that captures all of the WRAP's efforts.*] that provide a starting point for the development of implementation programs by the Pollution Prevention Forum. Given the enormous scope of potential programs to be developed by this particular forum, the co-chairs are encouraged to establish work groups to develop specific deliverables that will be used by the Forum as it develops its programs. The Land and Water Fund's report, *How The West Can Win: A Blueprint For A Clean and Affordable Energy Future* contains valuable information and ideas that may assist Forum members in their work.

Objectives and Deliverables:

1. The Forum is charged with identifying economic incentives for pollution prevention and developing programs for the WRAP to implement. At a minimum, the Forum will review and evaluate for inclusion in the program: 1) Rewarding efforts that go beyond compliance with air quality laws and programs; 2) Supporting the creation and relocation of zero and near-zero and low-emission industries within the region; 3) Retooling businesses within the region to increase energy efficiency; 4) Developing renewable energy generation, and; 5) Reducing residential energy use through building practices that encourage energy conservation and the inclusion of PV in new construction.

2. The forum is charged with developing and analyzing the economic, environmental, and social costs and benefits of an emission fee program for the WRAP to implement. Emission fees have the potential to encourage people and industry to reduce pollution in the most efficient manner possible, and such fees could help level the playing field between polluting power production and clean, renewable sources, while

3B-18

generating critically needed funds for air quality programs.

3. The Forum is charged with developing a program for implementation by the WRAP for achieving the GCVTC goal of generating 10 percent of the region's electricity from renewables by 2005 and 20 percent by 2015. At a minimum, the Forum will review and evaluate for inclusion in the program: 1) A region-wide portfolio standard that requires electricity suppliers to generate a minimum percentage of their electricity from renewable energy sources; 2) The use of wire charges, collected by transmission and distribution companies to fund renewable energy investments and programs; 3) Eliminating transmission fees for renewable resources, and; 4) Requiring state and federal agencies to act as "buyers of last resort" for renewable projects selling into competitive markets

4. The forum is charged with developing a program for implementation by the WRAP to conserve energy through increased efficiency of its use. At a minimum the Forum will review and evaluate for inclusion in the program: 1) Adopting the California energy standards; 2) Reinstatement of the incentives for energy efficient buildings similar to those in place during the 1970s; 3) Continuation of demand side management programs, and; 4) System benefit charges to fund conservation programs.

5. The Forum is charged with developing a market-based approach to pollution prevention and energy conservation and efficiency through green pricing. At a minimum, the Forum will review and evaluate for inclusion in the program: 1) Disclosure on electricity bills of power sources and air emissions; 2) A voluntary labeling program with incentives for companies that label their products, followed by required labeling, and ; 3) The creation of a clearinghouse for product information that would be easily accessible to consumers.

Collaboration Requirements:

It is critical that the Pollution Prevention forum collaborate with other forums within the WRAP, particularly those Forums either impacted by the Pollution Prevention Forum's programs, or when the Pollution Prevention Forum needs technical expertise from TOC forums. The Forum will collaborate with Pollution Prevention programs in state and federal agencies and the other participants in these programs.

Process Requirements:

The pollution prevention forum shall:

- Follow the general guidelines developed by the WRAP for all forums.
- Adhere to the objectives described above, and incorporate the deliverables into the process.
- Provide meeting minutes to the IOC, as well as short quarterly reports on the progress that the Forum is making.

Membership Criteria:

Appointments to the Pollution Prevention Forum will be based on expertise relevant to preventing pollution caused by energy production, use, and marketing. Forum membership will be balanced by including representatives of all stakeholders invested in developing pollution prevention programs. Workgroups will be similarly balanced and comprised of experts with knowledge in specific fields critical to the workgroup's focus area.

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1999-000571 1/13 10:30

THE CORPORATE COUNCIL ON



January 11, 1999

The Honorable William Richardson
Secretary of Energy
Department of Energy
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Richardson:

We are writing to invite you to be a keynote speaker at breakfast on Tuesday, April 27 at the Corporate Council on Africa (CCA) 1999 *Attracting Capital to Africa* Summit in Houston, Texas. The Summit will take place at The Houstonian Hotel, Club & Spa in Houston, Texas, April 24-28, 1999, and will be jointly chaired by seven of America's foremost investors in Africa: Dr. Kenneth Lay, Chairman and CEO, ENRON Corp.; Mr. Kase Lawal, Chairman, CAMAC Holdings, Inc.; Mr. Lucio Noto, Chairman and CEO, Mobil Corporation; Mr. Maurice Tempelsman, Chairman, Lazare Kaplan International Inc.; Mr. Lee Raymond, Chairman and CEO, Exxon Corporation; Mr. Frank Kennedy, CEO, HSBC Equator Bank; and, Mr. Ken Derr, Chairman and CEO, Chevron Corporation. President Clinton has been invited to address the Gala Awards Dinner featuring five African Heads of State, including President Rawlings of Ghana, President Mogae of Botswana, President Nujoma of Namibia, Prime Minister Ramgoolam of Mauritius, and President Mubarak of Egypt.

The first Summit in April 1997 was the largest single event in the United States to focus exclusively on bringing American private sector investment to the African continent. The 1997 Summit brought together over 700 African and American decision-makers, including five African Heads of State, several American Chief Executive Officers, Secretary of the Treasury Robert Rubin, President of the World Bank James Wolfensohn and the First Lady Hillary Rodham Clinton.

The Corporate Council on Africa selected Houston, energy capital of the U.S., as the site for the 1999 Summit because of its large volume of trade with Africa and because energy and related services are so vital for sustainable growth.

The Corporate Council on Africa is organizing this Summit to increase the American private sector's awareness of the many commercial opportunities that exist in Africa, and to address specific policy issues that the U.S. private sector confronts in the African marketplace. As we wrote to President Clinton, his Presidency has done more to promote U.S. private sector activity on the African continent than any previous Administration. In so doing, he has sent a clear message to the world that America is a permanent "player" on the African scene and that American investment in Africa is both profitable and growing. Your participation in the 1999 Summit would provide a receptive forum to highlight the priorities and accomplishments that this Administration has achieved in its foreign and economic policy towards Africa. We have enclosed a brochure for the 1999 "*Attracting Capital to Africa*" Summit to give you a better idea about the substance and magnitude of the 1999 event.

Please contact me if you have any questions regarding the 1999 "*Attracting Capital to Africa*" Summit.

Sincerely,


David H. Miller
Executive Director

Enclosure

Folder Profile

Control #	1999-000652	Name	letter to Secretary Bill Richardson from Gordon Brown, U.S.
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Request a meeting with the Secretary to discuss US interest and policy toward the area and its unparalleled energy resources—No Date mentioned (rec'd in ES 1/14/99)		
Topical Index	Meeting Request		
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info:ES/Carpenter Regret		
Assigned To	SL/Johnston		
Date Due			
Date Completed	1/15/99		

1999-000652 1/14 P 3:14



U.S. - QATAR BUSINESS COUNCIL

5335 Wisconsin Avenue, NW, Suite 440

Washington DC 20015-2034

Phone: (202) 895-1712 • Fax: (202) 362-3221 • qatarbiz@erols.com

The Honorable Bill Richardson
Secretary of Energy
1000 Independence Avenue SW
Washington DC 20585

January 11, 1999

Dear Secretary Richardson;

In light of your upcoming trip to the Persian Gulf and our member companies' considerable interests there – particularly in Qatar – I would like, on behalf of the members of the Council, to request a meeting with you to discuss US interests and policy toward the area and its unparalleled energy resources.

The U.S. - Qatar Business Council was established in 1996 as a non-profit, private sector organization which provides a forum for discussion of key economic, commercial and other issues of interest to American companies doing or planning to do business in Qatar. Our member companies share an interest in promoting expansion of the relationship between Qatar and the United States, and providing information about the American stake in that country. Since our formation, we have served as a forum for discussion of pertinent Middle East issues with senior Administration officials as well as Congressional figures, and have hosted visiting Qatari officials including the Emir and the Crown Prince. We have also worked whenever possible to complement US Government efforts in the region, for example by offering significant support to the 1997 Doha Middle East-North Africa Economic Conference, and providing hospitality for the visiting Qatari delegation to last year's energy bilaterals, as well as for this year's US-GCC economic dialogue.

We would appreciate the opportunity to meet with you, following your trip, to gain your appreciation of the Middle East energy picture, and to discuss with you the issues which affect our growing relationship with and investments in Qatar. We could meet with you in the Department, in one of our offices, or over lunch, at a time which is convenient to you. I will follow up with your office next week to see if such an occasion, which we believe would be mutually useful, can be arranged.

Sincerely,

President and Executive Director

- Cc: Calvin Humphrey, Acting A/Sec DOE
Robert Copaken, Office of Policy DOE

FOUNDING MEMBERS AND DIRECTORS

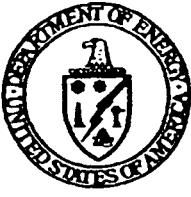
DR. RAY R. IRANI Co-Chair Chairman and CEO, Occidental Petroleum	LUCIO A. NOTO Co-Chair Chairman and CEO, Mobil Corporation	JOHN B. CHEATHAM Treasurer President, ARCO International	KENNETH L. LAY Secretary Chairman and CEO, Enron Corporation	AMB. GORDON S. BROWN President and Executive Director
L. RICHARD FLURY Executive Vice-President Amoco Corporation	RICHARD H. MATZKE President, Chevron Overseas	LEE H. RAYMOND Chairman and CEO, Exxon Corporation	CHARLES R. OLIVER Group President, Fluor Daniel	W. WAYNE ALLEN Chairman and CEO, Phillips Petroleum

5A

Folder Profile

Control #	1999-000571	Name	letter to the Secretary from David H. Miller, The Corporate C
Priority	Important	Folder Trigger	Invitation
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Invites the Secretary to be a keynote speaker at the 1999 Attracting Capital to Africa Summit on April 27, 1999—(Rec'd in ES 1/13/99)	Correspondence Date	1/11/99
Topical Index	Speaking Engagement	RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Appropriate Action	Classification	None
Special Instructions	Info:ES/Carpenter	Point of Contact	MAUSERB 6-5936 Edwards, Kesha
		Action Office #	
		Assigned To	SL/Johnston
		Date Due	
		Date Completed	1/13/99

6



1999-0005/1

Department of Energy

Washington, DC 20585

January 14, 1999

Mr. David H. Miller
Executive Director
The Corporate Council on Africa
1660 L Street, NW, Suite 301
Washington, DC 20036

Dear Mr. Miller:

We have received your correspondence dated January 11, 1999, on behalf of the Corporate Council on Africa, inviting Secretary Richardson to be the keynote speaker on April 27, 1999 at their 1999 Attracting Capital to Africa Summit.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit
James N. Solit
Director, Executive Secretariat

6A

Folder Profile

Control #	1999-001645	Name	Letter to the Secretary from Dr. Dorothea H. El Mallakh, Int
Priority	Important	Folder Trigger	Invitation
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Invites the Secretary to attend the 26th Annual International Energy Conference and the 20th Annual International Area Sessions on April 18-21, 1999 (Rec'd in ES 2/8/99)	Correspondence Date	2/1/99
Topical Index	Meeting Request	RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Appropriate Action	Classification	None
Special Instructions	Info:ES/Carpenter	Point of Contact	MAUSERB 6-5936 Edwards, Kesha
		Action Office #	
		Assigned To	SL/Johnston
		Date Due	
		Date Completed	2/9/99



1999-001645 2/8 3:53

INTERNATIONAL RESEARCH CENTER FOR ENERGY & ECONOMIC DEVELOPMENT

909 14th Street, Suite 201
Boulder, CO 80302 U.S.A.

Telephones: (303) 442-4014, 492-7667 / Fax: 442-5042
E-mail: iceed@stripe.Colorado.EDU

February 1, 1999

The Honorable Bill Richardson
Secretary of Energy
U. S. Department of Energy
1000 Independence Ave., SW
Washington DC 20585

Dear Secretary Richardson:

Our Center's 26th annual international energy conference entitled "Back to the Basics on Energy Supply and Demand" will be held from the evening of April 18 (Sunday) to midday April 20 (Tuesday). The 20th annual international area sessions on "African Energy: Supply and Market Potential" will begin midday April 20 and conclude midday April 21 (Wednesday). It is with pleasure that we invite you to attend.

For 26 years, we have been organizing conferences unique in the mix of attendees and participants: high-ranking representatives and specialists in industry, finance, national/multinational governmental agencies from as many as 27 countries. The sessions are noted for their valuable contacts as well as the formal and informal exchange of views and data. Attendance is by invitation and reservation only.

The ICEED coordinates with other organizations to avoid conflicting dates as well as seeking ways to maximize the travel and time requirements for those coming from overseas. In this line, we are aware of the World Bank-International Monetary Fund meetings in Washington a week after our sessions. Those coming from Africa may be particularly interested in the "Summit on Attracting Capital to Africa," sponsored by The Corporate Council on Africa, to be held in Houston, Texas, April 24-28. The Council may be contacted in Washington by fax at (202) 835-1117 or by telephone at (202) 835-1115.

A brief outline with the topics and some of the preliminary speakers is enclosed, along with registration and hotel information. Should you require further details, please contact me. The best telephone number at which to reach me any time is (303) 442-4014. In order to keep the conferences to the optimal size, we may need to close registration prior to the April 12 deadline.

Sincerely yours,

Dorothea H. El Mallakh

Dr. Dorothea H. El Mallakh
Director

DEM/ty
Enclosures

We understand that your present schedule precludes your participation. Should that change, we could accommodate your participation on short notice. Hopefully, DOE will be well represented.

7A



INTERNATIONAL RESEARCH CENTER FOR ENERGY & ECONOMIC DEVELOPMENT

909 14th Street, Suite 201
Boulder, CO 80302 U.S.A.

Telephones: (303) 442-4014, 492-7667 / Fax: 442-5042
E-mail: iceed@stripe.Colorado.EDU

Twenty-Sixth Annual International Energy Conference BACK TO THE BASICS ON ENERGY SUPPLY AND DEMAND

April 18, 19, and 20, 1999

Twentieth Annual International Area Conference AFRICAN ENERGY: SUPPLY AND MARKET POTENTIAL

April 20 and 21, 1999

If you are planning to attend either or both of the Conferences and are *not a speaker*, please make your own hotel reservations. If you would like assistance for a reservation, contact the Center. When making your reservation, inform the hotel you are attending the ICEED Conferences to receive the special conference rates. At check-in, be certain to ask for your information envelope and the bus schedule. The sessions will be held at the Regal Harvest House. (Please notify the Conference if you will not be staying at the Regal Harvest House.) Reserve early as the Conferences have a block of rooms held until March 15 at:

**The Regal Harvest House
1345 - 28th Street
Boulder, Colorado 80302 U.S.A.
Telephone: 303-443-3850
Fax: 303-443-1480**

From the Denver International Airport (DIA), the Super Shuttle leaves each hour on the hour from doors 504 (west side) and 511 (east side) on level 5; check in at the Super Shuttle ticket counter located on that level (ground transportation). One-way cost is \$18, and the trip takes about one hour to the hotel in Boulder. The RTD Bus (schedule AB) leaves DIA each hour at 15 minutes after the hour from the west side (last bus leaves at 10:45 p.m.) and 20 minutes after the hour from the east side; the trip takes 1 hour and 20 minutes to the bus terminal in Boulder (\$8 one-way). From the terminal you need to take a taxi to the hotel. If you arrive on Sunday, April 18, Center staff will be available to assist you on level 5 of DIA.

AIR FARE DISCOUNTS: The Traveler's Choice in Broomfield, Colorado has special domestic and international rates with several airlines that are available upon inquiry to the agency by telephone or fax. Please identify yourself as an attendee with the ICEED conferences and ask for Marianne Clark:

**The Traveler's Choice
6570 W. 120th Avenue, #2C
Broomfield, CO 80020 U.S.A.
Telephones: 303-465-1795; toll free within the U.S.: 1-800-537-1798
Fax: 303-465-1799**

REGISTRATION INFORMATION: Registration will be held at the Regal Harvest House from 11 a.m. to 6 p.m. on Sunday, April 18. Thereafter, registration will be held in the Conference office at the hotel (second floor). There will be a continental breakfast (juice, coffee, tea, breakfast breads) available prior to the morning sessions on April 19, 20, and 21, compliments of the Conference.

(OVER)

7 10



INTERNATIONAL RESEARCH CENTER FOR ENERGY & ECONOMIC DEVELOPMENT

909 14th Street, Suite 201
Boulder, CO 80302 U.S.A.

Telephones: (303) 442-4014, 492-7667 / Fax: 442-5042
E-mail: iceed@stripe.Colorado.EDU

The 26th Annual International Energy Conference on **BACK TO THE BASICS ON ENERGY SUPPLY AND DEMAND** will open Sunday evening, April 18, 1999 and conclude midday Tuesday, April 20. Throughout the 20th century, fossil fuels, whether coal, oil, or natural gas, have been the primary energy sources given availability, cost, and deliverability. Looking at demand issues, present concerns about air pollution, health impacts, and climate change have combined to place these hydrocarbons, especially coal and oil, in a defensive position. Many governments are opting to support the expansion of natural gas usage because of environmental reasons and the presence of or potential for domestic supplies. Will natural gas be the "bridge" fuel between oil and the future energy world? Without a strong demonstration of political will by a country's citizenry to accept governmental intervention on behalf of environmental and/or security goals, oil's plentiful supply and low cost should retain its appeal for end users. On the near horizon, major change in the transport sector is a reality with the commercialization of alternative fuel cars. This may be the single most critical element in future oil demand. On the supply side, technology has led to lower finding costs for oil and natural gas through improved seismic techniques and has extended the longevity for producing fields as well as the commercialization of smaller, scattered deposits. Do some of the dire predictions of world oil output peaking early in the next century have a basis? Would significantly more expensive oil not only stimulate new exploration but speed fuel switching?

The 20th Annual International Area Conference on **AFRICAN ENERGY: SUPPLY AND MARKET POTENTIAL** runs from midday April 20 to midday Wednesday, April 21. The sessions will look at that region's potential in energy supply, its anticipated demand based on economic growth requirements and population, and the reconfiguration of economic policies to open doors for foreign investment and participation in both extractive commodities and the electricity sector. Recent projections indicate that by as early as 2025, two of the world's ten most populous nations will be in Africa (Congo and Nigeria). To what extent will rising energy demand be met by imports? What types of regional energy schemes are realistic, particularly in electricity generation and grids?

Some 80 percent of conference attendees have attended at least one earlier meeting. Thus, most are aware that the following list is partial because schedules are still being set to accommodate speakers. A more detailed list and initial program, available by early March, can be furnished upon request. Attendees and/or participants are expected from about 15 countries and include: Mohammad Alipour-Jeddi (Energy Studies Department, OPEC); Ms. Margaret Carson (Director of Strategic Planning, Enron Corporation); Dr. Tilak Dushi (Unocal, Singapore); Jean-Romain Frisch (Secretary General, Energy Council of France); Hideaki Fujii and Masao Takagi (Environment and Development Research Center, Mitsubishi Research Institute, Tokyo); Dr. Sharif Ghalib (Director, Standard & Poor's, London); David Knapp (Head, OIMD, International Energy Agency, Paris); Michael C. Lynch (Center for International Studies, Massachusetts Institute of Technology); Dr. Peter J. McCabe (U.S. Geological Survey); Dr. Karim Pakravan (First Vice President, Bank One, Chicago); Dr. Mohamed Sadeqi (Kuwait Fund for Arab Economic Development); Mark Tomlinson (Head of Energy-Africa, The World Bank); Dr. Micholas Vanderburgh (Los Alamos National Laboratory); and representatives from Algeria, Angola, Canada, Egypt, Côte d'Ivoire, Gabon, Ghana, Nigeria, Saudi Arabia, Venezuela, U.S. Departments of Energy and State, and private-sector and national energy firms, as a sampling. As in past years, we expect a large number from the information media, including *Financial Times* (London), *Oil & Gas Journal*, *Oil Daily*, *Petroleum Intelligence Weekly*, and *World Oil*, among others.

(OVER)

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INTERNATIONAL RESEARCH CENTER FOR ENERGY & ECONOMIC DEVELOPMENT

909 14th Street, Suite 201
Boulder, CO 80302 U.S.A.

Telephones: (303) 442-4014, 492-7667 / Fax: 442-5042
E-mail: iceed@stripe.Colorado.EDU

Twenty-Sixth Annual International Energy Conference and Twentieth Annual International Area Conference

April 18-21, 1999

Boulder, Colorado

In an effort to streamline the actual administration of the Conferences, the Center initiated a new policy in 1996 of a moderate registration fee to cover all meals, transportation to and from events scheduled for the two and a half days of the sessions, and distribution of the papers available from the authors. You are requested to indicate the meals you anticipate taking with the Conferences (back of this page). Those who have attended our past meetings will recall the effort to provide exceptional lunches and dinners at different locations; this is unchanged with the same outstanding restaurants reserved for our events in April.

The fee schedule below is in keeping with the Center's nonprofit status. We prefer payment of the fee (in dollars payable on a U.S. bank or cash) to accompany the registration form; credit cards are not accepted. However, the fee may be paid at the time of the sessions at a higher level. If you plan to use the late registration option, you still need to complete the form below in order to reserve your place. As with all our previous conferences, attendance is by invitation and reservation only in order to keep the number of attendees to a level that preserves the optimal exchange of views and contacts. Should you need to cancel your reservation/registration, your fee will be refunded in full if notification of cancellation is received before April 9. In order to accommodate changing schedules, we can keep the reservation and change the name of the registrant if notified prior to the sessions.

FEE PRIOR TO APRIL 9, 1999

\$585 per registered attendee
\$345 per accompanying spouse or family member

FEE AFTER APRIL 9 (RESERVATION REQUIRED)

\$625 per registered attendee
\$345 per accompanying spouse or family member

(Detach and return)

Twenty-Sixth International Energy Conference (April 18, 19, and 20, 1999)

Twentieth International Area Conference (April 20 and 21, 1999)

c/o ICEED

909 14th Street, Suite 201
Boulder, Colorado 80302 U.S.A.

Name _____

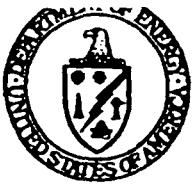
Position/Title _____

Complete mailing address (including postal code) _____

Telephone _____ Fax _____ E-mail _____

(OVER - SEE OTHER SIDE)

76-2



Department of Energy

Washington, DC 20585

February 10, 1999

1999-001645

Dr. Dorothea H. El Mallakh
Director
International Research Center
for Energy & Economic Development
909 14th Street, Suite 201
Boulder, CO 80302

Dear Dr. Mallakh:

We have received your correspondence dated February 1, 1999, inviting Secretary Richardson to the Center's 26th annual international conference to be held on April 18 - 20, 1999.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

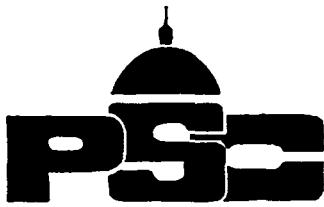
James N. Solit
Director, Executive Secretariat



Printed with soy ink on recycled paper

7-C

Folder Profile	
Control #	1999-001793
Name	Letter to the Secretary from Thomas V. Fritz, Private Sector
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to participate in the Private Sector Council's Leadership Awards Dinner on April 28, 1999—(Rec'd in ES 2/10/99)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/4/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB 6-5936 Edwards, Kesha
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	2/11/99



1999-001793 2/10 11:38

PRIVATE SECTOR COUNCIL

1101 16th Street, N.W. • Suite 300 • Washington, D.C. 20036-4803
Phone: (202) 822-3910 • Fax: (202) 822-0638

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Edgar S. Woolard, Jr.
former Chairman & Chief Executive Officer
DuPont

February 4, 1999

The Honorable William B. Richardson
Secretary of Energy
Department of Energy
1000 Independence Ave., SW
Room 7A257
Washington, DC 20585

Dear Mr. Secretary:

It is my pleasure to invite you to participate in the Private Sector Council's (PSC) Leadership Awards Dinner to be held on Wednesday evening, April 28, 1999 at the Washington Monarch Hotel in Washington, D.C. This year, PSC will honor **Lucio A. Noto**, Chairman and CEO of Mobil Corporation, and **Senator Joseph I. Lieberman** (D-CT) as recipients of our 1999 Leadership Awards. PSC is pleased to recognize these leaders for their dedication to and strong belief in the importance of an efficient, responsive government.

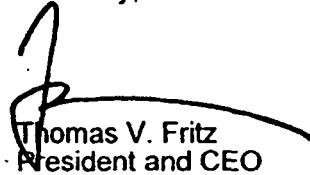
Each year PSC recognizes two outstanding leaders, one from the private sector and one from the public sector, for their consistent efforts to foster a cooperative spirit between business and government. Through leaders such as these, PSC has made great strides in bringing modern business approaches and ideas to government.

You are invited to join your fellow Cabinet members and other senior government leaders in participating as one of this year's Dinner Chairmen. Your only commitment would be to allow us to feature you on event materials. You will receive a formal invitation with details regarding the Dinner in the near future. As you may already be aware, attendance generally includes prior recipients of PSC's Leadership Awards, Cabinet members, senior members of Congress, as well as CEOs, CFOs, CIOs and other senior executives from major corporations and organizations.

I look forward to your participation in this special evening. Please return the enclosed response form by February 19, 1999 advising us of your decision to support PSC in honoring Lou Noto and Senator Lieberman.

Thank you for your consideration.

Sincerely,


Thomas V. Fritz
President and CEO

Enclosures

8A

A.



PRIVATE SECTOR COUNCIL

1101 16th Street, N.W. • Suite 300 • Washington, D.C. 20036-4803
Phone: (202) 822-3910 • Fax: (202) 822-0638

DINNER CHAIARMEN RESPONSE FORM

Private Sector Council
Leadership Awards Dinner
Wednesday, April 28, 1999
Washington, D.C.

NAME: _____

ADDRESS: _____

PHONE: _____

FAX: _____

PLEASE CHECK ONE OF THE FOLLOWING:

I AM ABLE TO PARTICIPATE AS A DINNER CHAIRMAN

I AM UNABLE TO PARTICIPATE AS A DINNER CHAIRMAN

PLEASE MAIL OR FAX TO: Private Sector Council
1101 16th Street, N.W., Suite 300
Washington, D.C. 20036
Fax: (202) 822-0638

85
D.

Private Sector Council's
1999 Leadership Awards Dinner

honoring

LUCIO A. NOTO

Chairman and Chief Executive Officer of Mobil Corporation

and

SENATOR JOSEPH I. LIEBERMAN

United States Senator of Connecticut

WHAT:

PSC Leadership Awards — Each year PSC honors two outstanding leaders, one from the public sector and one from the private sector, who exemplify the goals of good citizenship. These distinguished leaders have fostered a cooperative spirit between business and government while advancing PSC's mission. Prior Leadership Award Recipients include:

Paul Allaire	Hon. Thomas Foley	David Packard
Norman Augustine	Senator John Glenn	Edmund Pratt
Hon. James Baker	Senator Phil Gramm	Dr. Allen Puckett
Hon. Charles Bowsher	Hon. Carla Hills	Frank Shrontz
Hon. Lloyd Bentsen	Senator Bob Kerrey	Senator Alan Simpson
Hon. Frank Carlucci	Thomas Labrecque	Daniel Tellep
Hon. Richard Cheney	Kenneth Lay	George Weyerhaeuser
Senator Bob Dole	Senator Sam Nunn	Edgar Woolard
	Paul O'Neill	

PSC — Founded in 1983, it is a nonprofit, nonpartisan, public service organization dedicated to assisting the federal government improve its efficiency, productivity and management through a joint effort of the public and private sectors. Through PSC projects, efficient and modern business methods developed by the private sector have been successfully introduced at no cost to government to improve the management of the nation's operations.

WHO:

Attendance includes prior award recipients, cabinet members, senior members of Congress, as well as CEOs, CFOs, CIOs and other executives of major corporations and organizations.

WHEN:

Wednesday, April 28, 1999. Reception at 6:00 p.m. and dinner from 7:00 p.m. to 9:30 p.m.

WHERE:

The Washington Monarch Hotel, Washington, D.C.

ATTIRE:

Black tie

Folder Profile	
Control #	1999-002656
Name	Letter to Secretary Richardson from Fiona Grant (Enron Eu)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Information regarding the proposal submitted to the Public Gas Corporation of Greece. (Rec'd in ES 2/24/99)
Topical Index	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	2/18/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	PRYORR
202 586-9588	Pryor, Rosemary
Action Office #	
Assigned To	FE
Date Due	
Date Completed	3/2/99



Enron Europe Limited
Four Millbank
London, SW1P 3ET
Tel 0171-316-5300
Fax 0171-316-5316

18 February 1999

The Honorable William Richardson
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, D.C. 20585
United States of America

Dear Secretary Richardson

As you may recall, in the autumn of 1998 Enron Europe Limited submitted a proposal to the Public Gas Corporation of Greece (DEPA) to assist them in the operation and maintenance (O&M) of Greece's high-pressure gas transmission system. I write now to inform you that our proposal was, unfortunately, turned down by a narrow margin. While we were informed that, on a technical merit basis, we made a strong proposal, apparently our commercial bid was higher than that of the ultimate winner, Comerint, an Italian consortium.

We at Enron Europe would like to thank you for your important and valued support in this matter. Your communication on our behalf to the Greek Ministry of Development underscored the importance of Enron's market presence in the United States and Europe and our reputation for excellence, expertise, and experience in, specifically, the gas transmission industry. It is in no small part due to your support that our O&M tender reached the final round of consideration.

On a more positive note, the construction of two wind farms on the island of Crete by one of Enron's affiliate companies, Interwind Aeolian Energy Corporation (IWEKO), is nearing completion. The sites, located near the towns of Chandras and Megali Vrissi, will produce a total of fifteen megawatts (MW) and have a combined asset value of \$32 million. These two wind projects, unique in that they will be the first independent power projects in Greece financed according to international project financing standards, are part of a larger plan to use this renewable energy resource to produce 150 MW of power throughout the Republic of Greece. Upon successful commissioning of these two projects, currently scheduled to occur by mid to late April, we plan to hold an opening ceremony to which Ambassador Nicholas Burns has graciously agreed to attend, pending any conflicts with his schedule.

In addition to the progress being made in the wind power industry, Enron remains interested in expanding its presence in both the gas and electricity markets in Greece. Consequently, we are continuing discussions with DEPA and the Public Power

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9A-3

Corporation of Greece (PPC) to explore the development of new commercial endeavours of mutual interest.

Thank you once again for your help in this matter. We at Enron Europe look forward to working with you again in the very near future.

Yours truly

A handwritten signature in black ink, appearing to read "Fiona Grant".

Fiona Grant
Manager
Government and Regulatory Affairs

cc: David Jhirad
Tim Battaglia, Enron Europe, Ltd.
Joe Hillings, Enron Corp.

Folder Profile	
Control #	1999-001096
Name	letter to Secretary from Bill Valdez (OSTP)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to Participate in the Panel on International Energy of the President's Committee of Advisors on Science and Technology meeting on February 26, 1999-(rec'd in ES 1/26/99)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	1/7/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB 6-5936 Edwards, Kesha
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	1/27/99

*ES Please Log**-& 08/26**Kes RHTC
KSD*

MEMORANDUM

To: Peg Weathers, Mark Mazur SEC - 7573
From: Bill Valdez, OSTP
Date: January 7, 1999
Subject: Invitation to Secretary Richardson for February 26th PCAST Meeting

Please let us know if Secretary Richardson is available to meet with the Panel on International Energy of the President's Committee of Advisors on Science and Technology (PCAST) on Friday, February 26th. The Secretary has never met with the Panel before. This will be the last full meeting of the Panel prior to the submission of PCAST's international energy study to the President's Science Advisor, Neal Lane, on March 31st.

The International Energy Panel is composed of 15 members:

- John P. Holdren, Chair of the Panel and a Harvard Professor;
- Richard Balzhiser, former President, EPRI;
- John Boright, National Research Council;
- Bill Chandler, Senior Staff Scientist, Pacific Northwest National Laboratory;
- John Deutch, MIT Professor;
- Howard Geller, Executive Director, American Council for an Energy Efficient Economy;
- Jack Gibbons, former Science Advisor to the President;
- Larry Papay; Senior Vice President, Bechtel Group, Inc.;
- Nathan Rosenberg; Stanford Professor;
- Maxine Savitz, General Manager, AlliedSignal Ceramic Components;
- Bruce Stram, Vice President, Enron Energy Services;
- Robert Williams, Senior Research Scientist, Center for Energy & Environmental Studies, Princeton University;
- Lillian Shiao-Yen Wu, Director, International Institute of Forecasters; and,
- John Young, former President & CEO, Hewlett-Packard Co.

The Panel is particularly interested in U.S. participation in international cooperation on energy research, development, demonstration, and commercialization. Other DOE representatives have spoken before the Panel, including Mark Mazur, Bob SanMartin, Jim Decker and Jay Braitsch. While their participation was valuable, the Panel believes the Secretary could provide a perspective that has been missing; i.e., the Administration's and DOE's goals in key energy sectors, for example the Caspian Sea, the Middle East and China.

If the Secretary agrees to participate, we will provide a list of sample questions and topics that would form the basis for a lively discussion. Please let me know at your earliest convenience if he will be able to participate (202-456-6041).

1999-001096 Jan 26 A 10:08

10A

Folder Profile	
Control #	1999-002390
Name	Letter to Secretary Richardson from E. Joseph Hillings, Enr.
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Requests that the Secretary thank Vice President Quiroga for his continued support of critical legislative development of the Cuiaba Pipeline and power project Rec'd in ES 2/22/99
Topical Index	
Signature/Approval	PO
Action Requested	Prepare Response
Special Instructions	Info copy given to OS/Richardson
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/22/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	ALSTONL 202 586-5914 Alston, Lisa
Action Office #	
Assigned To	PO
Date Due	3/15/99
Date Completed	3/17/99

11

1999-002390 2/22 4:52



February 22, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, D.C. 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

Dear Mr. Secretary:

We understand that you are meeting with Bolivian Vice President Quiroga tomorrow afternoon. The Vice President has been supportive of legislation critical to the continued development of our Cuiaba pipeline and power plant project outlined below. We respectfully ask you to thank him for his continued efforts in support of this legislation and to underscore the urgency of its passage before the adjournment of the Congress this session.

- Enron is developing a 480 mw gas fired power plant in Cuiaba, Brazil. Gas for that plant is to come through a 360-km pipeline in Bolivia connected to a 270-km pipeline in Brazil. The power plant will shortly be in commercial operation; as the sponsor of the project, Enron would like to get the pipeline under construction as soon as possible.
- Before pipeline construction can start, Enron needs the approval of the Bolivian Congress of legislation that will allow us to construct the pipeline over the Brazilian border. This legislation has been submitted by the Banzer Administration to the Congress. Although approval was planned for last October, the Bolivian Congress has yet to vote. We are hopeful for a vote in the Senate this week and in the House shortly thereafter. If the Congress adjourns before this legislation is passed, the project will be frozen until at least September 1999.
- Enron's concern is that the Bolivian Congress is due to adjourn; it is already in extended session. We urgently request that Vice President Quiroga, who supports the legislation, continue his efforts to ensure that the legislation is passed by both the House and Senate before Congress adjourns.
- The project has been endorsed by the Banzer Administration and approved by Bolivian environmental authorities. We understand that there is no opposition to the legislation; it is simply a product of inertia.
- The international investment community is watching Bolivia's decision carefully. A yes vote will confirm Bolivia is open to private investment and confirm its status as a fuel supply and transportation hub.
- The project is good for Bolivia - providing it with significant tax revenue (in excess of \$80 million over the 20-year life) on the construction, fuel supply and transportation commitments to the project.

We appreciate your assistance in this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Joseph Hillings".

Natural gas. Electricity. Endless possibilities.™

11A

U.S. DEPARTMENT OF ENERGY
CORRESPONDENCE CLOSE-OUT (BY MEETING OR TELEPHONE)
(Forward to ES (7E-054 Forrestal) with original of incoming to close out action)

1999-002390

ES CONTROL NO. ASSIGNED TO CORRESPONDENCE	DATE OF CORRESPONDENCE	DATE RESPONSE DUE
1999-002390	2/22/99	3/15/99
CORRESPONDENCE FROM (SIGNED BY)	ON BEHALF OF (AFFILIATION OR CONSTITUENT)	
Joseph Hillings	Enron Corp	
SUBJECT	Secretary's meeting with Bolivia Vice President Quinogar	

<input type="checkbox"/> MEETING	OR	<input checked="" type="checkbox"/> TELECON PARTICIPANTS	DATE
NAME(S)	AFFILIATION OR OFFICE		TELEPHONE NUMBER(S)
Joe Hillings/Chris Long			466-9145/466-9158
DOE PERSONNEL			

REMARKS

Told him that Secretary had mentioned issue noted in letter.



(SIGNATURE)

PO-72

(Routing Symbol)

6-6832

(Phone Number)

DATE CLOSED OUT

11B

Folder Profile	
Control #	1999-002615
Name	Letter to Secretary Richardson from K.T. Koonce, EXON Ve
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to attend the joint luncheon of the Moscow International Petroleum Club – March 25, 1999 Rec'd in ES 2/26/99
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/25/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	ALSTONL 202 586-5914 Alston, Lisa
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	2/26/99

1999-002615 2/26 10:27

EXON VENTURES (CIS) INC.

POST OFFICE BOX 4480 • HOUSTON, TX 77210-4480

K. T. KOONCE
PRESIDENT

February 25, 1999

The Honorable Bill Richardson
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585-0001

Dear Mr. Secretary:

On Thursday, March 25, the Moscow International Petroleum Club (MIPC) will be holding its Annual General Meeting. The meeting will be held prior to a joint reception and luncheon with the U. S.-Russia Business Council and the American Chamber of Commerce to celebrate the Sixth Anniversary of the Russian Bilateral Commission on Economical and Technological Cooperation (RBCETC). We understand you have been invited separately to the joint luncheon.

The Russian and American members of the MIPC would be honored by your presence at the MIPC Annual General meeting from 11 a.m. to 12 p.m. in the Governor's Suite of the Four Seasons Hotel located at 2800 Pennsylvania Avenue, NW. An invitation has also been extended to Russian Federation Fuel and Energy Minister Generalov and Secretary Daley. MIPC's members would like to hear your thoughts on the state and prospects for joint oil and gas projects in Russia.

While we understand the great demands on your time during the RBCETC meetings, we believe that your participation, even if for a brief period, would send a very important message to the presidents of the major Russian oil companies who will be in attendance. We strongly urge you to attend.

The MIPC was established in 1994 to foster greater understanding and cooperation in resolving government energy sector policies of common concern to the petroleum industries of the Russian Federation and the United States.

We applaud the efforts and the many accomplishments of the RBCETC and congratulate you on the upcoming Sixth Anniversary. Best wishes for a productive and successful meeting.

Sincerely,



Co-Chair, Moscow International Petroleum Club

KTK:sj

12A 

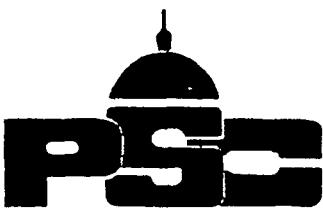
February 25, 1999

On behalf of the MIPC membership:

ARCO
Baker Hughes, Inc.
BP-Amoco
Chevron Corporation
Conoco
Dresser Industries
ENRON Corporation
Halliburton Company
McDermott, Inc.
Mobil Corporation
Occidental Oil and Gas Corporation
Phibro Energy
Sakhalin Energy Investment Company/Marathon Oil Company
Texaco, Inc.

12A-1

Folder Profile	
Control #	1999-002577
Name	Letter to Secretary Richardson from Thomas V. Fritz, Private
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to introduce and present Lou Noto with the prestigious Private Sector Leadership Awards at a awards dinner – April 28, 1999 (Rec'd in ES 2/25/99)
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy: ES/Carpenter.
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/25/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	2/26/99



1999-002577 2/25 3:32

PRIVATE SECTOR COUNCIL

1101 16th Street, N.W. • Suite 300 • Washington, D.C. 20036-4803
Phone: (202) 822-3910 • Fax: (202) 822-0638

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The Wexler Group

George H. Weyerhaeuser
Chairman
Weyerhaeuser Company

Edgar S. Woolard, Jr. -
former Chairman & Chief Executive Officer
DuPont

February 25, 1999

The Honorable William B. Richardson
Secretary of Energy
Department of Energy
1000 Independence Ave., SW
Room 7A257
Washington, DC 20585

Dear Mr. Secretary:

Each year, the Private Sector Council (PSC) honors two outstanding leaders, one from the private sector and one from the public sector, for their efforts in advancing PSC's mission — to improve the efficiency, management and productivity of the federal government through a cooperative sharing of knowledge between business and government. This year we are pleased to honor Lou Noto, Chairman and Chief Executive Officer of Mobil Corporation, and Senator Joseph Lieberman (D-CT) with the 1999 Leadership Awards at PSC's annual *Leadership Awards Dinner* on Wednesday evening, April 28, 1999 at the Washington Monarch Hotel (2401 M Street, NW).

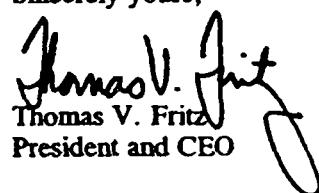
In recognition of your leadership and prominence in government, we invite you to join us that evening to introduce and present Lou Noto with the prestigious Private Sector Leadership Award. I know that Lou would be honored by your participation. Traditionally, prominent friends or colleagues make about 10 minutes of background comments before presenting these awards — making the evening more memorable for the recipients. Should your schedule permit, we would appreciate your assistance in making this a special evening for Lou.

The Dinner usually attracts over 350 guests including prior Leadership Award recipients (please refer to enclosed list), members of the President's Cabinet and other members of the Administration, senior members of Congress, as well as CEOs, CFOs, CIOs and other senior executives of major corporations and organizations. Enclosed for your review is more information regarding PSC, our accomplishments and the Dinner.

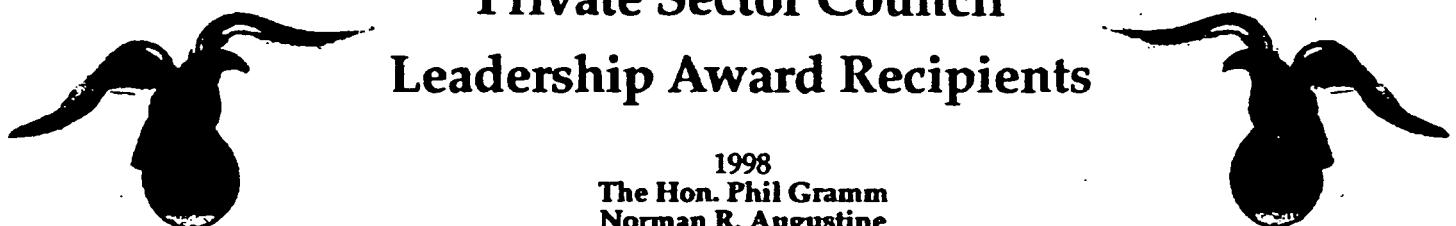
We hope you will consider giving Lou the honor of personally paying tribute to him. We will call your office to discuss this matter in greater detail and look forward to your participation.

With best regards, I am

Sincerely yours,


Thomas V. Fritz
President and CEO

Enclosures



Private Sector Council Leadership Award Recipients

1998

**The Hon. Phil Gramm
Norman R. Augustine
Lockheed Martin Corporation**

Introductions by:

*Don D. Jordan, Houston Industries Incorporated
Dr. William Perry, Stanford University*

1997

**The Hon. Charles A. Bowsher
Kenneth L. Lay
Enron Corp.**

Introductions by:

*J. Michael Cook, Deloitte & Touche LLP
The Hon. Bill Archer, United States Representative*

1995

**Senator Bob Kerrey
Daniel M. Tellep
Lockheed Martin Corporation**

Introductions by:

*Richard D. McCormick, U S WEST, Inc.
The Hon. Newt Gingrich, Speaker of the House of Representatives*

1993

**Senator Sam Nunn
Frank A. Shrontz
The Boeing Company**

Introductions by:

*Holcombe Green, Jr., West Point-Pepperell
Senator Slade Gorton*

1991

**The Hon. Thomas S. Foley
Paul H. O'Neill
ALCOA**

Introductions by:

*Donald M. Kendall, PepsiCo, Inc.
The Hon. Harry N. Walters, Great Lakes Carbon Corporation*

1989

**Senator John H. Glenn
George H. Weyerhaeuser
Weyerhaeuser Company**

Introductions by:

*Dr. Allen Puckett, Hughes Aircraft Company
David Packard, Hewlett-Packard Company*

1987

**The Hon. Lloyd Bentsen
The Hon. Frank C. Carlucci
The Carlyle Group**

Introductions by:

*Harry Gray, United Technologies Corporation
James Stewart, Lone Star Industries*

1998

**The Hon. Phil Gramm
Norman R. Augustine
Lockheed Martin Corporation**

Introductions by:

*Don D. Jordan, Houston Industries Incorporated
Dr. William Perry, Stanford University*

1996

**Senator Pete V. Domenici
Paul A. Allaire
Xerox Corporation**

Introductions by:

*Dana G. Mead, Tenneco Inc.
The Hon. Michael Kantor, Secretary of Commerce*

1994

**Senator Bob Dole
Thomas G. Labrecque
Chase Manhattan Corporation**

Introductions by:

*Philip B. Fletcher, ConAgra, Inc.
Senator Daniel P. Moynihan*

1992

**Ambassador Carla A. Hills
Edgar S. Woolard, Jr.
DuPont**

Introductions by:

*The Hon. William J. Coleman, Jr., O'Melveny & Myers
Dr. Theodore Cooper, Upjohn Company*

1990

**The Hon. Dick Cheney
Edmund T. Pratt, Jr.
Pfizer Inc**

Introductions by:

*James T. Lynn, Aetna Life & Casualty
Senator Malcolm Wallop*

1988

**Senator Alan K. Simpson
Dr. Allen E. Puckett
Hughes Aircraft Company**

Introductions by:

*David S. Tappan, Jr.
Fluor Corporation*

1986

**The Hon. James A. Baker, III
David Packard
Hewlett-Packard Company**

Introductions by:

*Dr. Allen E. Puckett
Hughes Aircraft Company*

12 R

Private Sector Council's
1999 Leadership Awards Dinner

honoring

LUCIO A. NOTO

Chairman and Chief Executive Officer of Mobil Corporation

and

SENATOR JOSEPH I. LIEBERMAN

United States Senator of Connecticut

WHAT:

PSC Leadership Awards — Each year PSC honors two outstanding leaders, one from the public sector and one from the private sector, who exemplify the goals of good citizenship. These distinguished leaders have fostered a cooperative spirit between business and government while advancing PSC's mission. Prior Leadership Award Recipients include:

Paul Allaire
Norman Augustine
Hon. James Baker
Hon. Charles Bowsher
Hon. Lloyd Bentsen
Hon. Frank Carlucci
Hon. Richard Cheney
Senator Bob Dole

Hon. Thomas Foley
Senator John Glenn
Senator Phil Gramm
Hon. Carla Hills
Senator Bob Kerrey
Thomas Labrecque
Kenneth Lay
Senator Sam Nunn
Paul O'Neill

David Packard
Edmund Pratt
Dr. Allen Puckett
Frank Shrontz
Senator Alan Simpson
Daniel Tellep
George Weyerhaeuser
Edgar Woolard

PSC — Founded in 1983, it is a nonprofit, nonpartisan, public service organization dedicated to assisting the federal government improve its efficiency, productivity and management through a joint effort of the public and private sectors. Through PSC projects, efficient and modern business methods developed by the private sector have been successfully introduced at no cost to government to improve the management of the nation's operations.

WHO:

Attendance includes prior award recipients, cabinet members, senior members of Congress, as well as CEOs, CFOs, CIOs and other executives of major corporations and organizations.

WHEN:

Wednesday, April 28, 1999. Reception at 6:00 p.m. and dinner from 7:00 p.m. to 9:30 p.m.

WHERE:

The Washington Monarch Hotel, Washington, D.C.

ATTIRE:

Black tie

13C,

Folder Profile	
Control #	1999-002970
Name	Letter to Secretary Richardson from L.A. Noto, Mobil Corp.
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to give the keynote address at the "Attracting Capital to Africa" Summit Luncheon on April 27, 1999—Rec'd in ES 3/4/99
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	3/2/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB 6-5936 Edwards, Kesha
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	3/5/99

14

1999-002970 3/4 3:27

Mobil Corporation

3225 GALLONS ROAD
FAIRFAX, VIRGINIA 22037-0001

L. A. NOTO
CHAIRMAN &
CHIEF EXECUTIVE OFFICER

March 2, 1999

The Honorable Bill Richardson
Secretary of Energy
The Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Bill:

I understand from the Corporate Council on Africa that you have been invited to give the keynote address at our "Attracting Capital to Africa" Summit luncheon on Tuesday April 27, 1999 at the Houstonian Hotel and I am writing to urge you to accept.

The 1999 Summit is expected to be one of the premier events in the U.S. to spotlight investment opportunities in Africa and will bring together Heads of State, senior government officials, and the private sector. Mobil, Exxon, ENRON, Chevron, GM, Ocean Energy, Equator Bank, GE, Caterpillar, Sooner Pipe and Supply, and Coca-Cola are just a few of the many sponsors. President Clinton has been invited to speak at the Gala Dinner. Five African heads of State, President Mubarak of Egypt, President Rawlings of Ghana, President Mogae of Botswana, President Nujoma of Namibia, and President Ramgoolam of Mauritius will be honored for their outstanding accomplishments in opening their economies to the global marketplace.

Your personal participation in the Summit will reinforce the commitment that the Department of Energy and the Clinton Administration have made to support U.S. private sector energy investment throughout Africa. It will be extremely beneficial to have Summit participants hear firsthand your perspective on the importance of the partnership between the United States and Africa in meeting the energy needs of the 21st century.

I hope you will be able to join us in Houston.

Sincerely,

L. A. Noto

14A

Folder Profile

Control #	1999-003226	Name	Letter to Secretary Richardson from Tim Clark (CWC Assoc)
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Submits a confirmed agenda for a private retreat on Corporate Transformation in the Energy Industry Rec'd in ES 3/9/99	Correspondence Date	3/9/99
Topical Index	Meeting Request	RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Appropriate Action	Classification	None
Special Instructions	Info:ES/Carpenter	Point of Contact	ALSTONL 202 586-5914 Alston, Lisa
		Action Office #	
		Assigned To	SL/Johnston
		Date Due	
		Date Completed	3/15/99

1999-003226 Mar 9 A 9:58



CWCassociates

**PROVIDERS OF PREMIUM
INDUSTRY EVENTS AND MARKET
INTELLIGENCE PUBLICATIONS**

Mr B Richardson
Us Secretary of Energy
Us Department of Energy
James Forrestal Building
1000 Independence Avenue S.W
Washington DC
20585
Usa

Dear Mr Richardson

***Corporate Transformation
In the Energy Industry***

I am delighted to enclose a confirmed agenda for our private retreat. By personal invitation only the meeting has been carefully structured to encourage debate on the transformation of the energy industry. We will focus on the reshaping of competitive forces in the industry and restructuring in the face of persistent, radical price volatility.

Some of the keynote speakers include:

HRH Prince Abdulaziz Bin Salman Al - Saud, Deputy Minister of Petroleum and Mineral Resources, Saudi Arabia
HE Sergey Generalov, Minister of Fuel and Energy, Russia
Joe Darby, Chief Executive, Lasmo plc
Maarten van den Bergh, Group Marketing Manager, Royal Dutch Shell Group of Companies
Leonid Fedoun, Vice President, Lukoil
Kenneth Lay, Chairman, Enron
David Varney, Chief Executive, BG plc
Akhil Gupta, Chief Executive Officer, Reliance Industries Limited
Oscar Fanjul, former Chairman, Repsol
Suresh Mathur, Chairman and Managing Director, Petronet LNG Ltd. India and Ex – Board Member Finance and International Oil Trade, Indian Oil Corporation IOC
Luis Costamilan, Senior Advisor to the Chairman and Chief Executive, Petrobras
Peter Davies, Vice President and Chief Economist, BP / Amoco plc
Ged Davis, Vice President, Global Business Environment, Shell International Limited
Johan Nic Vold, Executive Vice President, Statoil Group
Tony Craven Walker, Chairman, Monument Oil and Gas
Afolabi Oladele, Group Executive Director, NNPC
George Verberg, Managing Director, Gasonic

This groundbreaking gathering. (Chatham House Rules will apply) will offer you as a senior executive the opportunity to be at the leading edge of decision making and to discuss with your peers crucial issues facing your company.

I do hope you are able to attend what promises to be a very informative two days.

I look forward to hearing from you.

In the meantime I remain

Yours sincerely,

Tim Clark
Managing Director

March 11, 1999

Release

Mr. L. A. Noto
Chairman & Chief Executive Officer
Mobil Corporation
3225 Gallows Road
Fairfax, VA 22037-0001

Dear Mr. Noto:

We have received your correspondence dated March 2, 1999, urging Secretary Richardson to accept an invitation to give the keynote address at the Mobil Corporation Summit luncheon to be held on April 27, 1999.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

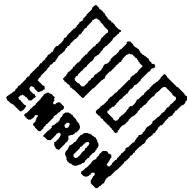
Sincerely,

James N. Solit
Director, Executive Secretariat

16

Folder Profile

Control #	1999-003698	Name	Facsimile to Secretary Richardson from Cynthia C. Sandhei
Priority	Important	Folder Trigger	Invitation
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Request a meeting with the Secretary to discuss electric restructuring on April 6, 1999—(Rec'd in ES 3/16/99)		
Topical Index	Meeting.Request		
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info:ES/Carpenter		
Assigned To	SL/Johnston		
Date Due			
Date Completed	3/17/99		



Zynthia C. Sandherr
Executive Vice President
Federal Legislative Affairs

Enron Corp.
775 Eye Street, NW, Suite 800
Washington, DC 20006-4607
202) 466-9143
Fax (202) 828-3372
sandher@enron.com

1999-003698 3/16 4:09

March 15, 1999

VIA FACSIMILE 586-4403

The Honorable Bill Richardson
Secretary of the Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585-0001

Attn: Isabelle Watkins

Dear Mr. Secretary:

Jeff Skilling, President and Chief Operating Officer of Enron Corp., and I respectfully request to meet with you on Tuesday, April 6, 1999 at 8:30 a.m. or after 1:30 p.m. The purpose of this meeting is to discuss electric restructuring.

Thank you for your consideration of this request. Please contact Tracey Bolton at (202) 466-9141 if your schedule can accommodate our meeting with you.

Respectfully submitted,

Zynthia C. Sandherr

Natural gas. Electricity. Endless possibilities.™

17A

Folder Profile	
Control #	1999-003698
Name	Facsimile to Secretary Richardson from Cynthia C. Sandhei
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Request a meeting with the Secretary to discuss electric restructuring on April 6, 1999—(Rec'd in ES 3/16/99)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	3/15/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB 6-5936 Edwards, Kesha
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	3/17/99

MAR 16 1999 14:15 FR ENRON WASHINGTON

202 828 3372 TO 5864403

P.01/01



1999-003698 3/16 4:09

Synthia C. Sandherr
Executive Vice President
Federal Legislative Affairs

Enron Corp.
775 Eye Street, NW, Suite 800
Washington, DC 20006-4607
202) 466-9143
fax (202) 828-3372
sandherr@enron.com

March 15, 1999

VIA FACSIMILE 586-4403

The Honorable Bill Richardson
Secretary of the Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585-0001

Attn: Isabelle Watkins

Dear Mr. Secretary:

Jeff Skilling, President and Chief Operating Officer of Enron Corp., and I respectfully request to meet with you on Tuesday, April 6, 1999 at 8:30 a.m. or after 1:30 p.m. The purpose of this meeting is to discuss electric restructuring.

Thank you for your consideration of this request. Please contact Stacey Bolton at (202) 466-9141 if your schedule can accommodate our meeting with you.

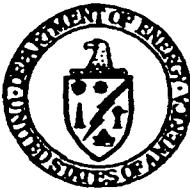
Respectfully submitted,

Synthia C. Sandherr

Natural gas. Electricity. Endless possibilities.™

** TOTAL PAGE 01 **

18A



1999-003698

Department of Energy

Washington, DC 20585

March 18, 1999

Ms. Cynthia C. Sandherr
Vice President
Federal Legislative Affairs
Enron Corporation
775 Eye Street, NW, Suite 800
Washington, DC 20006-4607

Dear Ms. Sandherr:

We have received your correspondence dated March 15, 1999, on behalf of Mr. Jeff Skilling, requesting a meeting with Secretary Richardson on April 6, 1999 to discuss electric restructuring.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

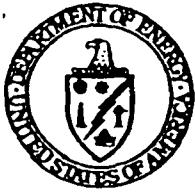
Sincerely,

James N. Solit
Director, Executive Secretariat



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18B



1999-003698

Department of Energy

Washington, DC 20585

March 18, 1999

Ms. Cynthia C. Sandherr
Vice President
Federal Legislative Affairs
Enron Corporation
775 Eye Street, NW, Suite 800
Washington, DC 20006-4607

Dear Ms. Sandherr:

We have received your correspondence dated March 15, 1999, on behalf of Mr. Jeff Skilling, requesting a meeting with Secretary Richardson on April 6, 1999 to discuss electric restructuring.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit
Director, Executive Secretariat



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19

Folder Profile	
Control #	1999-004387
Name	Letter to the Secretary from Joe Hillings (ENRON, WASHIN)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Comments on Enron's view of the Energy business in Mexico Rec'd in ES 3/25
Topical Index	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	3/25/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	ALSTONL 202 586-5914 Alston, Lisa
Action Office #	
Assigned To	PO
Date Due	
Date Completed	3/29/99

20

FAXED

ENRON, WASHINGTON
FAX MEMORANDUM
1775 Eye Street, NW
Suite 800
Washington, DC 20006
202-466-9145
202-828-3372 (fax)
jhillin@enron.com

TO:
The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585
202-586-6210
202-586-7644 (fax)

Ms. Melanie Kenderdine
Senior Policy Advisor to the Secretary
US Department of Energy
1000 Independence Avenue, SW
Room 7A-199
Washington, DC 20585
202-586-1830
202-586-0148 (fax)

FROM: Joe Hillings
DATE: 3/25/99
RE: Enron's view of the energy business in Mexico

Attached is a letter from Max Yzaguirre, President, Enron Mexico Corp. regarding the status of Mexico's energy market.

I thought it would be of interest.

Best regards,

Joe Hillings

Encl.

20A



Mario Max Yzaguirre
President

Enron Mexico Corp.
P.O. Box 1188
Houston, TX 77251-1188
(713) 853-3518
Fax (713) 646-8055
myzagui@ect.enron.com

March 23, 1999

Mr. Joe Hillings
Vice President and General Manager
Federal Government Affairs
Enron Corp.
1775 Eye Street, N.W.
Suite 800
Washington, D.C. 20006-4607

Re: Mexico's Energy Market

Dear Joe:

In response to your recent inquiry asking for recommendations that you could pass along to Secretary Richardson on behalf of Enron, the following information relates to our view of the energy business in Mexico.

As you know, after several years of business development activities in Mexico, Enron created a permanent presence in Mexico in August 1998 through Enron de México, a subsidiary of Enron Capital & Trade Resources. Our goal is to become the largest private energy company in Mexico within the next three years.

As you also know, Enron assigned the responsibility for its Mexico business to Enron's North America unit because we believe that there will be an integrated North American energy grid (natural gas and power) within the near term. We refer to this as the "Yukon to Yucatan" grid. A regional grid of this type is consistent with the goals of NAFTA, and it should provide benefits throughout the three countries comprising North America. We are very interested in promoting a regionalized energy grid.

Enron de México desires to offer the wide variety of products and services Enron offers in the United States, Canada and Europe to its Mexican customers. In order to provide these products and services, which will benefit the Mexican industrial sector by providing flexibility and efficiency, it is important to have an open, competitive energy market. Such a market also will ensure those companies' competitiveness in a global economy.

Several important steps currently can be taken to permit Mexican energy consumers to benefit from energy deregulation (and help us achieve our goal):

- 1) The effective restructuring of the electric power sector in a manner consistent with the Mexican President's current proposal to Congress.

- 2) The speedy elimination of the natural gas import tariff into Mexico.
- 3) The establishment of clear rules for open access to Mexico's natural gas grid and their prompt implementation.
- 4) The establishment of a level playing field for natural gas marketing in Mexico (from the tailgate of the processing plant to the end user).

As you are well aware, energy policy in Mexico raises domestic political issues. In our view, the Mexican Government is making a commendable effort to restructure its energy sector and policies in a manner consistent with international trends, nevertheless there are always elements that threaten change, markets and competition. I have limited myself to suggested steps that I think are achievable in the current political environment. Of course, there are additional suggestions that I would be happy to forward to you at any time you think appropriate.

One other item that may be of interest to you relates to the challenges currently faced by US-based companies as a result of the lower cost funding that some of our foreign-based competitors (mostly European at this time) apparently are able to access. Such funding appears to be less costly than similar funding that currently is available to US-based companies, resulting in an advantage to our foreign-based competitors.

Please call me if you need any more information or if I may be of further assistance to you.

Best regards,

Very truly yours,



Max Yzaguirre
President, Enron de México

Folder Profile

Control #	1999-005049	Name	Letter to Secretary Richardson from Tamara Nameroff, Pres
Priority	Important Critical	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Submits a biographical sketch of Secretary Richardson they propose to use in the PCSD's forthcoming report for approval (Rec'd in ES 4/5/99)	Correspondence Date	4/5/99
Topical Index		RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Appropriate Action	Classification	None
Special Instructions	Information requested by COB April 7, 1999. Assigned to PA/Stu Nagurka. Info copy: OS/Frankenberg	Point of Contact	BLAKES Blake, Shena
		Action Office #	
		Assigned To	PA
		Date Due	
		Date Completed	4/6/99

1999-005049 4/5 2:28

PRESIDENT'S COUNCIL ON
SUSTAINABLE DEVELOPMENT

730 Jackson Place, NW Washington, D.C. 20503

FAX TRANSMITTAL

Date: 4/6/99

To: Council members
From: Tamara Nameroff/PCSD

Pages including cover 3

MEMBERS

Fax

<u>Number:</u>	
Mr. John Adams	(212) 633-6935
The Hon. Aida Alvarez	(202) 205-6802
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The Hon. Bruce Babbitt	(202) 208-6956
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Mr. Samuel C. Johnson	(414) 260-3414
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Mr. Kenneth Lay	(713) 853-5313
Mr. Harry J. Pearce	(313) 667-3111
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Ms. Michele Perrault	(415) 977-5799
The Hon. Bill Richardson	(202) 586-7644
The Hon. Richard W. Riley	(202) 401-0596
The Hon. Richard E. Rottinger	(202) 720-5437
The Hon. Susan Savage	(918) 596-9010
Mr. John C. Sawhill	(703) 841-8796
The Hon. Rodney Slater	(202) 366-7202
Mr. Theodore Strong	(503) 235-4228

cc: PCSD Liaisons

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21A

**PRESIDENT'S COUNCIL ON
SUSTAINABLE DEVELOPMENT**

730 Jackson Place, NW Washington, D.C. 20508

To: PCSD Members/Communications Liaisons
From: Tamara Nameroff, PCSD *m*
RE: Review of Your Biographical Sketch
Date: April 5, 1999

Attached are the biographical sketches we propose to use in the PCSD's forthcoming report, *Towards a Sustainable America*. Although no easy task because you are such an accomplished group, I have tried to summarize your major accomplishments in a few sentences.

Because of extremely tight production deadlines, if you would like any changes made to your biography, we need to have the edits in hand by COB Wednesday, April 7, 1999. You may fax them to us at (202) 408 6839. If you have any questions or comments, please contact me at (202) 408-6104 or E-mail <tnamieroff@erols.com>. Thank you for your timely attention to this important detail of the report.



Steve Percy, Chairman and CEO, BP America, Inc. Prior to assuming his duties at the helm of BP America, Mr. Percy was president of BP Oil in the United States, Group Treasurer of the BP Company and Chief Executive of BP Finance International. He began his career with Standard Oil Company in 1976 and joined BP after the two companies merged in 1987. He is a member of the board of directors of GenCorp, Inc., the Greater Cleveland Growth Association, the Keystone Center, Resources for the Future, and the American Petroleum Institute. Mr. Percy earned a bachelor of science degree in mechanical engineering from Rensselaer Polytechnic Institute, a master's in business administration from the University of Michigan, and a law degree from the Cleveland Marshall College of Law.

Michele A. Perrault, International Vice President, Sierra Club. Ms. Perrault was national president of the Sierra Club from 1984 to 1986 and again in 1993, directing its international and education programs. For the past 13 years, she also has directed the Sierra Club's environmental education workshop for teachers. During the Carter Administration, she served on the National Advisory Council on Coastal Zone Management and the U.S. Environmental Protection Agency's Environmental Education Advisory Council. Ms. Perrault has worked with the League of Women Voters, New York Zoological Society, and Bank Street College of Education. She has held a number of leadership positions at local, state, national and international levels helping to build sustainable communities and fostering education for ecologically sustainable development. Ms. Perrault received a bachelor's degree from Hunter College.

Bill Richardson, Secretary, U.S. Department of Energy. Prior to his current position, Secretary Richardson serves as the United States Permanent Representative to the United Nations. Earlier, he was elected eight times to represent New Mexico's 3rd Congressional District, home to the U.S. Department of Energy's Los Alamos National Laboratory. In addition to his Democratic Leadership role in Congress, he was a longtime and active member of the House of Representatives' Energy and Commerce Committee. Secretary Richardson has served as President Clinton's special envoy on many sensitive diplomatic missions. Secretary Richardson received a bachelor's degree from Tufts University and a master's degree from The Fletcher School of Law and Diplomacy.

Richard W. Riley, Secretary, U.S. Department of Education. President Clinton chose Richard Riley to be Secretary of Education after Mr. Riley won national recognition for his highly successful effort to improve education in South Carolina. Prior to his current appointment, Secretary Riley served as a state representative and a state senator and was twice elected governor of South Carolina. Secretary Riley is a *cum laude* graduate of Furman University and holds a law degree from the University of South Carolina.

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Folder Profile	
Control #	1999-005573
Name	Letter to Secretary Bill Richardson from Sharon J. Daniels ,
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Thanks the Secretary for agreeing to speak at the Foundation's 20th Annual Mineral Law Institute on May 27, 1999 (Rec'd in ES 4/13/99)
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Relates to ES1999-001190 copy attached. Encloses material on the event.
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	4/5/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	4/14/99

22

1999-005573 4/13 10:16

**EASTERN
MINERAL
LAW
FOUNDATION**

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Columbus, Ohio

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Christopher B. Power
Robinson & McElwee
Charleston, West Virginia

Bruce D. Reed
Berwind Corp.
Philadelphia, Pennsylvania
Richard C. Ward
Wyatt, Tamrat & Combs
Lexington, Kentucky

*The Eastern Mineral
Law Foundation is a
501(c)(3) non-profit
educational organization*

Memo to: Bill Richardson
U.S. Department of Energy

From: Sharon J. Daniels, Executive Director

Date: April 5, 1999

Re: 20th Annual Institute

On behalf of the Eastern Mineral Law Foundation, I'd like to thank you once again for accepting our invitation to speak at the Foundation's 20th Annual Mineral Law Institute, scheduled for May 26 - 28 at the Willard Hotel in Washington, D.C.

We're planning for an exceptional meeting in Washington. Topics and presentors have been selected with the Washington location in mind, with a series of keynote speakers on Thursday morning who will attempt to forecast the future of the energy industry. On Thursday evening, we will have a reception and dinner for all speakers, registrants, and guests, with special entertainment by "The Capitol Steps," a Washington comedy/musical troupe.

Enclosed in this package, you will also find a couple of copies of the Annual Institute brochure and a list of the speakers participating in the event. If you have the opportunity, we encourage you to circulate the brochures to friends and co-workers in related industries that might be interested in attending this event, because we recognize that word of mouth is always a vital element of promoting events such as this.

Again, thank you for your willingness to speak at the Annual Institute. We look forward to your participation.

sjd/dsk

enclosures

cc: Gregory B. Robertson
Edward M. Green

23A

20th Annual Institute
May 26-28, 1999
Speakers List
Sponsored by the Eastern Mineral Law Foundation

Professor Owen L. Anderson
University of Oklahoma
300 Timberdell Road
Norman, OK 73069
Phone: 405-325-5405; Fax: 405-325-0389
Email: oanderson@ou.edu.com

Congressman Rick Boucher
U.S. House of Representatives
2329 Rayburn - HOB
Washington, DC 20515
Phone: 202-225-3861; Fax: 202-225-0442

Commissioner Linda K. Breathitt
Federal Energy Regulatory Commission
888 First Street, NE, Suite 11C
Washington, DC 20426
Phone: 202-208-0377; Fax: 202-208-0674

Mr. Thomas J. Brown
Director of Regulatory Relations
Columbia Gas of Ohio, Inc.
200 Civic Center Drive
Columbus, OH 43215
Phone: 614-460-4203; Fax: 614-460-6971

Mr. Adrian P. Chapman
Director of Regulatory Affairs
Washington Gas Light
1100 H Street N.W.
Washington, DC 20080
Phone: 202-624-6650; Fax: 202-624-6225

Mr. Kerry W. Eckstein
Statoil Energy, Inc.
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Phone: 703-317-2300; Fax: 703-317-2305

Ms. Andrea Bear Field
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Mr. David M. Flannery
Jackson & Kelly
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1600 Laidley Tower
Charleston, WV 25322-0553
Phone: 304-340-1000; Fax: 304-340-1130

Mr. Robin A. Forte
American Association of Professional Landmen
4100 Fossil Creek Blvd.
Fort Worth, TX 76137-2791
Phone: 817-847-7700; Fax: 817-847-7704

Mr. Blair M. Gardner
Arch Coal Inc.
Cityplace One, Suite 300
St. Louis, MO 63141-7056
Phone: 314-994-2700; Fax: 314-994-2734

Mr. Timothy W. Gresham
Penn, Stuart & Eskridge
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Abingdon, VA 24212
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Email: tgresham@pennstuart.com

Mr. Mark E. Heath
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22B

20th Annual Institute
May 26-28, 1999
Speakers List
Sponsored by the Eastern Mineral Law Foundation

Mr. Steven A. Herman
Assistant Administrator
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
410 M Street S.W.
Washington, DC 20460
Phone: 202-564-2440; Fax: 202-501-0701

Mr. Stephen D. Hoffman (5306W)
Office of Solid Waste
U.S. Environmental Protection Agency
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Phone: 703-308-8413; Fax: 703-308-8686
Email: hoffman.stephen@epa.gov

Ms. Kathleen M. Karpan
Director
Office of Surface Mining
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1951 Constitution Ave., N.W.
Washington, DC 20240
Phone: 202-208-4006; Fax: 202-219-3106

Mr. James A. Lastowka
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General Richard L. Lawson
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Professor John S. Lowe
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Mr. Patrick J. McGonagle
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22B-1

20th Annual Institute
May 26-28, 1999
Speakers List
Sponsored by the Eastern Mineral Law Foundation

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Spilman, Thomas & Battle, PLLC
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Ms. Glenda H. Owens
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Ms. Lisa D. Yoho
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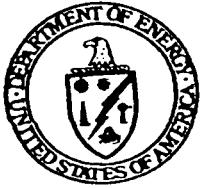
Mr. Oliver G. Richard, III
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The Hon. Bill Richardson
U.S. Department of Energy
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Mr. David G. Ries
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Pittsburgh, PA 15222-4895
Phone: 412-394-7787; Fax: 412-394-2555

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THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

May 10, 1999

1999-006170

Mr. David Merrill
Fax (011) 603-451-3249

Dear David:

Thank you for your April, 19, 1999, letter informing me of your good news. Congratulations in obtaining a job with Enron International as General Manager of Government Relations. The task ahead is challenging. However, under your leadership I believe it is achievable.

I am glad that you will have an opportunity to work with the governments in Southeast Asia and Bangladesh to help promote investing possibilities for Enron.

I wish you the best in this new endeavor, and I look forward to working with you. Please keep in touch and be safe.

With warm regards, I remain

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Bill".
Bill Richardson

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A large rectangular area of the page is completely blacked out, likely a redaction. A small circular hole punch mark is visible on the left edge of this redacted area.

Folder Profile	
Control #	1999-005296
Name	Letter to Secretary Bill Richardson from Kenneth L. Lay (En)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Regarding legislative issues before the 106th Congress which can directly contribute to the US share of the international marketplace (Rec'd in ES 4/6/99)
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	S-1 courtesy copy of a letter addressed to Hon. Neil Ambergrombie.
Folder Trigger	Letter
Source	PM-O
Correspondence Date	4/6/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES 0577 Blake, Shena
Action Office #	
Assigned To	PO
Date Due	
Date Completed	4/12/99

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1999-005296 Apr 8 p 4:01



COPY

Kenneth L. Lay
Chairman and
Chief Executive Officer

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6773
Fax (713) 853-5313
klay@enron.com

LETTER MAILED TO ALL MEMBERS OF CONGRESS
April 6, 1999

The Honorable Neil Abercrombie
U.S. House of Representatives
1502 Longworth House Office Building
Washington, DC 20515-1101

Dear Congressman Abercrombie:

Since Enron Corp. has grown to become a leading global energy company with over \$30 billion in assets, we want to discuss the legislative issues before the 106th Congress which can directly contribute to the US share of the international marketplace.

While this letter focuses on international issues, on the domestic front Enron Corp. continues to grow its market. Enron Corp. is building new electric generating facilities, and operates an extensive interstate natural gas pipeline system. It also provides renewable energy, and is the top wholesale power marketer and natural gas marketer in North America. We have also recently launched Azurix, a global water company, and Enron Communications, a cutting edge network applications provider with a state-of-the-art fiber optic communications network. We are proud to have been named by *Fortune* "America's Most Innovative Company" for the last four years in a row, and as the leading power company in the world by *Forbes*. As such, we look forward to working with you on domestic legislative issues important to Enron including electricity restructuring, water issues, Commodities Future Trading Commission (CFTC) reauthorization, bankruptcy reform, trade and tax policy.

Internationally, many energy project opportunities for US companies today are in developing nations. These projects are extraordinarily costly to develop, often in the billion-dollar range. To become viable projects and to compete with our global competitors, these projects require the participation of US agencies including the Overseas Private Investment Corporation (OPIC), the United States Export-Import Bank (Ex-Im Bank) and the Trade and Development Agency (TDA). Congress is due to reauthorize OPIC, and we request your support for a four-year reauthorization. Each of these agencies also requires appropriations, and we request your support for adequate appropriations. Funding for Ex-Im, OPIC and TDA is important for continued growth in US exports, jobs and global competitiveness for US businesses.

Until last year, the US had been quick to use economic sanctions to address political concerns. However, the 105th Congress began to take a strong look into the counter-effectiveness of such sanctions. Legislation was introduced to establish a system to evaluate the need for sanctions including requiring cost benefit analysis before imposing sanctions and providing waiver authority for the Executive Branch. Senator Lugar and Representative Crane have sponsored similar legislation (S. 757 and H.R. 1244) in the 106th Congress, which has broad bipartisan support. We ask you to continue on the path of evaluating the goals of unilateral trade sanctions and support legislation to establish the proper criteria.

On existing sanctions, Enron would encourage you to extend the Brownback/Roberts provisions permanently, which waive sanctions while India and Pakistan seek to back away from nuclear weapon development. Enron's 2,450 MW Dabhol Power Project is the first US power facility in India and will begin supplying power to the grid very shortly.

Natural gas. Electricity. Endless possibilities.

24A

Page 2
April 6, 1999

Another sanction addressed in the last Congress was the repeal of Section 907 of the Freedom Support Act relating to Azerbaijan. We believe it is time to complete the repeal of Section 907 sanctions and use diplomacy to address the grievances of these parties.

Enron seeks your support to extend Normal Trade Relations (NTR) with China. We believe engagement in China, both commercial and diplomatic is the most effective way for the US to promote continued growth towards democratic ideals and free-market principles in China. Enron has increasingly become involved in the Chinese energy sector over the last several years. We have developed the first build-own-transfer power project by a US company in China on Hainan Island, signed a 30-year production-sharing contract with China National Petroleum Corporation for potential gas reserves, and agreed to a joint venture natural gas pipeline in the Sichuan province. The joint venture established the first ownership interest of a pipeline by a non-Chinese company. Enron is also exploring wind and hydropower projects in China. We hope to become the preferred supplier of clean and reliable energy in China. There is no doubt greater progress is needed on several fronts, and security issues are of primary importance. However, we believe progress can best be achieved through constructive engagement.

Enron recognizes Africa is becoming an increasingly vital part of our global economy and we endorse the passage of H.R. 434, the Africa Growth and Opportunity Act. We recently testified in support of this legislation. We believe this legislation will increase US-Africa trade and investment flow, support continued economic growth in sub-Saharan Africa, and further Africa's successful integration into the global trading community. Enron's belief in US-Africa trade is evident in our potential \$2.5 billion investment in the Pande Gas/Maputo Iron and Steel project in Mozambique. We ask for your support of the Africa Growth and Opportunity Act.

As we have for the past several years, Enron again asks for your support to approve Fast Track Negotiating Authority. The passage of this legislation gives Congress a realistic timetable to vote up or down on trade agreements without amendment. This is process legislation that will not prejudice Congressional approval of trade agreements. This trade authority is imperative for negotiations such as the World Trade Organization negotiations on services beginning in 2000. These negotiations are important to energy companies, financial companies and a range of other companies who are competing for US leadership in the service industry. For these and numerous other negotiations, it is imperative for our trade partners to feel confident in our negotiated trade treaties, and for the private sector to have a reliable framework from which to draw upon.

I thank you for your consideration of these views and respectfully request your support. Please feel free to contact me or Enron's Washington office with your comments and questions.

Sincerely,

Ken Lay

cc: Joe Hillings

24A1

bcc: The Honorable Madeleine Albright
The Honorable Charlene Barshefsky
The Honorable William M. Daley
The Honorable Bill Richardson
The Honorable Robert Rubin
The Honorable Peter Bass
Ernie Bower
Helen Burroughs
The Honorable Michael Clark
Mike Copps
The Honorable Terri Fariello
Melanie Kenderdine
The Honorable Dr. David Jhirad
Gay Friedman
The Honorable Bob Gee
The Honorable Joe Grandmaison
The Honorable James Harmon
Jean Harman
Bob Kapp
Frank Kittredge
David Miller
The Honorable George Munoz
Dan O'Flaherty
George Pickart
Bill Pryce
The Honorable Susan Rice
Ed Rice

The Honorable Naresh Chandra
The Honorable Marcos Namashulua
The Honorable Hafiz Mir Jalal Pashayev
The Honorable Li Zhaoxin
The Honorable Richard Frank Celeste
The Honorable Brian D. Curran
The Honorable Stanley T. Escudero
The Honorable James R. Sasser

J. Clifford Baxter
Diane Bazelides
Richard Buyt
Rebecca Carter
Richard Causey
Jim Derrick
Rich Dimichele
Andy Fastow
Gary Foster
Peggy Fowler
Mark Frevert
Rod Gray
Kevin Hannon
Ken Harrison

24A2

John Hardy
Joe Hirko
Forrest Hoglund
Stan Horton
Gene Humphrey
Doy Jones
Steve Kean
Jeff Keeler
Kelly Kimberly
Mark Koenig
Ken Lay
Chris Long
Rebecca Mark
Jeff McMahon
Lou Pai
Mark Palmer
Mark Papa
Ken Rice
Cynthia Sandherr
Mark Schroeder
Ed Segner
Jeff Skilling
Joe Sutton
Beth Tilney
Terry Thorn
Dennis Ulak
John Urquhart
Lloyd Wantschek
Tom White

Lora/congress/kenlay-intl-long-4-5-99.doc

24A-3

1999 ATTRACTING CAPITAL TO AFRICA SUMMIT
Houston, Texas
April 24-28, 1999

CHAIRMAN OF THE 1999 SUMMIT:

- Mr. Kenneth Derr, Chairman and CEO, Chevron
- Dr. Ken Lay, Chairman and CEO, Enron
- Mr. Lou Noto, Chairman and CEO, Mobil
- Mr. Lee Raymond, Chairman and CEO, Exxon
- Mr. Maurice Tempelsman, Chairman, Lazare Kaplan International Inc.
- Mr. Kase Lawal, Chairman, CAMAC Holdings
- Mr. Frank Kennedy, CEO, HSBC Equator Bank

Major Underwriters:

- Amoco
- General Motors
- Mobil
- Ocean Energy
- Exxon
- Enron
- CAMAC Holdings Inc.
- United Nations Development Programme
- Lazare Kaplan International Inc.
- Chevron
- Equator Bank

Citigroup

- Continental Airlines

Underwriters:

- Sooner Pipe and Supply Corporation
- The Coca-Cola Company
- Eli Lilly and Company
- Chrysler Corporation
- General Electric
- Caterpillar Inc.

AFRICAN HEAD OF STATE ATTENDANCE:

Heads of State expected to attend and give Keynote Addresses:

H.E. Jose Eduardo dos Santos, President of Angola

H.E. Festus Mogae, President of Botswana (confirmed)

H.E. Henri Konan Bedie, President of Cote d'Ivoire

H.E. Mohammed Hosni Mubarak, President of Egypt

H.E. Flt. Lt. Jerry Rawlings, President of Ghana

H.E. Dr. Navinchandra Ramgoolam, Prime Minister of Mauritius

H.E. Dr. Sam Nujoma, President of Namibia

The Ambassadors from the following countries have told CCA that their Heads of State have indicated interest in attending the 1999 Summit:

- Congo (Brazzaville)
- Equatorial Guinea
- Gabon
- Malawi
- Tanzania

PURPOSE: The Corporate Council on Africa (CCA) is organizing this Summit for two purposes:

1. to increase the American private sector's awareness of the many commercial opportunities that exist in Africa, and
2. to address specific policy issues that confront the U.S. private sector in the African marketplace.

GOAL: The 1999 Houston Summit will attract participation from African Heads of State, senior U.S. decision-makers and private sector representatives from both continents. The Summit will 1.) Create Joint ventures between American and African Companies; 2.) Encourage American Investment on the African Continent; 3.) Highlight investment opportunities throughout Africa; 4.) Focus on the commercial strengths of many African countries, including the *1999 Global Marketplace Award* winners: Botswana, Ghana, Egypt, Mauritius, and Namibia and other featured countries: Angola, Congo, Cote d'Ivoire, South Africa; 5.) Heighten international awareness about Africa, -- its investment opportunities and the U.S. commitment to engage itself on the continent through private sector partnerships and public-private initiatives. The book created from the proceedings of the Summit, Africa and the American Private Sector: Corporate Perspectives on a Growing Relationship, is widely distributed to African governments, American government officials, corporate America, the African private sector, and international Universities.

BACKGROUND: More than 700 African and American decision-makers, including 5 African Heads of State, American CEOs, Secretary of the Treasury Robert Rubin and The First Lady of the United States Hillary Rodham Clinton gathered for the three-day meeting. Given the success of the 1997 "*Attracting Capital to Africa*" Summit, the largest event ever held in the United States which focused exclusively on bringing American private sector investment to the African continent, we are confident that the 1999 Summit will have a direct impact on the future of Africa

CONFERENCE DESIGN: The Corporate Council on Africa designed the Houston Summit to showcase the American private sector in Africa, and to provide a forum for the development of a sound foreign and trade policy towards this rapidly developing continent. The Summit is designed around a series of 20 Workshops to keep the focus on a working meeting rather than a panoply of speeches. In addition, two high-level roundtables will feature dialogues between African and American decision-makers to address *African Energy Issues* and *African Regional Economic Integration and Cooperation*.

FOR MORE INFORMATION: For more information on the 1999 *Attracting Capital to Africa* Summit, please contact The Corporate Council on Africa at (202)-835-1115 or fax (202) 835-1117.

ABOUT THE CORPORATE COUNCIL ON AFRICA

The Corporate Council on Africa is a non-profit 501(c)(3), membership organization of American individuals and businesses whose goal is to improve the interaction between the U.S. and African private sectors. To this end, the Council is committed to working with the governments of Africa and the United States, as well as the African private sector, to improve the trade and investment climate in Africa.

FOLDER PROFILE

Control #	1999-006639	Name	Letter to Secretary Bill Richardson from E. Joseph Hillings,
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Encloses Enron Business Article on International Trade (Rec'd in ES 5/3/99)	Correspondence Date	4/28/99
Topical Index		RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Prog Determination	Classification	None
Special Instructions	Attachment placed in PO's box.	Point of Contact	BLAKES 0577 Blake, Shena
		Action Office #	
		Assigned To	PO
		Date Due	
		Date Completed	5/5/99

24



E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, DC 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

TRANSMITTAL DOCUMENT
Enron, Washington

TO:
 The Honorable William Richardson
 Secretary of Energy
 US Department of Energy
 1000 Independence Avenue, SW
 Room 7A-257
 Washington, DC 20585

FROM: Joe Hillings, Vice President & General Manager
 Federal Government Affairs

DATE: April 28, 1999

RE: Enron Business Article on International Trade

Enron Business has reported on the importance of international trade and investment to our nation which I thought would be of interest to you. (See pages 12, 13 and 16.)

I also call your attention to our joint venture in Korea, which is emerging from the Asia economic downturn. This and other Enron global projects means export opportunities for goods and services from the United States.

Many thanks for your interest.

A handwritten signature in black ink, appearing to read "E. Joseph Hillings", is written over the typed name above it.

Folder Profile	
Control #	1999-006484
Name	Letter to Secretary Richardson from Marty Spitzer (President)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Submits agenda for the National Town Meeting for a Sustainable American on May 2-5, 1999—(Rec'd in ES 4/29)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter hard copy given to SL/Johnston on 5/3/99
Folder Trigger	Invitation
Source	FO
Correspondence Date	4/29/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB
6-5936	Edwards, Kesha
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	5/3/99

27

**PRESIDENT'S COUNCIL ON
SUSTAINABLE DEVELOPMENT**

730 Jackson Place, NW Washington, D.C. 20503

1999-006484 APR 29P 4:52

FAX TRANSMITTAL

Date: 4/29/99

To: Council members
From: Marty Spitzer

Pages including cover

8

MEMBERS

Fax

<u>Number:</u>	
Mr. John Adams	(212) 633-6935
The Hon. Aida Alvarez	(202) 205-6802
Mr. Ray C. Anderson	(770) 437-6822
The Hon. Bruce Babbitt	(202) 208-6956
The Hon. D. James Baker	(202) 408-9674
Mr. Richard Barth	(212) 877-7562
Mr. Scott Bernstein	(773) 278-3840
The Hon. Carol M. Browner	(202) 260-0279
Mr. David T. Buzzelli	(517) 638-9397
Mr. Richard Clarke	(415) 973-8808
The Hon. Andrew Cuomo	(202) 708-2476
The Hon. William M. Daley	(202) 482-2741
Ms. Dianne Dillon-Ridgley	(212) 973-0335
Mr. E Linn Draper, Jr	(614) 223-1599
Mr. George Frampton	(202) 456-2710
Mr. Randall Franke	(503) 588-5237
The Hon. Daniel Glickman	(202) 720-2166
The Hon. Sherri Goodman	(703) 693-7011
Mr. Jay D. Hair	(206) 583-8500
Mr. Samuel C. Johnson	(414) 260-3414
Mr. Fred Krupp	(212) 505-2375
Mr. Jonathan Lash	(202) 729-7616
Mr. Kenneth Lay	(713) 853-5313
Mr. Harry J. Pearce	(313) 667-3111
Mr. Steve Percy	(303) 668-9774
Ms. Michele Perrault	(415) 977-5799
The Hon. Bill Richardson	(202) 586-7644
The Hon. Richard W. Riley	(202) 401-0596
The Hon. Richard E. Rominger	(202) 720-5437
The Hon. Susan Savage	(918) 596-9010
Mr. John C. Sawhill	(703) 841-8796
The Hon. Rodney Slater	(202) 366-7202
Mr. Theodore Strong	(503) 235-4228

cc: PCSD Liaisons

If you have trouble receiving this transmission,
please call (202) 408-5296

27A



Printed on Recycled Paper

**PRESIDENT'S COUNCIL ON
SUSTAINABLE DEVELOPMENT**

730 Jackson Place, NW Washington, D.C. 20503

MEMORANDUM

TO: PCSD Members
CC: Liaisons
FROM: Marty Spitzer *Marty*
SUBJECT: FINAL NTM LOGISTICS
DATE: April 29, 1999

This memorandum provides:

- (1) detailed logistics for PCSD members activities at the NTM, and
- (2) a draft press release for the release of the PCSD's report for your comment. Comments due Friday before 12:00 noon to PCSD.

The last details are being put in place and PCSD's report is on its way to Detroit. As of this morning, 2,700 people are registered for the NTM. We will now easily exceed our target attendance of 3,000, with over 150 people a day being added and a large day-of registration expected. Thanks to all of you who have helped in one way or another to make this all possible. It is very exciting.

When You Arrive at Cobo Center

1. Please check in at the event registration booth at Cobo Center in front of Wayne Hall at the far left of the first floor, where you will receive the conference program etc.
2. At your convenience after you register, please come to the Promenade Room (opposite Wayne Hall) where you will have a final packet of information for PCSD members and staff on the press and commitments schedule, PCSD accomplishment fact sheet, a copy of the PCSD Report, and other relevant materials.
3. If you need to find a PCSD staff person at any time during the conference, you may:
 - go to the Promenade room
 - go to the Registration desk and they can radio to find someone for you
 - check the PCSD booth in the Exhibit hall
 - my cell phone number is (301) 602-3067 and I am staying at the Marriot (313) 568-8000
 - Other cell phone numbers: Jack Bowles (703) 623-5697, Ken Patterson (202) 744-6020, and Pat Sinicropi, (202) 262-9071.

Seating for all Plenary events

There will be several reserved tables at the front of Wayne Hall for any members who are in the audience during plenary sessions. Of course, you are free to sit anywhere in the hall if you wish.

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PCSD member activities are summarized below by day:

Monday, May 3

- * The PCSD/Renew America Awards ceremony and post-event reception from 7:00 - 10:00 p.m. in Lovett Hall at the Henry Ford Museum. Award program 7:00 - 8:30 p.m. Reception 8:30 - 10:00 p.m.
- Dinner. 6:00 p.m. The awards program is being preceded by a country fair on the grounds of the museum where dinner will be served.
- Tickets. If you RSVP'd, your ticket for the awards program and reception will be with your name tag when you register at COBO Center. If you go to the Henry Ford Museum directly, find the check-in desk inside Lovett Hall and tell them you are a PCSD member or liaison, but didn't receive your ticket. They should have a list to check your name. (If you need additional tickets for you or your staff please notify me as soon as possible so I can take care of it).
- Reserved seats. PCSD members who RSVP'd will have seats set aside in front (probably in a roped off area. Liaisons should take any seat.
- Transportation. Buses will take you along with other attendees to the Henry Ford Museum from Cobo Center and back. Buses will begin departing from in front of Cobo Center at 5:00 p.m. for the Museum located at 20900 Oakwood Boulevard in Dearborn, Michigan. During rush hour, the drive time between Cobo Center and the museum is about forty-five minutes. Buses will return people to Cobo and select hotels downtown. Buses will run until 10:00 p.m. for attendees of the reception.
- Dianne Dillon Ridgley will represent PCSD members during the award program.
- Post-award reception. It is invitation only.

Tuesday, May 4

- * Meeting with the Vice President. 2:00 p.m. - 2:30 p.m. The Vice President will meet with PCSD members and staff and the NTM local hosts at Cobo Center shortly after his speech. The Vice President wants to thank members for their work on PCSD and the NTM. The room is to be determined by the Vice President's advance team. As soon as we know, the information will be available in the Promenade Room. The timing of this meeting seems firm but is subject to change.
- * A private reception for PCSD members and your staff honoring you for your service to the PCSD will take place on Tuesday afternoon at 4:00 - 5:30 p.m. at Cobo Center in the Windsor Room. The co-chairs and several other invited guests will speak.

Wednesday, May 5

- * PCSD Member Breakfast/Briefing for PCSD Roundtable. 7:00 a.m.
The Hotel Pontchartrain (directly across from Cobo Center)
2 Washington Blvd.
Ambassador South - 6th Floor
Buffet Breakfast from 7:00 a.m.; Briefing at 7:30 a.m.

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* Building Block Announcements Press Conference, 10:00 - 10:30 a.m. (Promenade Room -- which is opposite Wayne Hall, where all the plenaries take place). Each day throughout the conference there will be a press event to announce building blocks. Many PCSD members are involved. Those of you scheduled for this particular time slot will need to move promptly to Cobo Center Room W1-54 in preparation for the PCSD member roundtable. Please alert Jack Bowles or me if you would like to make an announcement and are not yet scheduled.

* The PCSD Member Roundtable. Members must be present in Cobo Center Room W1-54 *no later than 10:30 AM.* The meeting must begin EXACTLY at 11:00 a.m. and end 1:00 p.m., due to satellite and web broadcast. (See attached instructions for what to expect at the Roundtable.)

* Final NTM and PCSD Press Conference. 1:15 p.m. - 1:45 p.m. (Promenade Room -- opposite Wayne Hall)

Purposes:

- (1) Release the PCSD report and its significance
- (2) Perspective on the Conference by youth
- (3) Summary of commitments
- (4) Future of Sustainable Development

If you have any questions, please contact me at (202) 408-5331. Half our team is already in Detroit. Everyone will be there by Saturday.

PCSD National Roundtable Planning Final Update (April 29)

Time: May 5, 11:00 AM to 1:00 P.M. (Meet in W1-54 Speaker Room at 10:30)

Place: Wayne Hall - Cobo Center - Detroit

Briefing: May 5, 7:30 AM Hotel Pontchartrain - Ambassador South 6th Floor

Contact: David Monsma, PCSD Roundtable Coordinator (202) 408-5447

Roundtable: The roundtable is the capstone event of the town meeting when the Council members distill the important lessons and draw connections about sustainability.

Meeting time: The meeting must begin at exactly 11:00 am and end at 1:00 p.m. due to the Internet webcast and other broadcast considerations. PCSD members must be present in Cobo Center Room W1-54 *no later than 10:30 AM*.

Co-chairs: Jonathan Lash, World Resources Institute
Dave Buzzelli, The Dow Chemical Company

Moderator: Ray Suarez, host of National Public Radio's *Talk of the Nation*, will moderate this dialogue about a vision of the future and how sustainable development can define the 21st century.

Meeting Process

1. **Participants** - Participation in the Roundtable is at about 17 PCSD members, joined by a delegate from the Youth Roundtable and Edna Bell from the Wayne County Commission.

2. **Meeting Theme** - The overarching question or theme for the Roundtable:

What are the crucial transitions that need to happen in the near term for sustainable development to succeed in America? Or, what is it going to take to move sustainability into the society in a truly integrated fashion -- what are the opportunities and barriers and how do we move forward to seize the opportunities and overcome the barriers?

Members will be asked to respond to this question in a number of ways -- reflecting on lessons learned from the PCSD, sharing what they and their organizations plan to do going forward, articulating their sense of opportunities and barriers etc. Ray Suarez will then pose follow-up questions to the group as a whole and specific people (with some suggestions from us) to tease

out more detail and specificity.

3. Meeting Agenda - The meeting will proceed as follows:

- The participants need to assemble in the Speakers Room W1-54 no later than 10:30 AM.
- Ray Suarez will make an introductory comment and then introduce the members once they are seated at the table. An announcer (voice over) will introduce Ray Suarez.
- A 2-3 minute student report will be projected behind the stage (on the moderator's cue).
- Ray Suarez will then fashion the platform from which to launch the moderated dialogue.
- Near the end of the discussion, Ray Suarez will create the opportunity for closing remarks by Dave Buzzelli, Jonathan Lash, and final remarks by Ray Anderson.
- The meeting should end exactly at 1:00 p.m. Ray Suarez or Ray Anderson will indicate that a video montage will follow the meeting depicting visual highlights from the NTM.
- Observe that the PCSD press conference is scheduled to follow the meeting.

4. Breakfast Briefing - A breakfast briefing (buffet) will be held on Wednesday morning (May 5) at 7:30 am to further prepare for the PCSD National Roundtable. An NTM report prepared by the NTM participant reporters will be made available at the briefing to assist the members in their comments.

*PCSD National Roundtable Briefing
The Hotel Pontchartrain (Directly across from Cobo Center)
2 Washington Blvd.
Ambassador South - 6th Floor
Buffet Breakfast from 7:00; Briefing at 7:30*

5. NTM Interview Process - During NTM, "Participant Reporters" (specially selected student reporters and 2-3 PCSD liaisons) will be given a set of questions with which to interview NTM participants about themes and ideas during the working sessions. Answers will be synthesized and distilled into 4 or 5 agenda topics for discussion. John Ehrmann (Meridian Institute), Frank Finamore (DSTI), and David Monsma (PCSD) will coordinate this activity with the PCSD liaisons to prepare for the breakfast briefing to be held on Wednesday morning (details to follow). Liaisons are asked to assist the student reporters who may be seeking interviews with Council members whenever possible.

Confirmed PCSD Members:

1. Jonathan Lash - President, World Resources Institute
2. David T. Buzzelli - Director and Senior Consultant, The Dow Chemical Company
3. John Adams - President, Natural Resources Defense Council
4. Ray C. Anderson - President and CEO, Interface, Inc.
5. D. James Baker - Under Secretary for Oceans and Atmosphere, NOAA
6. Scott Bernstein - President, Center for Neighborhood Technologies
7. D. Dillon-Ridgley - Executive Director, Women's Environment and Development Org.
8. E. Linn Draper - Chairman, American Electric Power
9. Sherri Goodman - Deputy Under Secretary of Defense (Environmental Security)
10. Fred Krupp - Executive Director, Environmental Defense Fund
11. Harry J. Pearce - Vice Chairman, General Motors
12. Steve Percy - Former Chairman, CEO, BP America Inc.
13. Michele Perrault - International Vice President, Sierra Club
14. Richard Rominger - Deputy Secretary, U.S. Department of Agriculture
15. Susan Savage - Mayor, Tulsa, Oklahoma
16. Ted Strong - Former Executive Director, Columbia River Inter-Tribal Fish Commission
17. Youth Delegate
18. Invited: Edna Bell, Wayne County, MI.

John Ehrmann will be seated at the table with Jonathan and Dave.

27B-5

D R A F T
FOR IMMEDIATE RELEASE
Wednesday, May 5, 1999

CONTACT:
Lisa Guide, PCSD 202/395-3449
Donna Wise, World Resources
Institute 202/729-7735
Lisa Cape Lillenthal, Interface, Inc.
404/814-1669

**U.S. Business and Environmental Leaders Chart Path for a Better Future:
New Report Details Consensus Recommendations**

Detroit, MI -- A ground-breaking partnership of leaders of U.S. businesses, environmental and citizens organizations, Native American groups, and local and federal government today issued consensus recommendations on ways the United States can address some of our most significant challenges to greater prosperity, opportunity, and environmental health in the 21st Century.

The report of the President's Council on Sustainable Development, *Towards A Sustainable America*, recommends specific actions that could help the U.S. make progress in four key policy areas. The Council reached agreement on policies to reduce greenhouse gas emissions, detailed the next steps for creating a new environmental management system, recommended metropolitan and rural strategies for building sustainable communities, and offered recommendations to foster international leadership by the U.S. promoting sustainable development.

"Our Challenge is to create a future in which prosperity and opportunity increase while pressures on oceans, earth, and atmosphere -- the biosphere -- diminish. Even as we see evidence that damage to natural systems is accelerating, we also see individuals, companies, and communities finding solutions that work," said Ray Anderson, Chairman and CEO of Atlanta-based Interface, Inc. and co-chair of the President's Council.

"We sought to articulate the goal of a sustainable America in terms of concrete ideas, examples of success, and proposals for national policy. Our hope is for people all across America to use this report to advance sustainability and the quality of life in their own communities," said Jonathan Lash, President of the World Resources Institute and PCSD co-chair. "Above all, the Council has demonstrated the will and capacity of leaders from different sectors of American life to find agreement on issues of importance about our future."

The PCSD is charged with advising President Clinton on strategies to achieve prosperity, opportunity, and a healthy environment. Council members are leaders of businesses, environmental and citizen organizations, Native American groups, local government, and Federal agencies. The Council is the only Presidential or Federal advisory panel charged with recommending policies across the full spectrum of economic, environmental, and social policy issues. Since 1993, the Council has issued several reports on sustainable development and has

27b6

successfully fostered many local and regional efforts to achieve a better future.

The PCSD released the report at the close of the National Town Meeting for a Sustainable American (NTM), held in Detroit Michigan and points across American May 2-5, 1999. The meeting brought together over 3,000 people in Detroit and more than 50,000 in events across the country to define and achieve a better future for America. The NTM program showcased best practices that promote sustainability from around the country, and helped highlight the relevance and importance of the Council's recommendations. The meeting was co-sponsored by the Council.

Folder Profile	
Control #	1999-006568
Name	Letter to Secretary Richardson from Joe Hillings, ENRON, V
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Regarding Enron International Statement on US-Japan Enhanced Initiative on Deregulation and Competition Policy (Rec'd in ES 5/3/99)
Topical Index	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	5/3/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES 0577 Blake, Shena
Action Office #	
Assigned To	PO
Date Due	
Date Completed	5/5/99

28

1999-006568 MAY 3P 2:14

**ENRON, WASHINGTON
TRANSMITTAL SHEET**

1775 Eye Street, NW
Suite 800
Washington, DC 20006
202-466-9145
202-827-3372 (fax)
jhillin@enron.com

TO: The Honorable William Richardson
FROM: Joe Hillings
DATE: 5/3/99
RE: **Enron International Statement on:
US-Japan Enhanced Initiative on Deregulation
And Competition Policy**

I thought the attached statement from Enron International on US-Japan Enhanced Initiative on Deregulation and Competition Policy would be of interest.

Best regards.

Encl.

28A
11

MAY 03 1999 08:07 FR ENRON INT PR DEPT 713 646 6594 TO 912028283372
5/02/99 23:22 JOHN AMBLER-ENRON → 7136466594

P.02/02
NU.000

FROM: JOE HILLINGS
ENRON CORP.
WASHINGTON, D.C.

Enron International Statement on
US-Japan Enhanced Initiative on Deregulation and Competition Policy

Enron saluted today the government of Japan and the office of the United States trade representative for their progress in their dialogue to deregulate and open the Japanese energy sector to constructive competition. These reforms being discussed should reduce electricity prices, which are among the world's highest, and provide a fundamental boost to Japan's economic recovery. "We regularly see demonstrations of how free and open markets provide lower cost and more innovative services to consumers," said Joseph W. Sutton, chairman and CEO of Enron International. "We applaud this initiative by the governments of Japan and the United States. Clear, transparent, non-discriminatory rules and regulations in the power sector will increase competition to the benefit of all consumers."

Enron is one of the world's leading integrated electricity and natural gas companies. The company, which owns approximately \$30 billion in energy related assets, produces electricity and natural gas, develops, constructs and operates energy and water facilities worldwide and delivers physical commodities and risk management and financial services to customers around the world. Enron's Internet address is www.enron.com, and the stock is traded under the ticker symbol, "ENE."

28B

Folder Profile

Control #	1999-006771	Name	Letter to Secretary Richardson from E. Joseph Hillings, ENR
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Thanks the Secretary for the excellent presentation at the Council of the Americas meeting (Rec'd in ES 5/5/99)	Correspondence Date	5/4/99
Topical Index		RIDS Information	Head of Agency
Signature/Approval	NA	Sensitivity	Not Applicable
Action Requested	Prog Determination	Classification	None
Special Instructions		Point of Contact	HOLLOWAG 202 586-2584 Holloway, Geneva
		Action Office #	
		Assigned To	PO
		Date Due	
		Date Completed	5/5/99

29

1999-006771 5/4 5:08



VIA MESSENGER

May 4, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

Dear Secretary Richardson:

Thank you for your excellent presentation and responses to participants questions at the Council of the Americas meeting yesterday. I have advised a number of my Enron colleagues of the key points you made, especially the opportunity to participate in the Hemisphere Energy Ministers meeting in New Orleans in July.

I received a response from our representatives in Sao Paulo. They are definitely interested in playing an active role. I believe our people handling the climate control-emissions credit opportunity will also attend.

Could you kindly advise us how we should proceed to plan our participation?

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie Kenderdine".

cc: Melanie Kenderdine
Terry Thorn

E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, D.C. 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

Folder Profile	
Control #	1999-007016
Name	Facsimile to Deputy Secretary Gauthier from Tarun Das, C
Priority	Important
DOE Addressee	T. J. Gauthier
Subject Text	Invites the Deputy Secretary to attend U.S. Business Dialogue on the Clean Development Mechanism on May 20-21, 1999—(Rec'd in ES 5/7/99)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	hard copy given to OS/McGinnis on 5/10/99
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	5/6/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB
6-5936	Edwards, Kesha
Action Office #	
Assigned To	OS/McGinnis
Date Due	
Date Completed	5/10/99

1999-007016 5/7 4:12



Confederation of Indian Industry
23, 26 Institutional Area, Lodi Road,
New Delhi 110 003
Phone: 4629994 Fax: 4633168/4626149
email: cii@co.cii.ernet.in

May 6, 1999

Mr T.J. Gauthier
Deputy Secretary
US Dept of Energy
Fax: 202-586-7044

Dear Mr Gauthier:

On May 20-21, 1999 in Washington, D.C., the Confederation of Indian Industry will host an Indo-U.S. Business Dialogue on the Clean Development Mechanism (CDM). The Dialogue will bring together leaders in Indian and US business to discuss the economic and environmental potential of the CDM and specifically, to explore the business opportunities presented by the CDM.

In India, CII has been working with USAID, Hagler Bailly consultants, and Hon. Kathleen A. McGinty and Dr. Karl Hausker, senior visiting fellow at the Tata Energy Research Institute, to inform Indian business about the issues and opportunities involved in the CDM. Convinced that the CDM, if implemented effectively and efficiently, can help meet pressing development needs; reduce local pollution; and achieve cost-effective reductions of global greenhouse gas pollution, CII member companies are working on the CDM as a priority initiative. In Washington, they will interact and join forces with leading US businesses that similarly recognize the economic and environmental promise inherent in the CDM.

We are writing cordially to invite you to participate in the Dialogue. Specifically, we would be honored if you would join us for the substantive proceedings on May 20th and May 21st and for the cocktail reception, hosted by Hagler Bailly, at 5 pm on May 20th. The venue for the proceedings is the US Chamber Building, 1615 H Street, NW, Washington DC. Registration starts at 9:45 am.

Attached you will find a draft agenda and a short note on the Dialogue. The note will further inform you of CII's activities on the CDM as well as provide an update on the companies and organizations who are confirmed to participate. Note that the Dialogue on the 20th will involve presidents and chief executive officers of the participating organizations; the session on the 21st will be more substantively detailed and involve senior managers of these organizations.

Mrs. Kiran Pasricha, Director of CII's Washington office can be reached at phone: (703) 841-3209, fax: (703) 841-3309, e-mail: kir_pasricha@nema.org, and will be happy to provide any further information that would be of help. Please use the attached reply form to RSVP. We look forward to seeing you.

Sincerely Yours

A handwritten signature in black ink, appearing to read "Tarun Das".

Tarun Das
Director General

30A

As of 05/06/99

FINAL DRAFT**Indo-U.S. Business Dialogue on the Clean Development Mechanism**
CEOs' Washington Roundtable

U S Chamber of Commerce Building, 1615 H Street, N.W., Washington, D.C.

May 20, 1999

- 9:45 Registration
- 10:15 Opening Remarks and Introductions of Dialogue participants, **Rahul Bajaj**, CEO, Bajaj Auto Ltd. and President, CII
- 10:30 Special Address: **Hon. Larry Summers**, Deputy Secretary of the Treasury
- 11:00 Discussion Topic 1: **CDM: Issues and Opportunities**
(Brief presentations, Q&A, end with open discussion)
K.N. Shenoy, President, ABB-India. *Indian Perspective on CDM*.
T.J. Gauthier, Deputy Secretary, Dept. of Energy. *U.S. Perspective on Technology Partnerships through the CDM*.
R.V. Shahi, Chairman & Managing Director, BSES, Ltd. and Chairman of CII Climate Change Center. *Indian Perspective on Technology Partnerships through the CDM*.
Frank Loy, Under Secretary for Global Affairs, Dept. of State. *Status of Climate Change and CDM Negotiations*.
Jonathan Lash, President, World Resources Institute. *Development, Environment, and CDM*.
- 12:30 Lunch
Special Address: **Senator John Chafee**, Chairman, U.S. Senate Committee on Environment and Public Works
- 2:00 Discussion Topic 2: **Anatomy of Potential CDM Projects: How Would They Work?**
(Brief presentations, Q&A, end with open discussion)
Richard Sandor, CEO, Environmental Financial Products
Hemant Joshi**, Executive Director, CRISIL
Mark Trexler, President, Trexler and Assocs.
- 3:00 Coffee/Tea break
- 3:15 Discussion Topic 3: **Potential CDM Partnerships: Sectoral Perspectives**
(Open discussions – all participants)
Special introductory comment: **Jemal-ud-din Kassum**, Vice President for Investment Operations, International Finance Corporation, World Bank.
- 4:15 Looking Ahead: **Next Steps and Key Priorities**
R.V. Shahi, Chairman & Managing Director, BSES, Ltd. and Chairman of CII Climate Change Center
- 5:00 Cocktail reception
** invited

Sponsored by the Confederation of Indian Industry
With support from the United States Agency for International Development

30 B

As of 05/06/99

FINAL DRAFT**Indo-U.S. Business Dialogue on the Clean Development Mechanism****Senior Executive Roundtable**

US Chamber of Commerce Building, 1615 H Street, NW
Washington, D.C.

May 21, 1999

- 8:45 Registration
- 9:00 Welcome Bob Randolph**, Assistant Administrator, U.S. AID, Asia and the Near East
- 9:15 Opening Remarks, Mr. V. Raghuraman, Senior Adviser, Energy Division, CII and Hon. Katie McGinty, Former Chair, Council on Environmental Quality and Senior Visiting Fellow, Tata Energy Research Institute
- 9:30 Foundations for CDM: AIJ & Emissions Trading
Discussion leader: Dale Heydlauff, American Electric Power
- 10:30 Coffee/tea break
- 10:45 CDM Implementation Issues
Discussion leader: John Palmisano, Enron
- 12:00 Lunch
- 1:15 CDM Linkages to Broader Climate Treaty Issues
Discussion leader: Karl Hausker, Tata Energy Research Institute
- 2:00 Next Steps and the Future of the Dialogue, Mr. K.P. Nyati, Senior Adviser, Environment Division, CII, and Hon. Katie McGinty, Former Chair, Council on Environmental Quality and Senior Visiting Fellow, Tata Energy Research Institute
- 2:30 Adjourn

*****invited***

Sponsored by the Confederation of Indian Industry
With support from the United States Agency for International Development

30B-1

INDO-US BUSINESS DIALOGUE ON THE CDM**May 20-21, 1999****Washington, DC**

Goal of the Dialogue: To provide an opportunity for leading Indian and US businesses to share views and experiences on the Clean Development Mechanism. To forge a partnership among these business leaders in support of the CDM. To demonstrate the economic and environmental opportunities presented by the CDM and thereby to encourage governments to support the CDM and implement it efficiently and effectively.

Progress to Date:

March, 1999—The Confederation of Indian Industry launched a new “Climate Change Information Center.” Mr. RV Shahi, CEO of BSES, Inc. will serve as the chairman of the Climate Change Information Center.

April 6, 1999—CII holds first major conference on climate change to introduce senior managers of Indian industry and financial institutions to the CDM. Conference kicked off by Ambassador Richard Celeste and chaired by Mr. RV Shahi.

April 28, 1999—CII inaugurates Climate Change Information Center and the Indo-US Business Dialogue at their Annual General Meeting, a very high profile event attended by Prime Minister, Members of the Cabinet, leaders of Indian Industry. Presentations on the CDM by Mr. RV Shahi; Mr. KN Shenoy, President of ABB-India; Mr. John Palmisano of Enron; Mr. Tom Jacob, President of South Asia Operations of DuPont, and Mr. K Roy Paul, Additional Secretary, Ministry of Environment and Forests.

The Business Dialogue:

When: May 20-21st, 1999 (CEOs on the 20th; senior executives on the 21st)

Where: Washington, DC

Venue: US Chamber of Commerce Building, 1615 H Street, Washington DC

Principal Participants: 8-10 Indian and 8-10 US CEOs/Presidents/Senior VPs

****Confirmed Indian Companies:**

Mr. Rahul Bajaj—Chairman, Bajaj Auto Ltd. and President, CII

Mr. RV Shahi—Chairman & Managing Director, BSES Ltd.

Mr. KN Shenoy—Chairman, ABB Ltd.

Mr. Arun Bharatram—Vice Chairman & Managing Director, SRF Ltd.

Mr. Rajesh Shah—CEO, Mukand Steel and Immediate Past President, CII

Mr. Balasubramanian, President, RPG Power Corporation

Mr. Arun Nanda—President, Mahindra Group

Mr. Datta Roy-General Manager, DCM Shriram

Mr. Pandey-General Manager, BSES Ltd.

****Additional Invited Indian Companies Include:**

Mr. MA Pathan—CEO, Indian Oil Company

Mr. KV Kamath—President, ICICI

Mr. Manu Seth—CEO, Tata Chemicals

***all are among the largest companies in India*

30C

Confirmed US Companies:

Mr. Charles Bayless—CEO, Illinova
Mr. Ralph Peterson—CEO, CH2M Hill
Mr. Tom Casten—CEO, Trigen
Mr. Richard Sandor—CEO, Environmental Financial Products
Mr. Frank Cassidy, President and CEO, PSEG Energy Technologies
Mr. Jeff Miller—Partner, Beacon Group
Mr. Tom Dreesen—CEO, EPS
Mr. Lee McIntyre—President, Bechtel
Mr. Henri-Claude Bailly— Vice Chairman, Hagler Bailly Inc.
Mr. Dale Heydlauff—Senior VP, American Electric Power
Mr. Larry Washington—Senior VP, Dow
Mr. Michael McAdams—Gen Mgr, Federal Govt Affairs, BP Amoco
Mr. John Palmisano—Director Environmental Policy and Compliance,
Enron
Mr. Steve Ward—VP, Government Affairs, Shell Oil
Mr. Steve Harper—Government Affairs Manager – EHS, Intel
Ms. Sharon Kneiss—Federal Relations Representative, Chevron
Mr. Mike Mullin—Holnam Cement
Mr. Richard Innes—Browning Ferris Industries
Mr. Jonathan Lash—President, World Resources Institute
Additional Invited US Companies Include:
Mr. Bill Ford or Mr. Jac Nasser--Ford Motors

Note also that Mr. Larry Summers, Deputy Secretary of the Treasury, Mr. TJ Gauthier, Deputy Secretary of Energy, Senator John Chafee, Chairman Senate Committee on Environment and Natural Resources, and Senator Joseph Lieberman are confirmed to address the group.

30C-1

Please fax reply no later than May 13 to:
Mrs Kiran Pasricha, CII
Fax: 703 841 3309

Indo-U.S. Business Dialogue on the Clean Development Mechanism
CEOs' Washington Roundtable
U S Chamber of Commerce Building
1615 H Street, N.W., Washington, D.C.
May 20-21, 1999

REPLY FORM

I will attend :

May 20 Session

May 20 Reception

May 21 Session

Name

Title

Organization

Address

Phone Fax Email

30D

Folder Profile	
Control #	1999-007248
Name	Letter to Secretary Richardson from Joe Hillings (Enron)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Enclosed is a copy of the Press Release on Dabhol Power Project the financial close of Phase II (Rec'd in ES 5/11)
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	5/10/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	ALSTONL 202 586-5914 Alston, Lisa
Action Office #	
Assigned To	Bill Richardson
Date Due	
Date Completed	5/13/99

31

1999-007248 MAY 11P 3:51

**ENRON, WASHINGTON
TRANSMITTAL SHEET**

1775 Eye Street, NW
Suite 800
Washington, DC 20006
202-466-9145
202-827-3372 (fax)
jhillin@enron.com

TO: The Honorable William Richardson

FROM: Joe Hillings

DATE: 5/10/99

RE: Press Release on Dabhol Power Project

Dear Mr. Secretary -

I thought the attached release on the financial close of Phase II of our Dabhol, India facilities would be of interest to you.

Best regards,

Encl.

[Handwritten signature]

31A



Enron Corp.
P. O. Box 1185
Houston, TX 77251-1185

News Release

Kelly Kimberly
(713) 646-6416

FINANCING COMPLETE, CONSTRUCTION COMMENCES ON SECOND PHASE OF DABHOL POWER PROJECT

FOR IMMEDIATE RELEASE: Thursday, May 6, 1999

HOUSTON – Enron International, a wholly owned subsidiary of Enron Corp., announced today the financial close of the US \$1.87 billion second phase of the Dabhol Power project, located in the state of Maharashtra, India. Construction on the 1,624 megawatt (gross) second phase will begin immediately.

"This is a truly remarkable accomplishment," said Joseph W. Sutton, chairman and CEO of Enron International. "We are extremely pleased to complete the largest energy infrastructure project financing in India. This is a complex project and the strong combination of Indian and international financial institutions and project partners clearly demonstrates Enron's and India's ability to complete large infrastructure projects."

The primary construction contractors for the second phase are affiliates of Enron, Bechtel and GE. The second phase will use natural gas with long term supplies secured from Oman and Abu Dhabi. Commercial operation of the second phase is scheduled to occur in late 2001.

"Financial close of the second phase realizes Enron's goal of bringing natural gas to the West Coast of India," added Mr. Sutton. "We are proud to have Dabhol as Enron's flagship project in India and look forward to participating in future integrated energy opportunities in the country."

The US \$1.87 billion financing includes five loans totaling US \$1.414 billion and an equity investment totaling US \$452 million.

Indian financial institutions, with the Industrial Development Bank of India (IDBI) acting as lead arranger, provided rupee loans equivalent to US \$333 million. The participants in the

rupee loans are IDBI, ICICI Ltd., State Bank of India (SBI), the Industrial Finance Company of India Ltd. and Canara Bank.

Commercial banks, acting as global coordinators for a US \$497 million syndicated loan are SBI, ABN AMRO, Credit Suisse First Boston (CSFB), ANZ Investment Bank and Citibank N.A. Canara Bank, Bank of America, Development Bank of Singapore and Credit Lyonnais acted as senior lead arrangers for this loan. The Overseas Private Investment Corporation (OPIC) also provided US \$60 million in project finance loans.

An export credit loan of US \$433 million was arranged by the Japanese Export Credit Agency (ECA) providing US \$258 million and commercial banks providing US \$175 million. The commercial banks are insured by the Japanese Ministry of International Trade and Industry (MITI). Fuji Bank is the agent for the US \$433 million loan from the Japanese ECA. In addition, an export credit of US \$90.8 million was provided by a syndicate loan of US \$90.8 million from commercial banks. This loan is insured by Office Nationale du Ducroire, Belgium (OND), and ABN AMRO is the agent for the commercial banks providing this loan. Both export credits were provided guarantees by Indian financial institutions.

The first phase of the project, 826 megawatts (gross), completed financing in December 1996 and is expected to commence commercial operation in May 1999. A multi-fuel facility, the plant is capable of using either naphtha or distillate in the first phase and will use natural gas once the second phase is complete. Electricity produced will be sold to the Maharashtra State Electricity Board (MSEB) under a 20-year power purchase agreement.

The first phase is a joint venture among affiliates of Enron (50 percent), MSEB (30 percent), Bechtel Enterprises Holdings, Inc. (10 percent) and GE Capital Structured Finance Group (10 percent). Partners in the second phase and their current ownership interests are Enron (80 percent), Bechtel Enterprises Holdings, Inc. (10 percent), and GE Capital Structured Finance Group (10 percent). MSEB has the option to acquire 30 percent of the second phase of the project from Enron's current 80 percent interest.

Enron is one of the world's leading integrated electricity and natural gas companies. The company, which owns approximately \$30 billion in energy related assets, produces electricity and natural gas, develops, constructs and operates energy and water facilities worldwide and delivers physical commodities and risk management and financial services to customers around

3/B-1

the world. Enron's Internet address is www.enron.com, and the stock is traded under the ticker symbol, "ENE."

Bechtel Enterprises Holdings, Inc. is the development, financing and ownership arm of the Bechtel organization, a premier engineering, construction and project management company. It is a leader in the privatized infrastructure market having developed more than 40 projects in the power generation, water and wastewater, transportation, pipelines and telecommunications sectors. Since 1990 alone, it has participated in project financings totaling more than \$15.5 billion. Bechtel's Internet address is www.bechtel.com.

GE Capital Structured Finance Group is an investor and provider of innovative financial solutions for clients in the global energy, commercial and industrial, communications, and transportation sectors. In the past five years, the company has structured and financed more than 200 transactions worth over US \$8 billion and has US \$10 billion in assets. The Structured Finance Group draws on the strength of GE Capital, a global, diversified financial services company with assets of over US \$300 billion, and General Electric Company, a diversified manufacturing, technology and services company with operations worldwide. GE Capital Structured Finance Group's Internet address is www.sfg.ge.com.

The Maharashtra State Electricity Board is a statutory body created by the Government of Maharashtra under the Supply Act 1948. MSEB came into existence with the formation of the state in 1960. MSEB is responsible for the integrated development of power generation, transmission and distribution in the entire state. It has 12,257 megawatts installed capacity, which is highest in the country. Of this, 70 percent electricity is generated by MSEB.

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31B-2

Folder Profile

Control #	1999-007372	Name	Letter to Secretary Richardson from E. Joseph Hillings, Enr
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Appreciates Secretary Richardson continued interest and support of the Dabhol Power Facility project (Rec'd in ES 5/13/99)		
Topical Index			
Signature/Approval	NA	RIDS Information	Head of Agency
Action Requested	Prog Determination	Sensitivity	Not Applicable
Special Instructions			
Assigned To	PO		
Date Due			
Date Completed	5/19/99		

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E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, DC 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

1999-007372 5/13 1:20

May 13, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

Dear Secretary Richardson:

I am advised the Dabhol power facility has begun delivery of power to the Maharashtra State Energy Board. The official dedication will be June 5, 1999. We mailed a press release last week stating financing for phase II of the Dabhol power facility was completed.

Enron India is involved in the development of a natural gas pipeline which will give India the opportunity to provide natural gas on the western side of the nation as well as an interconnection with other natural gas pipelines. We continue to pursue other opportunities through potential acquisitions which for commercial reasons are confidential.

We appreciate your continued interest and support.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Joseph Hillings". It is written in a cursive style with a large, stylized initial "E".

Natural gas. Electricity. Endless possibilities.™

32A

Folder Profile

Control # 1999-007552	Name Fax to Secretary Bill Richardson from Marty Spitzer, Preside
Priority Important	Folder Trigger Invitation
DOE Addressee Bill Richardson	Source PM-O
Subject Text Invites the Secretary to attend festivities celebrating the accomplishments of the President's Council on Sustainable Development (PCSD), Thursday, May 20th 6 -8pm at the Hotel Washington, Wash., DC	Correspondence Date 5/14/99
Topical Index Meeting Request	RIDS Information Head of Agency
Signature/Approval NA	Sensitivity Not Applicable
Action Requested Appropriate Action	Classification None
Special Instructions Info:ES/Carpenter	Point of Contact GORHAMO 202-586-8637 Gorham, Octavia
	Action Office #
	Assigned To OS/Frankenberg
	Date Due
	Date Completed 5/19/99

UU/55Z 5/17/99 2:21pm

PRESIDENT'S COUNCIL ON
SUSTAINABLE DEVELOPMENT

730 Jackson Place, NW Washington, D.C. 20503

FAX TRANSMITTAL

Date: 5/14/99

To: Council members
From: Marty Spitzer

Pages including cover 1

MEMBERS

Fax

<u>Number:</u>	
Mr. John Adams	(212) 633-6935
The Hon. Aida Alvarez	(202) 205-6802
Mr. Ray C. Anderson	(770) 437-6822
The Hon. Bruce Babbitt	(202) 208-6956
The Hon. D. James Baker	(202) 408-9674
Mr. Richard Barth	(212) 877-7562
Mr. Scott Bernstein	(773) 278-3840
The Hon. Carol M. Browner	(202) 260-0279
Mr. David T. Buzzelli	(517) 638-9397
Mr. Richard Clarke	(415) 973-8808
The Hon. Andrew Cuomo	(202) 708-2476
The Hon. William M. Daley	(202) 482-2741
Ms. Diaane Dillon-Ridgley	(212) 973-0335
Mr. E Linn Draper, Jr	(614) 223-1599
Mr. George Frampton	(202) 456-2710
Mr. Randall Franke	(503) 588-5237
The Hon. Daniel Glickman	(202) 720-2166
The Hon. Sherri Goodman	(703) 693-7011
Mr. Jay D. Hair	(206) 583-8500
Mr. Samuel C. Johnson	(414) 260-3414
Mr. Fred Krupp	(212) 505-2375
Mr. Jonathan Lash	(202) 729-7616
Mr. Kenneth Lay	(713) 853-5313
Mr. Harry J. Pearce	(313) 667-3111
Mr. Steve Percy	(303) 668-9774
Ms. Michele Perrault	(415) 977-5799
The Hon. Bill Richardson	(202) 586-7644
The Hon. Richard W. Riley	(202) 401-0596
The Hon. Richard E. Rominger	(202) 720-5437
The Hon. Susan Savage	(918) 596-9010
Mr. John C. Sawhill	(703) 841-8796
The Hon. Rodney Slater	(202) 366-7202
Mr. Theodore Strong	(503) 235-4228

cc: PCSD Liaisons

If you have trouble receiving this transmission,
please call (202) 408-5296

**PRESIDENT'S COUNCIL ON
SUSTAINABLE DEVELOPMENT**

730 Jackson Place, NW Washington, D.C. 20508

NOTE TO: PCSD Members and Staff
PCSD Task Force Members
Council on Environmental Quality Staff
Global Environment & Technology Foundation Staff
Department of Energy Support Staff
Friends of the PCSD

FROM: *Marty* Marty Spitzer and the Entire PCSD Staff

SUBJECT: Let's Celebrate the Accomplishments of the PCSD

DATE: May 14, 1999

Please join us next Thursday, May 20th from 6:00 - 8:00 p.m. (stay later if you wish) at the Hotel Washington in Washington, DC for a celebration of the success, collaboration and friendships that have emerged from the PCSD. The festivities will take place on the roof patio called the Sky Terrace.

The Hotel Washington is located at the corner of 15th and Pennsylvania Avenue NW. We have reserved the North end of the patio for the festivities.

It will be a cash bar, with complimentary hors d'oeuvres.

For anyone wondering, the PCSD new report "Towards a Sustainable America" is now on our web site, and will soon be mailed to PCSD members and staff as well as all task force members. Others interested in receiving a copy should call 1-800-363-3732.

We look forward to seeing you next week!

Marty



Printed on Recycled Paper

33B

Folder Profile

Control #	1999-008171	Name	Letter to Secretary Bill Richardson from E. Joseph Hillings (
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Encloses a copy of "The APEC Energy Services Matrix: A Useful Starting Point for WTO Negotiations on Energy Services"(Rec'd in ES 5/28/99)		
Topical Index			
Signature/Approval	NA	RIDS Information	Head of Agency
Action Requested	Sensitivity Not Applicable		
Information Only	Classification	None	
Special Instructions	Point of Contact BLAKES		
S-1 cprtesy copy of a letter addressed to Ms. Gloria Blue, USTR.	0577	Blake, Shena	
	Action Office #		
	Assigned To	PO	
	Date Due		
	Date Completed	6/7/99	

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E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, D.C. 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

VIA MESSENGER

May 26, 1999

Ms. Gloria Blue
USTR
Winder Building
600 17th Street, N.W.
Room 122
Washington, DC 20506

Dear Ms. Blue:

On behalf of the Energy Services Coalition, enclosed please find one original and twenty copies of "The APEC Energy Services Matrix: A Useful Starting Point for WTO Negotiations on Energy Services" which we would like to submit for consideration in the upcoming WTO negotiations.

In addition, please find a letter to Ambassador Barshefsky dated May 26, 1999 and of the 21 current members of the Energy Services Coalition.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Joseph Hillings". The signature is fluid and cursive, with "E." at the top, followed by "Joseph" and "Hillings" below it.

Endl.

AMENDED 5/27/99 4:00 PM
VIA MESSENGER

Energy Services Coalition
c/o Enron Corp.
1775 Eye Street, NW
Suite 800
Washington, DC 20006

May 26, 1999

The Honorable Charlene Barshefsky
US Trade Representative
Office of United States Trade Representative
600 17th Street, NW
Room 209
Washington, DC 20508

Dear Ambassador Barshefsky:

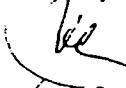
A growing group of American energy companies, associations and national organizations has been meeting to discuss the importance to our nation of pursuing liberalized trade provisions for energy services in the World Trade Organization services negotiations, GATS 2000.

Your agency with the help of Don Phillips, Don Eiss, Joe Diamond, Carol Balassa, Barbara Norton, and Bill Greene have pursued energy liberalization in the APEC process which continues to address these opportunities to open energy markets in Asian economies. The recent statement by the Prime Minister of Japan advocating continued discussions to promote energy restructuring and deregulation of the energy industry in Japan was welcomed and should be helpful in achieving the US position as the APEC process continues. We desire that you aggressively continue these efforts.

Now that the 135 members of the World Trade Organization are planning their agendas for the upcoming Seattle Ministerial launching the GATS 2000 services negotiations, our group of energy companies, associations and organizations would recommend a strong United States position on liberalizing non-tariff barriers to energy services. As state-owned vertically integrated energy companies around the world become disaggregated and privatized and regulations liberalized, economic activities which we consider services will be developed and supplied by independent operators under competitive conditions. These should now be included in multilateral trade negotiations. We would strongly urge you to include the attached matrix definition of energy services which we consider to be accurate and complete. This matrix is the product of the APEC EVSL exercise, suggesting that a consensus of support for this definition of energy services may already exist among the 21 members of APEC. Some countries may seek to define energy services in more constrictive ways than we would, and exclude coverage under the GATS for some American energy services companies who are global leaders in this sector.

Therefore, we ask you to pursue this issue with continued diligence and offer our support and assistance as a functioning energy resource group.

Sincerely,



Encl.

34B

American Wind Energy Association
ARCO
Capitol Strategies
The Chevron Companies
Consolidated Natural Gas Company
Edison Electric Institute
EDS
El Paso Energy
Enron Corp.
General Electric
International Association of Drilling Contractors - IADC
Interstate Natural Gas Association of America - INGAA
International Gas Center
Independent Petroleum Association of America - IPAA
National Foreign Trade Council - NFTC
New York Mercantile Exchange
Pacific Economic Cooperation Council - PECC
Sarkeys Energy Center, University of Oklahoma
United States Energy Association - USEA
US Chamber of Commerce
US ASEAN Council
United States International Business Council - USIBC
Westinghouse

34B-1

cc: The Honorable Madeleine Albright
The Honorable David Aaron
The Honorable Peter Bass
Mr. Sandy Berger
Mr. Ray Bragg
Ms. Helen Burroughs
The Honorable Mike Copps
The Honorable Bill Daley
The Honorable Stu Eizenstat
Mr. Bob Kyle
The Honorable Alan Larson
Ms. Josephine Ludolph
The Honorable Bill Richardson
Mr. Gene Sperling
The Honorable John Wolf

The Honorable Max Baucus
The Honorable Jeff Bingaman
The Honorable John Breaux
The Honorable Tom Daschle
The Honorable Pete Dominici
The Honorable Phil Gramm
The Honorable Charles Grassley
The Honorable Kay Bailey Hutchison
The Honorable Trent Lott
The Honorable Don Nickles
The Honorable Frank Murkowski
The Honorable Bill Roth

The Honorable Bill Archer
The Honorable Tom Bliley
The Honorable Phil Crane
The Honorable John Dingell
The Honorable Charles Rangel

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**MEMBERS OF THE ENERGY SERVICES COALITION
SIGNING ON TO THE LETTER TO AMBASSADOR BARSHEFSKY:**

Mr. Jaime Steve
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202-383-2500
Fax: 202-383-2505
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Capitol Strategies
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E-Mail: jhillin@enron.com

Mr. Tim Richards
Senior Manager International Trade & Policy
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Washington, DC 20004
202-637-4407
Fax: 202-637-4300
E-Mail: richartj@dc.corp.ge.com

34b-3

Folder Profile

Control #	1999-008659	Name	Letter to EE/Reicher from Representative David Minge
Priority	Important Critical	Folder Trigger	Letter
DOE Addressee	EE	Source	CR
Subject Text	Encourages the Department to continue supporting the Minnesota Valley Alfalfa Producers (MNVAP) and the development of farm-grown biomass energy Systems in Minnesota (Rec'd in ES 6/9/99)	Correspondence Date	6/1/99
Topical Index		RIDS Information	Head of Agency
Signature/Approval	EE	Sensitivity	Not Applicable
Action Requested	Prepare Response	Classification	None
Special Instructions	CI concurrence required.	Point of Contact	POLICYC 202 586-5089 INACTIVE
		Action Office #	
		Assigned To	EE
		Date Due	7/6/99
		Date Completed	8/12/99

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Department of Energy

Washington, DC 20585

1999-008659

AUG 12 1999

The Honorable David Minge
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Minge:

Thank you for your letter of June 1, 1999, which requests consideration of viable options to the original scope of the Department of Energy's cooperative agreement with the Minnesota Valley Alfalfa Producers (MnVAP) on a biopower gasification project.

As stated in your letter, the decision by the Enron Capital and Trade Resources Corporation to terminate its participation in this project as MnVAP's development partner has adversely affected the ability of MnVAP to successfully pursue the original scope of work. As a result of a meeting on May 5-6, 1999, the Department accommodated MnVAP's request to find a replacement equity partner in order to continue with the original scope of work. The Department met again with MnVAP representatives on June 21, 1999 to discuss the viability of the continuation of this cooperative agreement. Based on these discussions, the Department has determined that it can no longer participate in this cooperative agreement. Since the Energy and Water Development Appropriation provides one-year funds, we are very limited in the amount of time that we can allow an awardee, such as MnVAP, to develop a mutually acceptable and viable option. In a June 23, 1999 letter from our Golden Field Office, MnVAP was notified of this decision.

The Department's ability to pursue other alternative options as proposed in your letter are limited by two primary factors. The first, which I have previously mentioned, is the fact that Congress has recently imposed a very rigorous requirement that all appropriated funds for a given year must be obligated during that same year. This reduces DOE's ability to respond to circumstances when funds become available late in the year, due to changes or deviations from current year plans. Secondly, we are required by regulation to compete our financial assistance work to the maximum extent feasible in order to receive best value for the public. This means that a significant deviation in the original scope would typically require a competitive selection. Unfortunately, MnVAP's request to alter the agreement, such as a biomass co-firing project versus a biomass gasification project constituted a significant change. In this regard, we wish to inform you that through our Golden Field Office, the Department will soon be issuing a competitive financial assistance solicitation for biomass co-firing projects. Upon its release, information regarding this solicitation will be available on their website, www.eren.doe.gov/golden/solicitations.html. If MnVAP has an interest in competing for an award, we encourage them to submit an application for this solicitation.



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I share your viewpoint on the importance of bioenergy to the Nation's future. If you have further questions, please contact me or have a member of your staff contact Ms. Martha Oliver, Office of Congressional and Intergovernmental Affairs, at (202) 586-2764.

Sincerely,



Dan W. Reicher
Assistant Secretary
Energy Efficiency and Renewable Energy

Congressman Minge:

I'm sorry that this project has run into difficulties. I hope that an alternative can be worked out that is consistent with public requirements. Your efforts are very much appreciated.

Sincerely,
Dan Reicher

35A-1

DAVID MINGE
2ND DISTRICT, MINNESOTA
1415 LONGWORTH BUILDING
WASHINGTON, DC 20515
(202) 225-2331

MAIL: WWW.HOUSE.GOV/WRITEREP



COMMITTEE ON AGRICULTURE
GENERAL FARM COMMODITIES
FORESTRY, RESOURCE CONSERVATION
AND RESEARCH

COMMITTEE ON THE BUDGET

UNITED STATES
HOUSE OF REPRESENTATIVES
June 1, 1999

The Honorable Dan Reicher
Assistant Secretary of Energy
Forrestal Building -- 1000 Independence Ave. SW
Washington, DC 20585

Dear Assistant Secretary Reicher:

I am writing to encourage the Department of Energy (DOE) to continue supporting the Minnesota Valley Alfalfa Producers (MnVAP) and the development of farm-grown biomass energy systems in Minnesota. Over the past four years, MnVAP has been developing the Minnesota Agri-Power (MAP) Project, a 75-megawatt biomass power plant that would use alfalfa stem pellets as its primary fuel source. This work could not have been accomplished without the financial support of DOE through the Biomass Power for Rural Development Program.

Unfortunately, MnVAP's development partner, Enron Capital and Trade Resources Corporation, terminated its participation in the project in April, 1999. I have been told by MnVAP staff that Northern States Power Company (NSP) remains committed to the MAP Project to satisfy a portion of the Minnesota Biomass Mandate, and that MnVAP and Great River Energy staff are working hard to replace Enron. Given the project's regulatory difficulties and the resulting impacts on the project schedule and budget, however, MnVAP may not be able to secure a satisfactory agreement with a new developer and co-owner.

As an alternative to developing the MAP Project, MnVAP is exploring the option of selling alfalfa stem fuel directly to NSP for co-firing biomass fuel with coal in existing NSP power plants. NSP has agreed to begin negotiation of a fuel supply agreement in June, 1999. Upon completion of negotiations, NSP will determine whether it prefers the fuel supply agreement or the existing power purchase agreement between MnVAP and NSP.

I strongly support the co-firing option. If implemented, it will demonstrate the viability of dedicated energy crops; and it will achieve greater environmental benefits than the MAP Project at less cost because the biomass will directly displace coal in existing power plant operations. In addition, the co-firing option will enable MnVAP to construct and operate four alfalfa processing facilities in western Minnesota to process more than 450,000 tons of alfalfa per year. The farmer income and rural economic benefits of MnVAP's enterprise are desperately needed.

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TOLL FREE 1-(800)-453-9392

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CHASKA, MN 55318
(612) 448-6567

(COURTHOUSE SQUARE)
938 FOURTH AVENUE
P.O. BOX 367
WINDOM, MN 56101
(507) 831-0115

36

I also understand that the co-firing option would require substantially less DOE funding than the MAP Project because there would be no federal contribution toward the capital cost of a new power plant. Instead, DOE would be asked to support only fuel supply development, co-fire testing and retrofits in NSP power plans, and project management. This appears to be the most cost-effective approach to accomplishing the purposes of the Biomass Power for Rural Development Program.

MnVAP and DOE have invested a great deal in the MAP project, and much of this investment has been in fuel supply development. Whether MnVAP moves forward with the MAP Project or the co-firing option, the investment in fuel supply development will not be wasted. (The investment would only yield no return if MnVAP is not allowed to bring either option to fruition.)

I have been informed that DOE has already suspended its financial support for fuel supply development and other MAP Project tasks, and DOE has indicated that it may terminate all funding effective June 18, 1999. The funding suspension has created a financial hardship for MnVAP because MnVAP has chosen to continue at its own expense some of the tasks disqualified by DOE. The pending termination date creates a counter-productive urgency to make quick decisions and commitments. Further, DOE has rejected MnVAP's request for cost-share reimbursement of engineering and other expenses necessary to develop the co-firing option, which may be the best opportunity to realize a tangible return from DOE's and MnVAP's investment in the MAP Project. I am disappointed by these decisions, and I ask that you reconsider them.

I appreciate that the questionable status of the MAP Project creates uncertainty for the direction of the DOE biomass power program, but I hope you are able to provide MnVAP enough time and support to develop a viable option. Specifically, I suggest that you consider restoring funds for fuel supply development, funding tasks related to the co-firing option, and extending the funding termination date to September 30, 1999.

On behalf of MnVAP and the farmers of western Minnesota, thank you for DOE's past support.

Sincerely,

DAVID MINGE
Member of Congress

DM:rmb

36-1

Folder Profile	
Control #	1999-009482
Name	Action memo to the Secretary requesting signature on letter
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Fourth Hemispheric Energy Ministers Conference
Topical Index	
Signature/Approval	Bill Richardson
Action Requested	Approval/Signature
Special Instructions	
Folder Trigger	Internal Memo
Source	AM
Correspondence Date	6/24/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYA 202 586-5064 Atcherson, Bettie
Action Office #	
Assigned To	PO
Date Due	
Date Completed	6/29/99



Department of Energy
Washington, DC 20585

JUN 24 1999

1999-009482

MEMORANDUM FOR THE SECRETARY

FROM: *for* Calvin R. Humphrey *J. Javello*
Acting Assistant Secretary
Office of International Affairs

SUBJECT: Fourth Hemispheric Energy Ministers Conference

BACKGROUND: Ken Lay has agreed to participate in the CEO Roundtable during the Fourth Hemispheric Energy Ministers Conference. The attached letter thanks Mr. Lay for accepting your invitation.

SENSITIVITIES: None

RECOMMENDATION: That you sign the letter.

APPROVE: _____

DISAPPROVE: _____

DATE: _____



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37A



The Secretary of Energy
Washington, DC 20585
June 29, 1999

1999-009482

Mr. Kenneth L. Lay
Chairman and Chief Executive Officer
ENRON
1400 Smith Street
Houston, Texas 77002

Dear Mr. Lay:

I was pleased to learn from Jeff Skilling and Joe Hillings that you will participate in the CEO Roundtable at the IV Hemispheric Energy Ministers Conference in New Orleans, Louisiana, on July 28-30, 1999. I will chair the Roundtable, which takes place on Thursday, July 29, from 5:00 to 6:30 p.m. It will be held at the site of the Energy Ministers Conference, the Inter-Continental Hotel.

Energy Ministers from the Western Hemisphere are meeting for the fourth time to advance commitments made in the Summits of the America process. The objective of the New Orleans meeting is to develop a vision of the energy infrastructure required in the 21st century. We will focus on strategies to enhance clean energy, opportunities for regional market integration, and further transition to a market-oriented business climate.

As indicated in the enclosed draft agenda, Government-to-Government meetings will take place on Friday, July 30. Thursday, July 29, is designed to encourage interaction among Ministers, other senior Government officials, and senior business and financial officials. Thursday's schedule includes nine roundtable discussions on important issues facing the energy sector today. Each of the nine roundtables will be led by one of the participating Ministers.

The CEO Roundtable will be held at the end of the first day of the Conference, and I am confident that it will provide valuable insight and commentary. I am extending invitations to a small number of CEOs representing various aspects of the energy sector and different regions of the Hemisphere. The purpose is to share views on the unique challenges and issues faced by the private sector in meeting energy infrastructure challenges in the next century. Several hundred individuals from Government and business will be in the audience. All Energy Ministers attending the Conference are invited to attend this Roundtable.

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The CEO Roundtable will be divided into two parts. During the first hour, each CEO will be asked to present their personal perspectives in a five-minute presentation of the challenges and opportunities in meeting energy infrastructure needs in the next century. These presentations are followed by a discussion between the CEOs and Ministers.

I believe the CEO Roundtable presents a unique opportunity to build a stronger private and public partnership to further advance the Hemisphere's energy development.

I appreciate Enron's support of the Ministerial, and I look forward to seeing you in New Orleans. For further information, please contact Mr. Matt Willis, Special Assistant, Office of International Affairs, at (202) 586-6326.

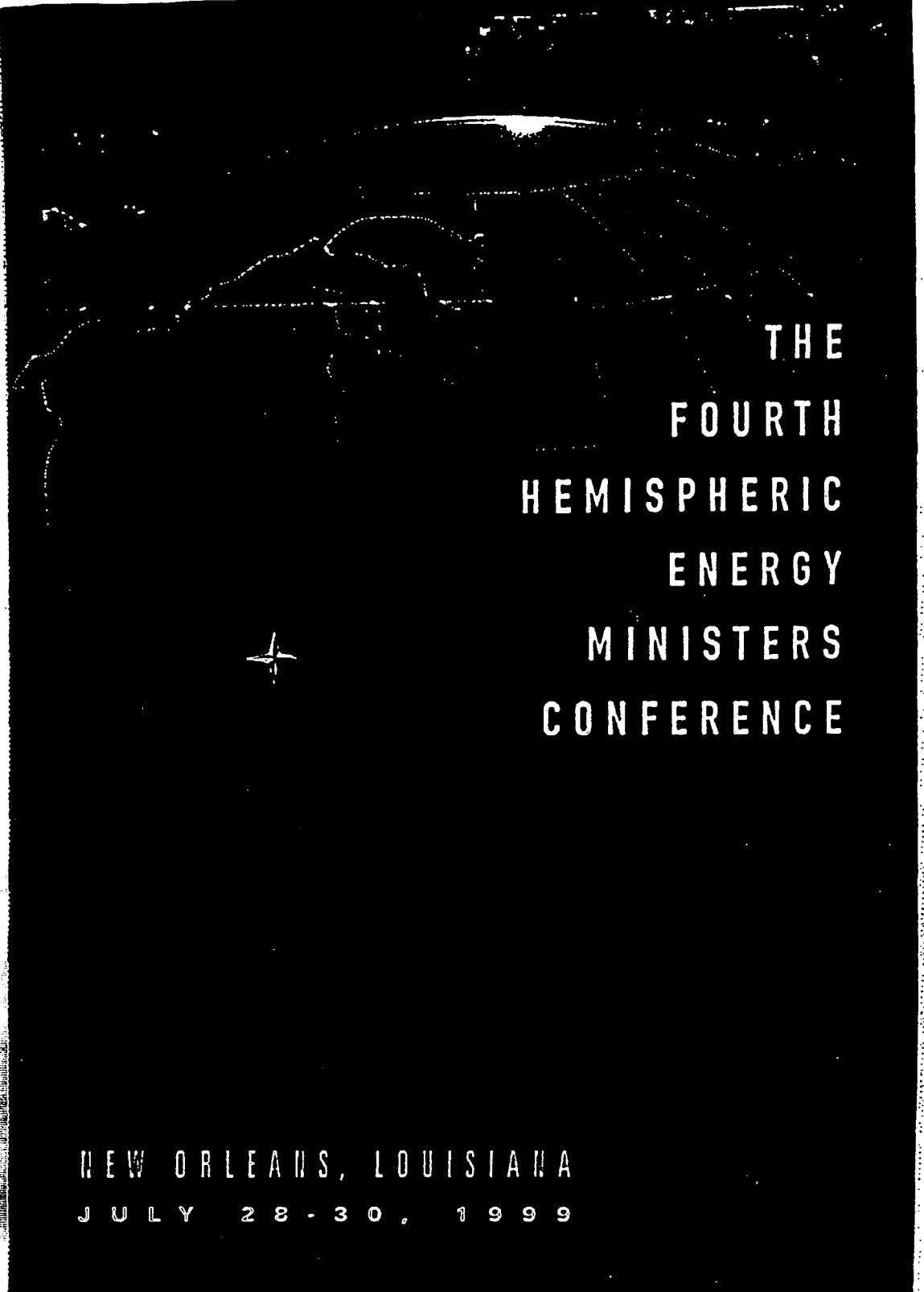
Yours sincerely,



Bill Richardson

Enclosure





THE
FOURTH
HEMISPHERIC
ENERGY
MINISTERS
CONFERENCE

NEW ORLEANS, LOUISIANA
JULY 28-30, 1999

37C

Folder Profile

Control # 1999-009574

Name Letter to Secretary Richardson from Peter Hakim (Inter-Agency)

Priority Important

Folder Trigger Fax Message

DOE Addressee

Bill Richardson

Source PM-O

Subject Text

Informs the Secretary that Carlos A. Rosales has been appointed Secretary of Communications of El Salvador in the new administration of President Francisco Flores will be taking leave of absence 6/25

Topical Index**Signature/Approval** NA**Action Requested** Prog Determination**Special Instructions**

Correspondence Date 6/25/99

RIDS Information Head of Agency

Sensitivity Not Applicable

Classification None

Point of Contact NURI

202 586-1921 Nuri, Khalil

Action Office #

Assigned To

IA

Date Due

Date Completed 6/28/99

38

F.01/02

ENRON, WASHINGTON TRANSMITTAL SHEET

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202-827-3372 (fax)
jhillin@enron.com

TO:
The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

202-586-7844 (fax);
202-586-4403 (fax)

cc: Ms. Rebecca Gaghen
David Pumphrey
Henry Santiago

202-586-0148 (fax)
202-586-0017 (new fax)
202-586-0013 (fax)

FROM: Joe Hillings
DATE: 6/25/99
RE: *Enron Project Development in Venezuela*

Dear Mr. Secretary:

Attached are talking points on our operations in Venezuela prepared by our Houston headquarters group concerned with project development in Venezuela. This is being submitted at the request of your office.

We thank you for your interest and support.

Sincerely,



Encl.

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ENRON'S VENEZUELAN LNG PROJECT AT JOSE

Enron's LNG efforts in Venezuela started formally in October 1996 with the signing of a Joint Study Agreement between a PDVSA affiliate and Enron. Various LNG export options were reviewed in the study and finally PDVSA/Enron agreed to go forward with a pipeline gas supply approach, in which PDVSA was the gas and site supplier for the project and Enron the owner and operator of the LNG terminal. No upstream gas reserve development or exploration is required. It was also decided in the study that the appropriate location for the project was at PDVSA's Jose Industrial Complex in Eastern Venezuela, the new site of all major heavy crude, cryogenic and petrochemical projects in the country (Enron is also constructing an LPG - extraction facility for PDVSA there). In April 1998, PDVSA-Gas and Enron signed a Heads of Agreement that included all key commercial terms for the gas supply, gas transportation and site and pier use for the project.

For the past 15 months, Enron and PDVSA-Gas have focused in negotiating the Gas Sales Agreement ("GSA") and the Site & Pier Agreement ("SPA"), which are the two core documents required to sell LNG in the international market. Enron is now in the final stages of the negotiation to complete the GSA. The targeted GSA completion date is mid-July, while Enron hopes to conclude the SPA by mid-August. For Enron, it is crucial to complete these two documents immediately. Without these documents, Enron can not commit to customers and potential LNG clients may commit to other non-Venezuela LNG suppliers.

The nature of the LNG market is such that the ability to place product in the market comes in windows or periods, in which potential clients look for long term energy supply commitments and once their needs are fulfill it takes a long time for markets to reopen again. Currently, there is a clear market window for significant LNG trade expansion in the Atlantic Basin, which is precisely the market targeted by Enron's Venezuelan LNG project. Venezuela, through PDVSA, is the clear market leader in this region and in order to avoid permanent displacement of its hydrocarbons by other countries, it needs to enter the LNG market competing with the others LNG suppliers. Enron's LNG project is the only option for Venezuela to accomplish a fast track marketing initiative to find value added outlets for Venezuela's immense gas reserves (approximately 143Tcf) in the region.

Enron's LNG project is particularly different from the rest of the LNG initiatives worldwide (including the discontinued Christobal Colon LNG project proposal offshore Venezuela) in that is designed to take advantage of current market conditions. The small scale (approximately 2/5 the size of most LNG developments) and simple structure (buying gas off the grid) shortens the development and marketing period and permits the use of existing LNG vessels, making the LNG a very competitive alternative fuel for regional customers. The estimated capital cost of the project is approximately US\$600MM and with the proper Venezuelan sponsorship -Executive, Ministry of Energy & Mines and PDVSA- could be financed and under construction by the end of this year. In addition, it is expected to maintain a work force of over 1,500 people during the 3 years construction period and 100 full-time direct operators for the remaining 20 years.

The project will provide significant hard currency earnings for Venezuela outside OPEC quotas; and demonstrate large-scale international investor confidence in the country's new direction.

Finally, it is also critical for the project that the Venezuelan government moves forward quickly in passing the enabling laws for the gas sector and the income tax regime. Both laws will have a significant impact in the project and will confirm that economically it makes sense for Enron to invest in this activity in Venezuela. In general, the gas law will have to clarify that non-PDVSA entities can be the direct exporter of gas and the income tax law will have to clarify that downstream gas activities will be taxed at 34% versus the 67% rate that generally prevails for the oil and gas sector.

38B

Folder Profile	
Control #	1999-009787
Name	Letter to Secretary Bill Richardson from Jeffrey K. Skilling (E)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Looks forward to a continued working relationship with DOE on energy policy (Rec'd in ES 7/1/99)
Topical Index	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	Info copy: PO
Folder Trigger	Letter
Source	PM-O
Correspondence Date	6/29/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	IA
Date Due	
Date Completed	7/13/99

39

1999-009787 Jul 1 A 9:43



Jeffrey K. Skilling
President and
Chief Operating Officer

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6894
Fax (713) 646-8381

June 29, 1999

The Honorable Bill Richardson
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585-0001

Dear Mr. Secretary:

I was pleased to have met with you, and I look forward to our continued working relationship on energy policy.

Like you, Enron Corp. remains committed to doing everything possible in order for this Congress to enact comprehensive federal electricity restructuring. I appreciate your offer to meet with various Members of Congress as necessary in order to gain their support for federal electricity restructuring legislation. In addition, it would be particularly helpful to build momentum if you would urge President Clinton to mention his strong desire for this Congress to enact electricity legislation.

We have long appreciated your support of our wind energy company, and are glad you recognize the need for Congress to extend the wind tax credit. The Senate Finance Committee is likely to include extension of the credit, but the House Ways and Means Committee may omit the provision making it a conference issue. Extension of the credit is a critical factor in allowing this type of renewable energy development, and your active support is vital.

As for Mexico, I was alarmed to hear about the risk to the early termination of the natural gas import tariff and have asked our Enron Oil and Gas people to raise it with IPAA.

Finally, we appreciate the Department's and your personal support for American corporations like ours doing business globally. I know from speaking to Ken Lay that he and the rest of our top-executives engaged in our extensive operations in the hemisphere look forward to playing an active role in the upcoming New Orleans Hemisphere Energy Ministerial conference.

Again, many thanks to you and your colleagues for the effective work you are doing to fully support the US energy industry.

Best regards,

A handwritten signature in black ink, appearing to read "Ken Lay".

xc: Ken Lay

Folder Profile	
Control #	1999-010674
Name	Letter to Secretary Richardson from Kathleen McGinty, TER
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Encloses information regarding Indo-US Business Dialogue on the Clean Development Mechanism (Rec'd in ES 7/20/99)
Topical Index	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/1/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	PRYORR
202 586-9588	Pryor, Rosemary
Action Office #	
Assigned To	PO
Date Due	
Date Completed	7/23/99

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**Indo-U.S. Business Dialogue on the Clean Development Mechanism
Washington, D.C.
20 – 21 May 1999**

Proceedings

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These proceedings were edited by Karl Hausker and Katie McGinty, Senior Visiting Fellows, Tata Energy Research Institute. They received invaluable input from Judith Barry with USAID/U.S. Asia-Environmental Partnership.



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1999-010674 7/20 10:05

July 1, 1999

TERI
Darbari Seth Block
Habitat Place
Lodhi Road
New Delhi - 110 003

Dear Colleague,

Thank you for joining us for the Indo-US Business Dialogue on the Clean Development Mechanism in Washington on May 20-21. Without question, you contributed invaluable to the success of the effort, and we are very grateful to you. We are forwarding to you today the final Dialogue proceedings. Also included in the proceedings is a complete list of all of those who did participate as well as the final "Next Steps" document.

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We were very pleased by the number of companies who joined us as well as with the extraordinarily positive and productive dynamic of the gathering. Aiming to involve ten Indian and ten US companies, the Dialogue as you know, nonetheless attracted more than forty such firms. And the resolve of those participating was impressive: the strongly held view that the CDM is an important "win/win" tool that can advance the interests of the developed and developing world alike; the common resolve to continue to engage in policy development with regard to the CDM so that it might be structured in an efficient and effective way; and the determination to put policy into practice by striving to identify and develop CDM projects now, even in advance of international rules being finally in place, were important conclusions of the Dialogue and contributions to the international effort on this front.

We would appreciate any further comments or thoughts you might have on the Dialogue. And, we would certainly welcome any interest you might have in joining with Indian partners to help fashion exemplary CDM projects.

With every good wish, we are

Sincerely Yours,

Kathleen A. McGinty
(Kathleen A. McGinty)

Karl Hausker
(Karl A Hausker)

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The participants agreed that the focus at this phase should be on partnerships and contractual arrangements, rather than on speculations as to the magnitude and future movement of a global carbon emissions market. It was felt that the Government of India could contribute to the effort and significantly advance its own desire to meet pressing environment and development challenges in India by establishing its own national framework that clearly identifies priority development sectors in which CDM-type projects would be welcome, and that concisely articulates approval processes that would apply to these projects. Participants strongly agreed that sustainable development priorities and greenhouse gas reduction priorities could be advanced simultaneously through well-designed CDM projects.

Business leaders agreed that the definitions of "additionality" and "baselines" that emerge from the international negotiations will be key determinants of the success of the CDM. They stressed that perfection is the "enemy of the good" with regard to the CDM: overly cumbersome or exacting methodologies will increase transaction costs and decrease the attractiveness of the CDM. It was underscored that simplicity and transparency are essential to a successful CDM system, and that calculations should be based on simple templates and benchmarking techniques.

Implementation of the CDM creates the opportunity for whole new businesses to emerge. Drawing on experiences gained in the financial sector, private enterprise has important expertise to offer as systems are designed to monitor, audit, and verify CDM projects. Dialogue participants noted that the CDM should draw on these private sector skills, rather than create new government agencies to perform every task.

Also critical to a successful CDM system, participants noted, are credits with solid legal standing that are well-defined and certifiable. It was noted that the specific allocation of credits between parties, including the period of time over which the credits are allocated, are most properly understood as contract variables that should be negotiated and agreed by the parties to the project, rather than set through a predetermined formula or rule. As an international market for trading carbon emissions develops, participants stressed that its rules and prices must be transparent and predictable.

Several new initiatives were noted during the course of the Dialogue. USAID, in partnership with the U.S. Energy Association and the International Utility Efficiency Partnership, Inc. noted the launch of an "International Climate Change Project Fund" to promote public-private partnerships and provide funds for pre-investment analysis of CDM-like projects in clean energy. USAID and the U.S.-Asia Environmental Partnership (USAEP) also unveiled their "South Asia Energy Initiative" aimed at promoting clean energy development and cooperation in South Asia and building institutional capacity in the region to participate in CDM. USAID and USAEP plan to host an inaugural conference on this subject in December, 1999 in India.

Finally, the International Finance Corporation (IFC) highlighted several of their new undertakings relevant to the CDM. Importantly, IFC underscored their keen interest in identifying and supporting CDM projects, and announced that they had now completed some 19 benchmarking templates aimed at standardizing and simplifying greenhouse gas calculations.

NEXT STEPS DOCUMENT

The Indo-U.S. Business Dialogue on the Clean Development Mechanism met in Washington, DC on May 20, 1999. Participants agreed that the threat of climate change is a global challenge, and that all nations will have to work in partnership to address it, while recognizing their "common but differentiated" responsibilities under the Framework Convention on Climate Change. The businesses stressed that industry around the world has a critical role to play in devising and implementing measures to mitigate the impact of global climate change, while sustaining healthy economic growth and development. In this regard, market-based strategies such as the Clean Development Mechanism offer promising opportunities for new investment flows and technology transfer. Through Clean Development Mechanism partnerships, sustainable economic growth can be catalyzed even while local and global environmental challenges are addressed.

For the Clean Development Mechanism to fulfill its promise, however, business participants underscored the need for streamlined and efficient procedures. To that end, the industry leaders resolved to work with governments involved in the international climate treaty negotiations to design appropriate and effective rules to govern the Clean Development Mechanism. The business leaders further expressed their belief that appropriate instruments should be developed to give due credit to Clean Development Mechanism projects, regardless of when or whether the Kyoto Protocol comes into effect.

The participants agreed to work together to address the climate change issue and focus on the Clean Development Mechanism by pursuing the following next steps:

Senior representatives of the participating organizations will examine in detail the issues related to the implementation of the CDM including matters such as the establishment of baselines; the definition of "additionality" and supplementarity; monitoring, verification, and certification; and the institutions and organizations potentially to be charged officially with a role in implementation at the international and domestic levels.

Business leaders will work to develop position papers on various Clean Development Mechanism issues and share these papers with their respective governments and the Conference of the Parties.

Businesses will endeavor to send representatives to the next preparatory meeting in Bonn, Germany, to be held in June, 1999 and to the fifth Conference of the Parties to be held in October/November, 1999.

The Confederation of Indian Industry, having established a Climate Change Center, will continue to support the Indo-U.S. Business Dialogue on the Clean Development Mechanism, and will serve as an information and facilitation center for Clean Development Mechanism policy and project development for Indian industry.

The Confederation of Indian Industry will support further sessions on climate change and the Clean Development Mechanism and invite the participation of US industry representatives. The next such session will be held in Mumbai, India in July, 1999.

The participants will explore potential Clean Development Mechanism Project opportunities among their respective companies and countries.

Business leaders will endeavor to develop model commercial contracts which could be used to implement early Clean Development Mechanism projects while international and national rules are being developed.

40B-3

BACKGROUND

The goal of the Indo-U.S. Business Dialogue on the Clean Development Mechanism (CDM)² was to conduct thoughtful discussion among a group of leading CEOs and senior managers from India and the U.S. on the challenges and the opportunities presented by the CDM to help finance key infrastructure development and technology transfer efforts, improve local environmental quality, and slow the build-up of greenhouse gases. Included in the Dialogue were select government officials and NGOs from both countries. The Confederation of Indian Industry (CII) organized the Dialogue. Hon. Kathleen McGinty and Dr. Karl Hausker, Senior Visiting Fellows at the Tata Energy Research Institute, assisted CII this effort, along with USAID and Hagler Bailly.

The Dialogue took place on May 20-21, 1999 in Washington, D.C. It consisted of three events: a White House meeting with senior U.S. government officials, a roundtable discussion for CEOs, and a roundtable discussion for senior executives. The discussion and outcomes at the three events are summarized below.

MEETING WITH SENIOR U.S. GOVERNMENT OFFICIALS

Roosevelt Room, The White House

20 May 1999

The Dialogue started with a White House meeting among senior Clinton-Gore Administration officials and a delegation of Indian and U.S. officials and participants. USAID Administrator Brian Atwood led the American members of the delegation and Raul Bajaj, President of the Confederation of Indian Industries (CII) and CEO of Bajaj Auto Ltd., led the Indian group. The senior Administration officials attending included: John Podesta, White House Chief of Staff; Todd Stern, President Clinton's Senior Advisor on Global Climate Change (GCC); George Frampton, Acting Chair of the White House Council of Environmental Quality (CEQ); Sally Katzen, Deputy Director, National Economic Council; David Sandalow, Associate Director, International Environmental Affairs, CEQ; and Undersecretary of State for Global Affairs, Frank Loy.

John Podesta stressed the importance of global climate change to the Clinton Administration, underscoring that the President raises the topic at nearly every meeting he has with foreign delegations and heads of state. Sally Katzen said that the Administration recognizes that CDM can be an important source of financial flow for infrastructure development in the developing world, and that non-bureaucratic mechanisms for CDM implementation must be developed with input from the private sector. To demonstrate that the U.S. is serious about domestic action, George Frampton described the efforts of the President and Vice-President to launch an ambitious five-year \$1 billion Climate Change Initiative based on investments and incentives, including investments in clean energy and clean technology, tax credits, clean

² Note: in the Dialogue and in these proceedings, "CDM" refers to the type of flexibility mechanism identified in the Kyoto Protocol and to similar mechanisms that may emerge from future climate negotiations.

air partnership funds, electricity restructuring with strong renewable energy incentives, and incentives to develop a new generation of low and zero emission vehicles. Mr. Frampton also highlighted the Administration's emphasis on GCC research, which commands some 20% of the U.S. government's environmental research budget of \$4 billion. He cited the increased interest of the business community in increasing energy efficiency and reducing greenhouse gas emissions.

Frank Loy explained that the next step in international climate change negotiations is to articulate the rules of the road for CDM, and underscored the importance of basing those rules on market principles if the CDM is to function successfully. In response to questions and expressions of concern by the business participants, it was agreed by Clinton Administration representatives that projects should not be excluded from the CDM simply on the basis of their profitability, and that "additionality" should not be defined in such a way as to force that result.

K. Roy Paul assured the group that the Government of India has "an open mind" on CDM.

USAID Administrator J. Brian Atwood recognized the important climate change progress being made in India in collaboration with USAID and emphasized the win-win nature of the CDM. Bob Randolph declared the USAID climate change effort in India with Katie McGinty, Karl Hausker, and CII to be the most important work being done in USAID's Asia Near East Bureau. B.N. Ohja, Shashi Shekhar, and R.V. Shahi also cited India's current collaboration with USAID including: power plant efficiency and CO₂ reduction programs with the National Thermal Power Corporation; work with the Ministry of Power on energy conservation and efficiency; development of the first coal washery in the country; and support to CII, including establishment of the CII Climate Center.

Raul Bajaj pointed out that the opportunity for India to gain technology and financing through CDM benefited both countries. He said that CII was ready to help identify promising projects, and that both governments were in a position to help expedite such industry-to-industry interactions. R.K. Pachauri concurred that CDM represents an excellent opportunity to address local and global pollution problems, and emphasized the need for a "new diplomacy" based on mutual benefits from mechanisms such as CDM. He stressed, however, that institutional capacity-building as well as technology transfer is essential to India's sustainable development, and that policy-makers should consider a regional perspective in South Asia's energy development. In response, Bob Randolph noted USAID's new South Asia Regional Energy Initiative, which will encourage cooperative energy development in South Asia and build institutional capacity in the region to participate in CDM.

Todd Stern concluded the meeting by emphasizing that linkages between private sector entities in the U.S. and India would help both governments come to a better mutual understanding of the global climate change challenge. He underscored again the importance that President Clinton and Vice President Gore ascribe to the climate issue, and the U.S. commitment to working with Indian leaders to forge a common path forward.

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CEO ROUNDTABLE
U.S. Chamber of Commerce Building
20 May 1999

SYNOPSIS

The Dialogue made clear that both Indian and U.S. businesses want to lay groundwork now for CDM-type projects. Participants acknowledged that there would be both risks and benefits to such early action. The potential value of carbon credits in a future international carbon market is highly uncertain, but the firms that develop CDM partnerships early will be well-positioned to take advantage of such markets. U.S. businesses stressed that projects will be evaluated for financial viability using the usual criteria for decision making, with carbon credits an added factor in the decision. Indian businesses acknowledged the benefits of technology transfer and enhanced energy efficiency that they would gain from CDM projects. Understanding that a carbon market will take time to develop, the participants noted that the experience gained from developing projects now can inform the design of CDM, and help develop such a market. Prior to adoption of final rules for CDM, the participants believed that they should focus on partnership-building and design of contractual arrangements. A relatively simple methodology for defining and measuring baselines and additionality should be used in the early stages, recognizing that such an approach may exclude some types of projects at first. However, such methodologies can be modified over time as information, learning, and experience accumulate.

Participants urged that the international rules for CDM not strive for perfection and absolute precision, nor create a prohibitively complex system or bureaucracy. Simplicity is essential to a successful CDM system, with calculations based on simple templates and benchmarking techniques. Also critical are credits with legal standing that are well-defined and certifiable. As an international market for trading carbon emissions develops, its rules and prices must be transparent; markets do not need certainty, but they do need transparency. Along with definitions of additionality and methodologies for calculating baselines and emissions reductions, policies would be helpful that determine what projects launched before the CDM rules are in place can be converted to official CDM projects.

OPENING REMARKS

Rahul Bajaj, Chairman and Managing Director, Bajaj Auto Ltd; President, CII.

Mr. Bajaj described CII, its promotion of efficiency as a means of growth and survival, and its interest and involvement in the international GCC negotiations. He explained that CII regards CDM as an opportunity to increase productivity, efficiency, and quality while cleaning up the environment, all of which improves the bottom line. He stressed that access to state-of-the-art technology is the most important issue for India industry. CII hopes that the Dialogue will sow the seeds of partnership between Indians and Americans, generating at least five partnership possibilities by the end of the year to provide models for the future. Mr. Bajaj ended with the prediction that if such two different countries as the U.S. and India can come to agreement on CDM, then the rest of the world will follow.

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Harriet Babbitt, Deputy Administrator, USAID

Ms. Babbitt observed that CDM represents a tremendous opportunity to bring new resources and technology to promote sustainable development, the core mission of USAID. Just as CDM is rooted in partnerships, so too is USAID's program in India. Ms. Babbitt praised the leadership role already taken by the Government in India in increasing power generation efficiency, reducing power subsidies, enacting regulatory reform legislation, and increasing the use of renewable sources of energy. She also cited three examples of USAID's partnership with India: efficiency improvements in the National Thermal Power Corporation; the BSES Limited of India coal washing facility (the first in India); and the demonstration of electric vehicles in partnership with Mr. Bajaj. CDM is a tool for scaling up these efforts, building business partnerships, attracting private sector capital, and accelerating the transfer of environmentally-beneficial technology. However, Ms. Babbitt said that the voices of those at this Dialogue need to be heard in establishing the rules for CDM. She committed USAID to facilitating U.S.-Indian partnerships for CDM through the U.S.-Asia Environmental Partnership and bilateral assistance, working with the Government of India, CII, and all the companies represented at the Dialogue.

Larry Summers, Deputy Secretary, Department of Treasury

Mr. Summers explained his views of the economics of global climate change. First, he noted that despite some remaining uncertainties, over the nature of the problem, we have only one planet and it is better to be risk averse and start now to reduce emissions. Second, on a microeconomic level, there are so many good investments that will simultaneously reduce greenhouse gas emissions that it would be "an economic crime not to take advantage of them". Third, on a macroeconomic level, the fact that it is cheaper to reduce emissions in some countries relative to others presents the chance to transfer wealth, generating a voluntary market in which no one need participate unless it makes them better off. Recognizing that industrialized countries have released the vast majority of greenhouse gas emissions, implementing CDM can accelerate global economic development by minimizing the cost of emission reductions, and do so more equitably by spreading the investments to developing and well as industrialized countries. Fourth, developing countries should not fear that they will sell off their "low hanging fruit" too cheaply, because there will be a constant source of projects as India grows. He ended by saying that cooperation between India and the U.S., the leaders of the global democratic effort, has the potential to be enormously influential in addressing global climate change. The resulting billions of dollars in capital flows will be substantial compared to development assistance flows.

In the discussion that followed, Mr. Ravimohan asked Mr. Summers what type of system he envisioned as implementing the flexibility mechanisms. Mr. Summers replied that his personal bias was to have them implemented business-to-business under a government framework. Mr. Pachauri expressed his concern that CDM may be pushed forward before the Kyoto Protocol is ratified, leaving us without a treaty. Mr. Summers responded that developing CDM projects now may help propel the GCC negotiations forward.

DISCUSSION TOPIC 1: ISSUES AND OPPORTUNITIES

Facilitator: Kathleen McGinty

R.V. Shahi, Chairman & Managing Director, BSES Ltd.; Chairman, CII Climate Change Center

"Indian Perspective on Technology Partnerships through the CDM"

In choosing CDM projects, Mr. Shahi recommended that India prepare a strategy for the future and then choose the appropriate technologies to most efficiently generate and use energy. He explained that India's dependence on coal was growing and would likely continue to do so, making it essential that India focus on clean coal technologies. Overall, he recommends a focus on the energy-intensive industries such as power, steam, transport, cement, caustic soda, and textiles. He suggested the following for CDM projects in India: replication of the efficiency improvements made by the National Thermal Power Corporation, clean coal technology, coal washing, cogeneration, privatization of distribution companies, and demand side management. The Climate Change Center of CII will be doing everything possible to help turn Mr. Bajaj's goal of five projects or more by the end of the year into a reality.

T.J. Gauthier, Deputy Secretary, Department of Energy

"U.S. Perspective on Technology Partnerships through the CDM"

In order for CDM to begin by 2000, Mr. Gauthier explained that operational rules for CDM must be designed soon, relating to issues such as baselines, additionality, institutional structures, and the allocation of proceeds. He stressed that the factors used by the private sector in making business decisions must also be considered in designing CDM. This means, for example, that the rules for defining additionality beyond business as usual should not be unnecessarily stringent. It must also remain a fundamental objective of CDM to address development needs. In this regard, he urged the Government of India to delineate clearly those sectors it considers to be priorities for CDM. Mr. Gauthier told the participants that Secretary of Energy Richardson wants to work with them to reach the goal of identifying at least five projects by the end of the year.

Frank Loy, Under Secretary for Global Affairs, Department of State

"Status of Climate Change and CDM Negotiations"

Mr. Loy stated that two principles guide the U.S. in the GCC negotiations. First, the management of global climate change is a global problem requiring a global solution. All countries of the world must participate in some form, although the participation can be differentiated. The goal is to decrease greenhouse gas emissions from a "business-as-usual" scenario, though absolute growths in emissions in developing countries would still continue. Second, the steps taken to reduce emission should not stifle development or economic growth in any country.

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Mr. Loy offered his view that India's stake in the GCC negotiations has four dimensions: 1) preventing global climate change, especially because developing countries generally will find it more difficult to adapt to GCC impacts than industrialized countries; 2) ensuring that all countries participate in some way; 3) ensuring that India's growth and development is not discouraged; and 4) attracting both technology and capital through the CDM. Mr. Loy said that he sees many opportunities in CDM, and later in emissions trading, for promoting clean economic growth in developing countries. He stressed, however, that since CDM uses credit as an incentive for developed countries to put their capital into developing countries, the CDM system must be well defined with credits that are certified and credentialed. CDM projects also should show clear, demonstrable benefits to the environment. He ended by assuring the participants that the current Administration was exercising leadership in protecting the global environment, and that the forward-looking approach of the Clinton-Gore Administration on these matters is unparalleled.

R. K. Pachauri, Director, Tata Energy Research Institute
"Indian NGO Perspective on the CDM"

Dr. Pachauri, who serves on the Intergovernmental Panel on Climate Change, said that the impacts of global climate change are likely to be far worse than the Panel previously stated in its 1995 report, given advancements in scientific understanding. He admonished the business community not to forget that a vitally important objective of the CDM is sustainable development. As a democracy with over 500 million people living on less than a dollar a day, India must keep the development objective in mind. The way to ensure that CDM's sustainable development objective is achieved is to have an equitable and fair sharing of the "economic rent" of emissions credits, and negotiating equitable sharing can only be achieved by making information and analysis accessible to all. The type of analysis being done by the World Resources Institute and the President's Council of Advisors on Science and Technology is important to this end. It is also important, he said, that the progressive steps by BP Amoco and other private sector companies are made known to the developing world so they can see the efforts being made by the industrialized world.

He characterized his outlook as cautiously optimistic, and reminded the participants that realistically governments will retain a certain degree of control over the CDM process, for example in screening what projects will qualify. He ended by announcing his success in convincing the Asian Development Bank to try to convert projects coming out of ALGAS (Asia Least Cost Greenhouse Gas Abatement Strategy) into CDM projects to be offered to industry.

Jonathan Lash, President, World Resources Institute
"Development, Environment, and CDM"

Mr. Lash began by saying that GCC has been a very polarizing issue in the U.S. However, businesses are participating in this Dialogue because they think regulatory action will be taken, and they want to "get ahead of the curve". He stressed that this is a terribly significant fact, and that "around the table today are the makings of a market: the participants are gathered here because they want to be buyers and sellers of emissions credits."

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The idea that carbon emissions could be reduced while achieving economic growth and reductions in local pollution was an unproven concept during the Kyoto negotiations. Since then, however, collaborative work between WRI and TERI has demonstrated that these three objectives can often be met simultaneously. Examples analyzed include bagasse cogeneration, clean coal technologies, and energy efficiency improvements in the steel and cement industries. He further pointed out that we should be careful not to define additionality on the basis of the subjective intentions of the actors involved. Many projects which decrease carbon emissions have been implemented not for global climate change but for economic reasons; economic viability and the prospect of profits should not be "held against" potential CDM projects. It is best to allow any project to qualify which decreases carbon intensity. Too strict a definition of additionality will undermine CDM, and thereby frustrate efforts to clean the environment and spur sustainable economic development.

Discussion

K.P. Nyati asked if the U.S. could provide a "nudge and push fund" to spur CDM-like projects while negotiators are working out the rules. David Hales replied that President Clinton announced before Kyoto a \$1 billion climate change initiative for USAID. He also announced an agreement between the U.S. Energy Association (USA) and the International Utility Efficiency Partnership (IUEP) to establish the International Climate Change Project Fund (ICCPF), with support from USAID. The purpose of ICCPF is to provide pre-investment analyses of up to \$100,000 each to U.S. utilities seeking to assess and implement climate change mitigation projects in USAID-assisted countries. Karl Hausker suggested that the ICCPF projects be viewed through a CDM lens to determine baselines and other parameters needed for CDM projects, thus informing the development of CDM.

Abhay Nalawade suggested that it would help encourage projects if U.S. companies could share with Indians their knowledge systems, such as software and financing, for managing industries more efficiently and optimizing the use of materials. John Palmisano said that in the initial stages he doesn't see CDM being initiated by buyers and sellers, but rather flowing from normal business partnerships in which there is now an added financial stream in the certified emissions reductions (CERs). In time an active market will develop for CERs, but before that will happen the CERs must be demonstrated to have legal standing, and then buyers and sellers will come forward.

Henri-Claude Bailly suggested that we focus on moving projects early rather than trying to solve the larger problems of CDM. To do so, we need to understand what the private sector needs to proceed: definitions of additionality and assurance that the resulting CERs will be tradeable. Merribel Ayres used the example of the growth of independent power production in the U.S. to demonstrate the importance of clear rules in encouraging projects. Transactions did not necessarily take place where the need for power was greatest, but rather in those regions where the rules were most clear. She suggested that we establish rules quickly for a pilot phase while waiting for rules to be negotiated on a global scale.

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SPECIAL LUNCHEON ADDRESS

Dan Delich, Legislative Assistant to Senator John Chafee

Mr. Delich began by citing the World Business Council for Sustainable Development statement signed by 122 corporations, including CH2M Hill, United Technologies, British Petroleum, Dow, Dupont, and Shell International, that enough was known about global climate change to warrant global action. He described legislation sponsored by Senator Chafee (S. 547) to allow U.S. companies to get credit for early action to reduce greenhouse gas emissions, if the action is recognized as contributing to the U.S. commitment to reductions. Energy-intensive industries understand what is at stake, and are working with Congress to get some assurance that their actions will be rewarded. He stressed that we must use market forces to solve the GCC problem. He credited the emissions trading regime worked out by the Environmental Defense Fund and electric utilities for breaking the logjam over acid rain in the Clean Air Act Amendments of 1990, saying that similar flexibility mechanisms will build support for international action on climate change. With regard to "caps" on the extent to which the flexibility mechanisms can be used, he believes that sharply curbing their use would decrease the likelihood that the U.S. will participate. S.547 has support from such normally disparate interests as The Nature Conservancy, the Environmental Defense Fund, General Motors, and Southern Company. Another benefit of credit for early action is that good empirical data may come out of these early efforts, showing that reducing greenhouse gas emissions is not as expensive as some estimates have suggested.

DISCUSSION TOPIC 2 - ANATOMY OF POTENTIAL CDM PROJECTS: HOW WOULD THEY WORK?

Facilitator: V. Raghuraman

Mark Trexler, President, Trexler and Associates

Dr. Trexler pointed out that, while the Kyoto treaty allows for CDM projects to take place as early as January 2000, early projects will have uncertainties associated with them since the rules for CDM will not likely be in place that soon. Questions arising from this circumstance include the following: How should up front costs be handled when banks don't know the value of CERs? What kind of risk sharing should there be to account, for example, for the changing price of credits over time? Dr. Trexler also pointed out that macroeconomic models have led to a proliferation of price forecasts for carbon trades. Echoing concerns that "additionality" and "baseline" rules not be written too stringently, he stressed that policymakers need to be aware that measurements of CO₂ will not be known with absolute precision. Requiring unrealistic precision will make the process too cumbersome and will discourage CDM projects.

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R. Ravimohan, Managing Director, CRISIL

Mr. Ravimohan stated that all parties have a vested interest in moving quickly, and India has great potential to absorb investment because of its development potential. Whether for retrofitting existing facilities or creating new projects, Mr. Ravimohan said that investment to date has been low in India compared to other developing countries. India is "virgin territory" for many foreign investors, and developers, financiers, investors, and entrepreneurs should all be involved in developing CDM projects.

Richard Sandor, CEO, Environmental Financial Products

Mr. Sandor noted that the CDM market will be heterogeneous and transaction costs could be high. There is advantage to keeping things simple and transparent, so investors can more easily decide whether to finance a project. He also pointed out that India has a great merchant tradition and should play a major part in designing and implementing CDM, and not merely respond to project proposals. Mr. Sandor noted that estimates of the potential size of the carbon market vary greatly.

Discussion

Karl Hausker agreed that the estimates of the size of the carbon market vary but that it is likely to be in the hundreds of billions of dollars under a scenario of wide open trading and investment. Jonathan Lash said that the first players must be successful to give the concept credibility. He suggested that we can help do that by starting now to work on measurement schemes and baselines, before CDM is operational.

On the importance of monitoring, verification, and baselines, Dale Heydlauff said we learned valuable information from the pilot phase for CDM, Activities Implemented Jointly (AIJ). Mark Trexler pointed out that one lesson we learned from AIJ is that it is too cumbersome to deal with additionality and baselines on a case-by-case basis. We need technology benchmarking that, for example, gives a set amount of credits for each percent increase in efficiency in a coal-fired power plant in a given country or region. He further stated that monitoring and verification are not problems. Richard Sandor said that markets don't need scientific certainty. Merribel Ayres agreed, saying that while markets don't need certainty, they do need transparency, simplicity, and a level of comfort that the rules will not change along the way.

Arun Bharat Ram asked Mr. Sandor whether it should be the government or some other sector that is responsible for baselines. Mr. Sandor said that in his opinion government should take care of baselines so they will be credible, with the private sector providing third party certification. Jonathan Lash disagreed, saying that although there must eventually be an officially sanctioned approach to measurement, baselines will be delayed if left to governments. He said that the World Business Council for Sustainable Development is working with the World Resources Institute on a voluntary measurement protocol to lay out baselines.

K.P. Nyati, head of the Environment Management Division of CII, wondered how interested the U.S. corporate sector is in buying carbon credits. Dr. Trexler replied that their appetite is limited now because they are uncertain of the value of what they're buying, so interest at this stage is either speculative or for public relations. However, many companies expect governments to take strong action on climate and are poised to move quickly. John Palmisano cautioned the group that in the short run they should focus on projects rather than the market, since for now there is no market. Projects will help develop the market.

DISCUSSION TOPIC 3 – POTENTIAL CDM PARTNERSHIPS: SECTORAL PERSPECTIVES

Facilitator: Karl Hausker

Introductory Comments

Jemal-ud-din Kassum, Vice President for Investment Operations, International Finance Corporation, World Bank

The International Finance Corporation (IFC) acts as a catalyst for private sector partnerships, and therefore IFC sees CDM and other flexibility mechanisms as new opportunities to further the IFC goal of sustainable development. The IFC has gained experience in GCC projects through the Global Environment Fund (GEF), which has provided almost \$100 million for GCC projects such as photovoltaic market transformation, energy efficiency, hydropower, mass transit, and liquified petroleum gas. The World Bank Protocol Carbon Fund should be operational next year. The IFC has been actively trying to identify projects for CDM, and is also developing a standardized information base. They have defined 19 benchmarking templates so far, with the goal of using the templates to quantify greenhouse gases and other such calculations for all their projects.

General Discussion

Dr. Pachauri suggested that IFC disseminate their knowledge more widely. India, for example, would like to learn about their experience with promoting market transformations in photovoltaics. Katie McGinty asked if the IFC has a plan to address the risks inherent in CDM projects. Mr. Kassum replied that if private sector investors are willing to take certain CDM-associated risks, IFC is also interested. He pointed out that a lot of money can be made at the point where risks are high, assuming you don't have to wait too long for the market to develop. In general, any CDM value brought to a project will be taken into consideration in the financial analysis of the project.

Merribel Ayres asked if there were any plans for a one-stop approval process for CDM. Mr. Kassum replied that in order for the market to work there would have to be a national level entity in each country with the authority to state that a project is certified. However, it would be too cumbersome for the evaluation to be done on a project-by-project basis. The World Bank is using GEF funds to assist countries interested in developing the regulatory capacity to handle GCC mitigation transactions. Lee McIntyre pointed out that India's general

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institutional framework is already highly developed. Mr. Kassum agreed, suggesting that the great variability in this capability among countries could be addressed on a regional level.

Abhay Nalawade wondered about the dearth of investments in sugar cogeneration in India, which has an investment potential of half a billion dollars. Dr. Pachauri said it was a basic institutional problem, since the State Electricity Boards are not concerned with fairly pricing the power produced.

Tom Casten suggested that businesses could begin trading before CDM by defining additionality as anything greater than an average standard fossil fuel efficiency. He also pointed out that using the heat generated from power production yields total efficiencies between 80% and 90%. Rather than thinking of such cogeneration projects as a cost, they should be thought of as a means to save money. Such combinations of power and heat are possible anywhere one can use the waste heat instead of throwing it away, and many opportunities exist in both the U.S. and India.

Frank Cassidy shared John Palmisano's concern that more focus is needed on projects, and stated that the value added of emissions credits will be an important driver in getting projects launched. Ralph Peterson agreed, saying that this Dialogue is more about projects than the market, and that projects will lay out for us the details we need to develop the CDM market. The first step is to look for viable projects, and then graft onto them the greenhouse gas dimension. At this stage, project identification can be done without concern for additionality, which will take too long to be properly defined in the international arena.

LOOKING AHEAD: NEXT STEPS AND KEY PRIORITIES

R.V. Shahi, Chairman & Managing Director, BSES Ltd.; Chairman of CII Climate Change Center

Mr. Shahi stated that the consensus views of the Indian and U.S. private sector generated from this Dialogue will assist the rule development process in the Fifth Conference of the Parties of the UN Framework Convention on Climate Change, scheduled for late fall 2000. He called for the participants to begin developing projects in order to illuminate what we need to make CDM operational.

Mr. Shahi then went through a draft "Next Steps" document for the Indo-U.S. Business Dialogue on the CDM, based on the day's proceedings, to get consensus from the participants and suggestions for changes. Several suggestions for additions were offered and discussed. The final "Next Steps" document appears on page 3 of the these Proceedings.

SENIOR EXECUTIVE ROUNDTABLE
U.S. Chamber of Commerce Building
21 May 1999

SYNOPSIS

Participants gained insight into how the CDM should be designed by examining similar market-based mechanisms: SO₂ emissions trading in the U.S.; experience with the U.S. Initiative on Joint Implementation (USIJI); and an example of emissions trading within a corporation. These experiences show that market based mechanisms work environmentally and economically, although USIJI had some features that should be avoided in CDM. The SO₂ emissions trading experience demonstrates that the cost of compliance can be lower than projected and innovation can flourish. One key to its success is strict penalties for non-compliance. The benefits of USIJI have included technology transfer to developing countries, jobs for exporters, promotion of sustainable development, cost-effective greenhouse gas mitigation, and environmental benefits in addition to reduced CO₂.

There are many contract design features that can vary by individual project. These include contract length, pricing, allocation of credits, and risk sharing. These contract elements can be used to help address some equity concerns raised regarding CDM.

There are a host of complex questions that must be considered in the issues of baselines and additionality. There was discussion of whether baselines should be project-specific and dynamic in order to be most accurate, or whether there should be more simple, static, sectoral baselines that could reduce transaction costs. Monitoring and verification were regarded as challenging but manageable tasks. Requirements for absolute precision in either would be counterproductive. As with baselines, the monitoring and verification process must be predictable, reliable, cost-effective and understandable.

There was general consensus that projects developed now can move parties from the abstract to the concrete. To develop projects before final CDM rules are operational, projects should be chosen for which a simple, transparent, business-friendly process can be developed, compatible with fast action that will help inform the international process. CII will take the lead in identifying at least five projects in the months ahead. The Government of India can contribute to the effort by establishing its own process to evaluate the projects, either independent of, or parallel to, the international process. Also, the Government of India's five-year development plan can be used to inform the choice of project priorities that best advance India's sustainable development.

Critics have raised a number of issues in attacking the CDM. Some are ideological in nature. Others are legitimate concerns that can be addressed through appropriate CDM rules, contract design, or national policy frameworks.

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WELCOME

Bob Randolph, Assistant Administrator, USAID Asia and Near East Bureau

Mr. Randolph described unsustainable growth as that which eats into our environmental capital, decreasing the quality of life of future generations. Sustainable growth means preserving and enhancing our environmental capital. Sustainable development will be possible only with support from the private sector, the kind evidenced by participation in this Dialogue.

Mr. Randolph announced USAID's new South Asia Energy Initiative, which will begin as a pilot program for clean energy development in South Asia. Part of the Initiative will be a regional energy workshop held in Kathmandu this December. He expressed a feeling that, to some extent, the U.S. has neglected South Asia in the past, but this will change in the Asia/Near East Bureau under his leadership. In partnership with Energy Secretary Richardson, USAID launched a program last December to help Bangladesh develop its natural gas resources and power sector in a way that benefits the Bangladeshi people while causing minimal damage to the environment. If Bangladesh becomes a source of natural gas for India, this will lessen concerns over other potential insecure sources of natural gas. He hopes that South Asia can follow the example of Germany and France after World War II, which came together to rebuild their economies by forming a regional energy community which eventually blossomed into the European Community.

OPENING REMARKS

V. Raghuraman, Senior Energy Advisor, CII; and Hon. Katie McGinty, Former Chair, Council on Environmental Quality and Senior Visiting Fellow, TERI

Mr. Raghuraman explained that CII looks at energy efficiency as a win-win opportunity for economic growth and the environment. CII wants to help give shape to CDM and work closely with the Indian government to ensure that CDM benefits India. He pointed out that several members of CII present in this Dialogue have experience with CDM-like projects, such as the NTPC power plant in Dadri, and with Energy Service Companies (ESCOs), whose third party financing methods are very valuable to India's energy development. A team of serious players has come together from a variety of backgrounds and sectors to help reach CII's goal of five projects, including S. Shekhar from the power sector, and K.P. Nyati of CII, who put ISO 14000 in place in India.

Katie McGinty pointed out that much of the world is in a holding pattern with respect to CDM, waiting for details to become clear and for the Protocol to be ratified. She thinks we should not wait, citing CII's readiness to do projects and IFC's willingness to assume risk to help finance CDM-related deals. Action will help move us from the abstract to the concrete.

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FOUNDATIONS FOR CDM: AIJ AND EMISSIONS TRADING

Discussion Leader: Dale Heydlauff, American Electric Power

Mr. Heydlauff noted several valuable lessons from experiences with market-based mechanisms: they foster innovation; they can lead to faster improvements in environmental quality; and they can find broad support among environmental NGOs, industry and government. He described the experience of his company with the SO₂ trading program, saying there are many beneficial aspects of the program, both environmentally and economically. The cost of compliance is much lower than originally projected; innovation has flourished; there are no technology mandates, no exemptions, and penalties for non-compliance are strict. The system did require a complex allocation system involving 29 different formulae, but on balance the program has been a tremendous success.

Next he reviewed the U.S. Initiative on Joint Implementation (USIJI), which has had 28 approved projects in 12 countries in projects such as renewable energy, fuel switching from coal to natural gas, methane capture, conversion of waste biomass to energy, energy efficiency improvements, forest conservation, and reduced impact logging. Benefits have included technology transfer to developing countries, jobs for exporters, promotion of sustainable development, environmental benefits in addition to reduced CO₂, and cost-effective greenhouse gas mitigation.

He described the Noel Kempff Mercado Climate Action Project in Bolivia, a USIJI forest conservation project that American Electric Power is doing in partnership with The Nature Conservancy, Friends of Nature, and the Government of Bolivia. The project preserves four million acres of threatened tropical forest for 30 years, sequestering 58 million tons of CO₂ at a cost of 24 cents per ton. AEP has provided park rangers and their equipment, built a medical facility, and provided funds to refurbish a school. The project also is helping three adversely affected communities develop alternative sources of income. In addition to the park rangers, this includes eco-tourism (including cabins and other infrastructure), a Visitor Center with gift shop, a program for the locals to sell orchids, hiring locals to gather species and maintain a greenhouse, plus direct grants for them to develop their own sustainable income (mostly agroforestry). In terms of institutional capacity to negotiate and attract CDM projects, Mr. Heydlauff said he thinks India is undoubtedly ahead of Bolivia, has more depth of knowledge on GCC issues, and more knowledge of infrastructure.

The total cost of the project to the private sector and The Nature Conservancy is about \$10 million over 30 years, plus \$100,000 per year from the Government of Bolivia, which it was spending anyway to maintain the land. Since this is a forestry project, a substantial amount of the budget is for monitoring and verification.

From the perspective of the private sector, Mr. Heydlauff said that a CDM project must make sound business sense; the company needs maximum flexibility in selecting projects and ease in obtaining certification; transaction costs should be fair and reasonable; and there should be

equitable allocation of credits between the host party and company. In the case of the Bolivia project, the allocation was about half and half, but it required a great deal of negotiation. Bob Margolis pointed out that such negotiations are exacerbated by misconceptions that the value of carbon is much higher than it really is, currently under \$1 per ton. Karl Hausker offered some observations about credits. One is that it is in the investing company's interest to share credits with the host, since it will give the host a vested interest in making the project a success. Also, how credits are allocated over the life of a project is another negotiable contract variable. Developing countries could allay concerns that they are "giving away their credits forever" by insisting that they retain some or all credits in the later years of the project. He also noted that a contract could call for prices to vary over the life of the credits.

Mike McAdams described BP Amoco's internal emission reduction goals and the internal company trading system BP Amoco has set up to help achieve the reductions. Experience to date has demonstrated that managers are able to respond to financial and CO₂ goals by trading with one another. The company is collaborating with the Environmental Defense Fund in this venture. So far BP Amoco facilities have completed several trades but the prices would not be good indicators of the shape of future global carbon market, given that are generated by an internal company market rather than a much larger global market.

Sharon Kneiss described the West African Gas Pipeline, a public-private venture to be launched next year which Chevron regards as a prototype for a CDM project. The venture involves petroleum companies from four countries, Ghana, Togo, Benin, and Nigeria. The project will capture gas that is normally flared in Nigeria, build a pipeline to supply the other three countries with the gas (displacing the use of crude oil as fuel), and build at least one power plant, adding more plants later as needed. The planning process was time consuming, requiring the building of common ground among public and private interests in the four countries.

Peter Kimm asked how Chevron plans to allocate and use the credits. Ms. Kneiss said that since credits are subject to negotiation, it is likely that some credits will go the host countries, who can trade them, use them to help finance the pipeline, or use them as collateral for other projects. For Chevron, the credits have lowered the hurdle for entering into the project, although she explained that first and foremost they look at the viability of the project, and then add CDM into the equation. The issue of additionality concerns them.

Regarding the baseline, Ms. Kneiss said it was fairly straightforward in this case since it was based on the countries' published energy goals and gas output projections. She supply CII with some detail on the baseline methodology. In cases where the calculations are not so straightforward, she advocated a sectoral or regional approach to baselines, allowing for some flexibility. Regarding monitoring and verification, she explained that the project has an Executive Board to set guidelines, and that they expect private entities to do the certification, working individually with the companies.

Karl Hausker noted that it is important for Indian businesses to understand how flexibility mechanisms have worked at the national level. Emissions trading systems, treated with great

skepticism years ago, have now been proven to work both economically and environmentally.

CDM IMPLEMENTATION ISSUES

Discussion Leader: John Palmisano, Enron

Monitoring, Auditing and Verification

Mr. Palmisano pointed out that CDM will require transparency, efficiency, and accountability through independent auditing and verification of project activities. This, in turn, requires clear, written guidelines so every auditor arrives at the same answer. Monitoring and verification will be challenging but manageable tasks. Mark Trexler reminded the group that monitoring will never be perfect, even in the case of CO₂ coming out of a stack.

Additionality and Baselines

Mr. Palmisano pointed out the many variables that could affect baselines and additionality. Baselines could be static or dynamic: should one assume that the current emissions will follow a straight line in the future, or will efficiency decrease as equipment ages, or improve as better technologies are added? Emission reductions are the difference between the baseline and the actual outcome. In some cases, USLJI requires that this calculation be determined by calculating the total emissions from an *alternative* project, including secondary emissions such as those resulting from concrete that was poured, and the production of steel and wood needed for construction. However, John Novak cited the difficulty in deciding what hypothetical project one did *not* do. Mark Hall called such a process much too burdensome, and predicted that the secondary emissions would add only a negligible amount of carbon anyway. M.K. Singhi said he feels that all reductions in emissions due to improvements in their thermal cement plants should get credit. He announced that he has five projects now that he would like to discuss with interested parties.

Dr. G.C. Datta Roy pointed out that retrofits do not require such complex questions, since the baseline can be the condition before the retrofit was made. New installations are more complex, but nonetheless there must be a simple solution for calculating baselines and additionality so that complex calculations and analysis are not required on a project by project basis. Mr. Palmisano said that another way of determining the baseline for new installations is to use the average fuel mix for the associated grid, where applicable. Such information is publicly available in the U.S. Mark Trexler brought up the issue of *changing* baselines, which could arise, for example, as less carbon-intensive technologies are more widely adopted over time. He does not consider this to be a viable way of thinking about baselines. Mr. Palmisano disagreed, asserting that baselines must be dynamic in order to have environmental credibility. Mr. Hall countered that a dynamic baseline, over which businesses have no control, will be a problem. V. Raghuraman said the research and analysis must be done to determine if baselines can be done via sectoral benchmarks. Amit Dalal said

that the Indian Institute of Management in Ahmedabad is doing research on baselines, and will be presenting their work at the Mumbai workshop in July

Additionality is defined as meaning that the reductions in emissions that would not have occurred in the absence of the CDM project. Mr. Palmisano pointed out questions that must be resolved on how additionality should be defined operationally and how can it be demonstrated. John Armstrong and Katie McGinty pointed out the time factor in additionality: if CDM causes a project to be completed some years before it would have been otherwise, there is additionality.

Credits (CERs)

Mirroring comments made in the CEO Roundtable, Bob Margolis said that CERs must be defined and their value known in order for businesses to make investment decisions involving them. With regard to how credits might be best put to use, Mr. Margolis suggested that in India the proceeds could be used to improve the State Electricity Boards and similar improvements to attract investment from the World Bank and private sector.

CDM LINKAGES TO BROADER CLIMATE TREATY ISSUES

Discussion Leader: Karl Hausker, TERI

Launching Projects Before Ratification of Changes to FCCC

In order to get a system in place for identifying and implementing CDM-like projects, before CDM is officially operational or the Kyoto Protocol is ratified, Mark Hall suggested that we limit the projects to clear winners. He recommended a stepwise approach in which a group of project types is selected for which there are clear CO₂ benefits and a simple process can be developed. Later the system can evolve to include projects that require a more complex process. Mark Trexler argued that some environmental groups would disagree with the assumption that energy projects are the most beneficial. Forestry projects have much larger error bars, but they are unequivocally beneficial to the environment. From the point of view of an international process, however, Mr. Hall countered that energy projects are more clear cut than forestry, and so concentrating on energy projects first will advance the CDM process faster.

John Armstrong suggested that the Government of India could assist in moving projects forward in the absence of an international system by developing their own certification program for CDM which establishes whether a project has measurable CO₂ savings and gives those that do a national imprimatur. He recommended starting with the power sector for sake of simplicity. Dr. Datta Roy said that since these projects are business to business we should develop our own system and only go to the government if necessary. He suggested that CII choose five projects in different sectors so CII will have different case studies from which to learn, and not worry about the little bit of money from CERs at this time.

In terms of developing country priorities, John Armstrong said it was important for the Government of India to prioritize CDM-eligible sectors and start working on a process to deal with the resulting projects. Such an effort can be carried out independently of, or parallel to, the international negotiations. Katie McGinty pointed out that India goes through a laborious planning exercise every five years to determine their development priorities, and suggested that the exercise could be used to inform the choice of CDM project priorities. She also wondered whether having such a road map for India would make it more attractive to investors.

Jeff Seabright shared the experience of Brazil, which has been aggressively pursuing CDM as a tool for sustainable development. The government is considering creating a CDM unit that would promote a set of certain types of priority projects. The unit would define a set of baselines for those project types, and monetize the credits to attract private sector investment. So far they are working on ten actual projects, and he recommended that India also launch some projects.

Dr. Datta Roy said that the most promising areas he sees for CDM projects with Indian industry are in energy efficiency and biomass cogeneration (converting waste biomass to energy). He gave examples in three potential sector which would yield a total carbon savings of 15 million tons, requiring investments totaling \$1 billion. M.K. Singhi (President of Shree Cement Ltd.) has been researching the potential for CDM projects in his company. Although Shree Cement has the most efficient plants in the country, he said there is still significant room for improvement. Annual CO₂ savings of 40,000 tons are possible, but without CDM the projects may not be economically attractive at this time.

Dick Edwards announced an international conference this fall to highlight the technological and operational successes of the National Thermal Power Corporation, who in partnership with USAID, the U.S. Department of Energy, the Electric Power Research Institute (EPRI) and the Tennessee Valley Authority (TVA), have saved millions of tons of CO₂. Mr. Edwards suggested that the conference (tentatively scheduled for February 2000) could be a great opportunity for investors seeking projects.

Treaty Issues

John Palmisano said it is likely that a motion will be introduced to end Activities Implemented Jointly and instead open up a pilot CDM phase. Dale Heydlauff ventured that the U.S. would oppose such a motion for fear that advancing CDM without simultaneously finalizing Joint Implementation (JI) and emissions trading may impair the development of these other two flexibility mechanisms. Karl Hausker suggested that a possible solution to this dilemma would be to set a limit on how many CDM could go forward before the parameters for emissions trading and JI were finalized.

Next, Dr. Hausker laid out several issues that various critics of CDM have raised and offered some thoughts on how they could be addressed. The issues revolve around ideology, the need for industrialized countries to take strong domestic action, and the future shape of the FCCC.

Dr. Hausker noted that some critics attack the whole premise of CDM, namely that an industrialized country should have the option of meeting some of its emissions reduction obligation by investing in a developing country, or as critics would say by "buying their way out" of the need to reduce emissions at home. This is essentially a ideological argument, one used often to oppose any kind of market mechanism applied to environmental problems. Critics also point to the vast disparities in income and per-capita emissions between industrialized and developing countries, and argue that, instead of buying pollution credits from developing countries, industrialized countries should cut their luxurious and wasteful lifestyle. The solution, they say, must begin with industrialized countries cutting back on that lifestyle, lowering overall consumption and energy use in particular. Bridging the difference between this point of view that of the proponents of CDM is difficult. Proponents argue that CDM will be merely supplemental to domestic actions by industrialized countries, and that that the CDM should be seized as a tool that can help alleviate severe pollution levels in some developing countries.

Other critics argue that CDM should be limited, according to Dr. Hausker. Some critics accept the essential "win-win" nature of CDM, but want to limit the use of CDM and other flexibility mechanisms (such as emissions trading) in order to ensure that industrialized countries take aggressive action at home to reduce emissions. This desire is rooted in the notion that the solution to GCC threat requires changing the emission trajectories of all nations, and that CDM and emissions trading might encourage industrialized countries to stay on their current path for many more years. These critics would allow CDM to move forward, but recommend some kind of cap or limit on how much it can be used to meet reduction targets. Such limits are currently being discussed in the FCCC negotiations. Some developing countries support them, as does the European Union. The U.S. and some other countries have opposed them, arguing that limits on CDM and trading could deeply harm the efficiency of the market for GHG that is now emerging, and essentially render it nonviable.

Dr. Hausker presented a third argument from some critics: that CDM "uses up low-cost options." Other criticisms of the CDM focus on what may occur in the long-term under the FCCC, and are concerned with the circumstances that developing countries might find themselves in several decades from now. Some critics acknowledge the near-term benefit of CDM, but warn of trade-offs against long-term costs. One argument along this line is that developing countries should "save" their low-cost GHG reduction options for the future. The scenario offered is this: several decades from now, developing countries will be pressured into taking on legal limits to their GHG emissions. If such countries have already "used up" their low-cost options through CDM partnerships over the next decade or so, then they will have to turn to much higher-cost options in the future. In a similar scenario, developing countries would be pressured into emission limits that are related to some "base year" of actual emissions (as limits are now linked to actual 1990 emission levels). Thus it could be harmful to engage in CDM partnerships now that lowers an emission trajectory if that lower trajectory becomes a "base year" in the future, resulting in tighter limit for that country.

Dr. Hausker offered three important points can help allay these concerns: First, some CDM opportunities are hard to "save," i.e., hard to delay for decades. They must seized soon or

not at all. Examples include retrofits to existing facilities that may not last more than another 10-15 years, and new facilities that are very difficult to retrofit in the future. Second, CDM projects will be governed by a contract stipulating how emission credits are allocated among parties over the life of the project. A developing country could choose to retain ownership of most or all emission credits after some date in the future (e.g., 2012, 2015, 2020), thus gaining CDM benefits in the short-term while "saving" emission credits for the long-term. Third, developing countries can seek international agreement now that emission limits in future should not be based on actual emissions in a base year. In fact, some developing countries have raised the issue the how emission limits should be set in the future, and have advocated that they be set on a per-capita basis, rather than being linked to a base year.

A final critics' argument, according to Dr. Hausker, is that "CDM should be linked to long-term emissions allocations." This final concern raised about the CDM, builds on the point just made. Some critics argue that developing countries should agree to CDM only if it is linked to a decision on long-term emissions allocations that is favorable to developing countries (e.g., per-capita allocations, according to some). This argument acknowledges that CDM holds near-term benefits, but that this long-term issue must be resolved at the same time. The problem with such a negotiating position is that long-term emissions allocations are impossible to make at the current time. There is no scientific consensus on what quantity of total GHG emissions should be allowed in what years, decades from now. Furthermore, there is no political consensus within the developing world (or industrialized world) on how the allocation should be determined. Perhaps one could secure agreement on the *principles* that should guide future allocations, but not the *allocations* themselves.

Dr. Hausker closed his remarks by expressing the hope that India and the U.S. could lead the way in addressing some of these concerns about CDM, and allaying the critics' fears.

NEXT STEPS AND THE FUTURE OF THE DIALOGUE

K.P. Nyati, Head, Environmental Management Division, CII; and Hon. Katie McGinty

K.P. Nyati synthesized suggestions made during the day into a plan of action, saying that the Dialogue should continue to bring clarity to the issue of real and perceived barriers from the perspective of potential CER buyers and sellers. He recommended four actions for the months ahead. One is for the CII's Climate Center to develop an interactive web site to coordinate discussion and disseminate information. He asked if such a node exists or could be developed in the U.S. Second, CII should decide which sectors to target for the first five projects. Third, CII should jointly develop a workable, transparent, business-friendly process that will enable us to develop CDM projects, and which can also feed into the international process. The Climate Center can develop contract models and other tools to help advance the effort. Fourth, CII should explore via discussion papers the development of institutional mechanisms for monitoring and verification and other such CDM issues. Fifth, discussion papers should be prepared on how to ensure that sustainable development is integrated into CDM. Overall, he encouraged the participants to get a process moving rather than being too ambitious, generating consensus as we progress.

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Katie McGinty recommended some immediate next steps as follows:

1. Create and distribute a record of the Dialogue (including participants' contact information).
2. Distribute from Chevron on calculating the baseline for the West African Gas Pipeline; copies of the presentation by Dr. Datta Roy; and any relevant papers presented at the April 1999 workshop in Bonn on additionality and baselines.
3. Reflect on how the Government of India (GOI) can define priority sectors of the economy for sustainable development via CDM. CII can work with GOI representatives to work out a system for verification.
4. Attend the CII climate roundtable on July 12 workshop in Mumbai organized with the Indian Institute of Management, the premier management and business school in India.
5. Pursue applications to the USEA/IUEP International Climate Change Project Fund, launched June 1999, to promote public-private partnerships and provide pre-investment analysis of CDM projects in clean energy.

Discussion

Katie McGinty asked if there were any U.S. counterparts to CII that could help identify projects. Judith Barry explained that USAEP has a system called the Environmental Technology Network for Asia designed to match Asian entities in need of energy and environmental solutions with the right U.S. businesses. Dick Edwards said that the U.S. Energy Association (USAEP) plays a similar matchmaking role with utilities, and also that the USAID Mission can help. Jeff Seabright of USAID offered the observation that CII is very broad, representing a wide range of industrial sectors, while the analogous associations in the U.S. tend to be sector-specific. USAEP brings together utilities, and therefore covers energy generation, transmission and distribution. Nashir Bhagat pointed out that ITA works a lot with energy-intensive industries, which are also important targets for projects.

Ms. McGinty closed the Dialogue by thanking all the participants for contributing their time and energy.

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406-32

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40P-35

ANNEX 2: ABBREVIATIONS

AIJ	Activities Implemented Jointly
CDM	Clean Development Mechanism
CEO	Chief Executive Officer
CER	Certified Emissions Reduction
CII	Confederation of Indian Industries
CO ₂	Carbon Dioxide
FCCC	Framework Convention on Climate Change
IFC	International Finance Corporation
ITA	International Trade Administration (Dept. of Commerce)
IUEP	International Utility Efficiency Partnership
GCC	Global Climate Change
GEF	Global Environment Fund
JI	Joint Implementation
NTPC	National Thermal Power Corporation
SO ₂	Sulfur Dioxide
TERI	Tata Energy and Resources Institute
USAEP	U.S.-Asia Environmental Partnership
USAID	U.S. Agency for International Development
USEA	U.S. Energy Association
USIJI	U.S. Initiative on Joint Implementation
WRI	World Resources Institute

Folder Profile	
Control #	1999-010145
Name	Letter (courtesy copy) to Secretary Richardson from Mark G
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Regarding a petition filed with the Department of Commerce on June 29, 1999, alleging that certain Central American South American, and Arabian oil producing countries violating trade laws
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	S-1 courtesy copy of a letter addressed to The Honorable William D. Daley, Department of Commerce. (Rec'd in ES 7/8/99)
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/7/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	IA
Date Due	
Date Completed	7/13/99

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July 7, 1999

Mark G. Papa
President and
Chief Executive Officer

Enron Oil & Gas Company
P.O. Box 4362
Houston, TX 77210-4362

1400 Smith Street
Houston, TX 77002-7361
(713) 853-5148
Fax (713) 646-2548
mpapa@enron.com

The Honorable William D. Daley
Secretary of Commerce
Herbert C. Hoover Building
Room 5854
14th Street and Constitution Ave. N.W.
Washington, D.C. 20230

Dear Mr. Daley:

It is my understanding that the Committee to Save Domestic Oil (SDO) filed a petition with the Department of Commerce on June 29, 1999, alleging that certain Central American, South American, and Arabian oil producing countries have violated U.S. trade laws by selling oil exports in the U.S. at prices below the cost of production. Enron Oil & Gas Company (EOG) was asked to sponsor the petition, but declined to participate in this effort. EOG notified the Independent Producers Association of America and the California Independent Producers Association on May 25 and 28, 1999, respectively; that it did NOT support the crude oil dumping complaint and requested that its name be deleted from any list or information supporting such complaint.

EOG, as an independent producer, suffered tremendously from the record low oil prices experienced in 1998 and early 1999, but does not believe the low prices were caused by other producing nations violating U.S. trade laws. Furthermore, EOG and Enron Corp both strongly support trade policies that encourage free markets and operational efficiencies rather than duties and tariffs, which often subsidize inefficiencies.

If you have any questions or need additional information, please contact Joe Hillings at (202) 466-9145 or me at (713) 853-5148.

Sincerely,

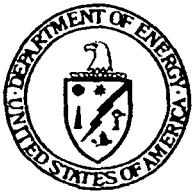
A handwritten signature in black ink, appearing to read "Mark G. Papa".

Mark G. Papa
President and
Chief Executive Officer

cc: Honorable Lawrence H. Summers, Secretary of the Treasury
Honorable Bill Richardson, Secretary of Energy
Mr. H. E. Jeffrey Davidow, U.S. Ambassador to Mexico
Mr. John D. Podesta, Chief of Staff to the President

A handwritten signature in black ink, appearing to read "H.A.".

Folder Profile	
Control #	1999-010021
Name	Action memorandum (IA/Humphrey) to the Secretary
Priority	Essential Critical
DOE Addressee	Bill Richardson
Subject Text	Letters inviting private sector speakers at roundtable at the 4th Hemispheric Energy Ministers Conference
Topical Index	
Signature/Approval	Bill Richardson
Action Requested	Approval/Signature
Special Instructions	
Folder Trigger	Internal Memo
Source	AM
Correspondence Date	7/7/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BROWNE 202 586-8724 Browne, Sam
Action Office #	IA
Assigned To	IA
Date Due	7/21/99
Date Completed	7/9/99



Department of Energy
Washington, DC 20585

JUL 07 1999

MEMORANDUM FOR THE SECRETARY

From: *for* Calvin Humphrey *J.J. Janette*
Acting Assistant Secretary
Office of International Affairs

Subject: Action: Letters to:
Terence Thorn, Executive Vice President, International Government
Relations and Environmental Affairs, Enron International, and
James Bannantine, Managing Director, Southern Cone, Enron International

Issue: Inviting the private sector speakers to speak at the roundtables at the IV Hemispheric Energy Ministers Conference.

Background: You will host the Ministerial Conference in New Orleans on July 28-30.

Sensitivities: None.

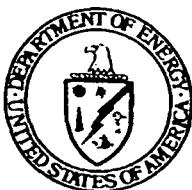
Urgency: We need to confirm the speakers for the roundtable sessions at the conference.

Impact: These letters, showing your personal interest in their attendance and offering them a prominent role as speakers at the conference roundtables, should positively impact their decision to participate.

Recommendation: That you sign the attached letters.

Attachments

167 A



1999-010021

The Secretary of Energy
Washington, DC 20585

July 9, 1999

Mr. James Bannantine
Managing Director, Southern Cone
Enron International
Houston, Texas 77002-7361

Dear Mr. Bannantine:

Please join me at the IV Western Hemisphere Energy Ministers Conference in New Orleans, Louisiana, July 28-30, 1999, at the Hotel Inter-Continental. This Conference will examine the challenges facing the countries of the Western Hemisphere as they prepare their energy sectors to meet the economic and environmental needs of the 21st century. The objective of this ministerial is to develop a vision for the Hemisphere's energy infrastructure for the next Century.

The first element of the Conference will be an interactive discussion involving senior Government, industry, and financial representatives who will participate in a series of nine roundtable discussions. Each roundtable will be led by one of the participating Ministers attending the Conference. Speakers from the private sector will be invited to discuss their perspective on the critical issues related to hemispheric energy integration, clean energy development, sustainable energy development, and attracting private sector investment. All Energy Ministers attending the Conference will be invited to attend each roundtable.

I invite you to participate as a speaker in the Regulatory Cooperation and Market Integration Roundtable, which will be held Thursday, July 29, 1999, from 1:30 p.m. to 3:00 p.m. The format for each session will be as follows: Ministerial chairs will make opening remarks and the meeting facilitator will describe the purpose, goals, and logistics of the session. Each speaker will have eight minutes to speak. Following the third or fourth speak, the facilitator will moderate an open discussion among all roundtable participants. My staff will soon provide you with additional information on the Roundtable.

Because we are especially interested in giving the private sector a forum to articulate its views and perspectives, we hope you will be able to take part in this unique Conference. You can visit the Hemispheric Energy Initiative web page at www.americasenergy.org for further information about the Ministerial Conference.

If you have any questions, please contact Mr. Raymond Braitsch, Senior Advisor for Strategic Planning, Office of Fossil Energy. Mr. Braitsch can be reached at (202) 586-9682.

Yours sincerely,



Bill Richardson



The Secretary of Energy
Washington, DC 20585

July 9, 1999

Mr. Terence Thorn
Executive Vice President
International Government Relations
and Environmental Affairs
Enron International
Houston, Texas 77002-7361

Dear Mr. Thorn:

Please join me at the IV Western Hemisphere Energy Ministers Conference in New Orleans, Louisiana, July 28-30, 1999, at the Hotel Inter-Continental. This Conference will examine the challenges facing the countries of the Western Hemisphere as they prepare their energy sectors to meet the economic and environmental needs of the 21st century. The objective of this ministerial is to develop a vision for the Hemisphere's energy infrastructure for the next century.

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115

Because we are especially interested in giving the private sector a forum to articulate its views and perspectives, we hope you will be able to take part in this unique Conference. You can visit the Hemispheric Energy Initiative web page at www.americasenergy.org for further information about the Ministerial Conference.

If you have any questions, please contact Mr. Raymond Braitsch, Senior Advisor for Strategic Planning, Office of Fossil Energy. Mr. Braitsch can be reached at (202) 586-9682.

Yours sincerely,



Bill Richardson

Folder Profile	
Control #	1999-010261
Name	Letter to Secretary Bill Richardson from Janet Gellici, Wester
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to deliver the Luncheon Keynote address at the Western Council annual conference on October 11-13, 1999—(Rec'd in ES 7/12/99)
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter hard copy given to SL/Johnston on 7/13/99
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	7/8/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB
6-5936	Edwards, Kesha
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	7/13/99

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July 8, 1999

The Honorable Bill Richardson
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, SW, Room 7A257
Washington, DC 20585

Dear Mr. Secretary:

I am writing on behalf of the **Western Coal Council (WCC)** and **Edison Electric Institute (EEI)** to invite you to deliver the Luncheon Keynote Address at our Annual Conference, **October 11-13, 1999 in Santa Fe, New Mexico.**

The Luncheon is scheduled for **Tuesday, October 12th, 1999 (Noon-1:30 pm)** at the **Eldorado Hotel**. The tentative title of the presentation is **"Coal's Role in the Nation's Energy Future."**

The WCC is a coal-utility-transportation alliance forged to advance the development and utilization of western U.S. coal. Our Association advocates a non-adversarial, partnering approach to business. We work closely with EEI to further these objectives.

Our Annual Conference typically attracts **175-200 senior level executives** from coal, utility, power marketing and transportation companies nationwide. Principal attendees include CEOs, presidents and vice presidents, as well as marketing and strategic planning directors.

I presently serve on the **National Coal Council (NCC)** and am appreciative of your efforts to advance coal's continued role in our nation's energy fuel mix. I understand that you are very busy and have many obligations to fulfill in your current position. Your participation in CMS'99 would, I believe, provide you with the opportunity to reinforce your obvious commitment to U.S. fuel supply diversity, to define your objectives for advancing clean coal and electric generation technologies, and to distinguish your unique role in these efforts.

On behalf of the more than 300 utility-coal industry companies represented by the WCC and EEI, I thank you for your consideration of this invitation. I look forward to hearing from you regarding your interest in participating in this event.

Regards,


Janet Gellici
WCC Executive Director

BOARD OF DIRECTORS:

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44A



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Resource Data International (RDI)
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Sandwell Engineering, Inc.
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Thrall Car Manufacturing
Transmarine Navigation Corp.
Western Region Ash Group

5765 Olde Wadsworth Blvd., Ste. 18, Arvada, Colorado 80002
(303) 431-1456 • FAX: (303) 431-1606
E-mail: info@westcoal.org • WEB: www.westcoal.org

WESTERN COAL COUNCIL

The Western Coal Council (WCC) is a trade association comprised of:

Coal Producers & Sales Companies	Transportation Companies
Coal Consumers	Ports & Terminals
Power Marketers	International Entities
Industry Associates & Professional Service Firms	

The WCC's primary objective is to advance the development and utilization of western U.S. coal by stimulating discussion, promoting education, enhancing communication and fostering business relationships among western U.S. coal industry associates.

The WCC facilitates the lawful exchange of ideas and information pertaining to domestic and international markets for western U.S. coal. It provides an effective, non-adversarial forum for the discussion of issues regarding coal production, sales, utilization, transportation and shipping.

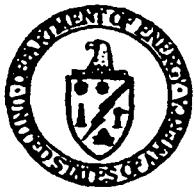
Membership benefits include:

- » Networking ... WCC-sponsored events are designed to provide opportunities for industry colleagues to enhance their business relationships.
- » Education ... WCC conferences and activities enable members to keep current on emerging trends and industry developments.
- » Promotion ... A variety of opportunities are available for members to promote their products and services, including newsletter, Internet and activity sponsorship formats.
- » Discounts ... Members receive significant discounts on WCC-sponsored conferences and events.
- » Newsletter ... The quarterly Western Coal Advisory, distributed to more than 2,500 U.S. and international clients and client prospects, showcases member companies and western coal issues. WCC members receive advanced copies of the newsletter via electronic transmission.
- » Referrals... Inquiries to the WCC regarding western coal services and products are referred to WCC member companies.
- » Liaison ... In maintaining on-going relationships with key trade associations and government agencies, the WCC provides members access to additional education and business resources.
- » Contacts ... The WCC maintains a clearinghouse database of coal, utility, power marketing, transportation, shipping and professional service industry contacts.
- » Web Site ... Located at www.westcoal.org provides members with added promotional and marketing value.

The WCC was founded in 1982 as the Western Coal Export Council (WCEC), a private industry trade group formed to promote exports of western U.S. coal to the Pacific Rim. In 1986, the WCEC changed its name to the Western Coal Council to more accurately reflect the organization's support of both domestic and international markets.

BOARD OF DIRECTORS:

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1999-010261

Department of Energy

Washington, DC 20585

July 14, 1999

**Ms. Janet Gellici
Executive Director
Western Coal Council
5765 Olde Wadsworth Boulevard, Suite 18
Arvada, Colorado 80002**

Dear Ms. Gellici:

We have received your correspondence dated July 8, 1999, on behalf of the Western Coal Council and Edison Electric Institute, inviting Secretary Richardson to deliver the luncheon keynote address on October 12, 1999, at their annual conference in Santa Fe, New Mexico.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

A handwritten signature in black ink that appears to read "James N. Solit".

**James N. Solit
Director, Executive Secretariat**

44B

Folder Profile	
Control #	1999-010242
Name	Letter (courtesy copy) to Secretary Bill Richardson from E. J.
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Writes to clarify the letter from Mr. Mark G. Papa, President and Chief Executive Officer, Enron relating to the petition of the Committee to Save Domestic Oil (Rec'd in ES 7/12/99)
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	S-1 courtesy copy of a letter addressed to Hon William D. Daley and Robert S. LaRossa/Department of Commerce. Relates to ES1999-010145.
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/9/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	IA
Date Due	
Date Completed	7/13/99

45

1999-010242 Jul 12 p 12:18



E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, D.C. 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

July 9, 1999

Via Messenger

The Honorable William D. Daley
Secretary
Department of Commerce
Herbert C. Hoover Building
Room 5854
14th Street and Constitution Avenue, NW
Washington, DC 20230

The Honorable Robert S. LaRossa
Assistant Secretary for Import Administration
Department of Commerce
Central Records Unit
Room 1870
14th Street and Pennsylvania Avenue, NW
Washington, DC 20230

Dear Mr. Secretary:

On behalf of Enron Oil and Gas Company which filed a letter with you on July 7, 1999 relating to the petition of the Committee to Save Domestic Oil, that we wish to clarify the letter from Mr. Mark G. Papa, President and Chief Executive Officer, Enron Oil and Gas Company (EOG) as follows:

EOG, an independent U.S. producer, opposes the petition and believes that as it applies to Mexico, Venezuela and Saudi Arabia, it should be dismissed.

EOG is in the top 4 U.S. producers of liquid. In 1998, EOG produced 671 MMCFD of natural gas and 14,000 bpd of crude. In 1997, EOG produced 657 MMCFD of natural gas and 11,700 bpd of oil.

Sincerely,

A handwritten signature in black ink that reads "Joe Hillings".

cc: The Honorable Lawrence H. Summers, Secretary of the Treasury
The Honorable Bill Richardson, Secretary of Energy
The Honorable Jeffrey Davidow, US Ambassador to Mexico
Mr. John D. Podesta, Chief of Staff to the President



Mark G. Papa
President and
Chief Executive Officer

Enron Oil & Gas Company
P.O. Box 4362
Houston, TX 77210-4362

July 7, 1999

1400 Smith Street
Houston, TX 77002-7361
(713) 853-5148
Fax (713) 646-2548
mpapa@enron.com

The Honorable William D. Daley
Secretary of Commerce
Herbert C. Hoover Building
Room 5854
14th Street and Constitution Ave. N.W.
Washington, D.C. 20230

Dear Mr. Daley:

It is my understanding that the Committee to Save Domestic Oil (SDO) filed a petition with the Department of Commerce on June 29, 1999, alleging that certain Central American, South American, and Arabian oil producing countries have violated U.S. trade laws by selling oil exports in the U.S. at prices below the cost of production. Enron Oil & Gas Company (EOG) was asked to sponsor the petition, but declined to participate in this effort. EOG notified the Independent Producers Association of America and the California Independent Producers Association on May 25 and 28, 1999, respectively; that it did NOT support the crude oil dumping complaint and requested that its name be deleted from any list or information supporting such complaint.

EOG, as an independent producer, suffered tremendously from the record low oil prices experienced in 1998 and early 1999, but does not believe the low prices were caused by other producing nations violating U.S. trade laws. Furthermore, EOG and Enron Corp both strongly support trade policies that encourage free markets and operational efficiencies rather than duties and tariffs, which often subsidize inefficiencies.

If you have any questions or need additional information, please contact Joe Hillings at (202) 466-9145 or me at (713) 853-5148.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark G. Papa".

Mark G. Papa
President and
Chief Executive Officer

cc: Honorable Lawrence H. Summers, Secretary of the Treasury
Honorable Bill Richardson, Secretary of Energy
Mr. H. E. Jeffrey Davidow, U.S. Ambassador to Mexico
Mr. John D. Podesta, Chief of Staff to the President

Folder Profile	
Control #	1999-010379
Name	Letter to Secretary Bill Richardson from Jeffrey R. Keeler (E)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Encloses congressional testimony in which Enron Corp. outlines their relationship with Indian Country (Rec'd in ES 7/13/99)
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	S-1 courtesy copy of a letter addressed to the Honorable William M. Daley, Secretary of Commerce.
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/9/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	CI
Date Due	
Date Completed	7/21/99

46

1999-010379 Jul 13 p 3:47



Jeffrey R. Keeler
Director
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, D.C. 20006
(202) 466-9157
Fax (202) 828-3372
jkeeler@enron.com

July 9, 1999

The Honorable William M. Daley
Secretary of Commerce
14th and Constitution Avenue, N.W.
Room 5854
Washington, DC 20230

Dear Secretary Daley:

I thought you might be interested in the attached Congressional testimony in which Enron outlines our relationship with Indian Country. Enron American Indian Affairs and our new water company, Azurix Corporation, are working with several American Indian Tribes throughout North America to develop water project partnerships. We are excited about the new opportunities Enron and Tribes can explore together.

If I can ever be of any assistance please feel free to contact me at (202) 466-9157.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Keeler".

Enclosure

**TESTIMONY OF ROGER FRAGUA
MANAGER, AMERICAN INDIAN AFFAIRS
ENRON CORP.**

**BEFORE THE HOUSE COMMITTEE ON RESOURCES
SUBCOMMITTEE ON WATER AND POWER**

JULY 1, 1999



**Natural gas. Electricity.
Endless possibilities.™**

H.B.

TESTIMONY OF ROGER FRAGUA
MANAGER, AMERICAN INDIAN AFFAIRS
ENRON CORP.

BEFORE THE HOUSE COMMITTEE ON RESOURCES
SUBCOMMITTEE ON WATER AND POWER

JULY 1, 1999

Mr. Chairman, Members of the Subcommittee, and honored guests here today, my name is Roger Fragua and I am manager of American Indian Affairs for Houston, Texas-based Enron Corp. I am honored to appear before the Subcommittee today and thank you for the opportunity to testify at this hearing on two areas of increasing interest to Enron: American Indians and water.

Enron is one of the world's leading energy companies, with special emphasis in natural gas and electricity, but with rapidly growing interests in markets for other commodities and services such as water and telecommunications. Enron owns approximately \$30 billion in energy related assets, produces electricity and natural gas, develops, constructs and operates energy facilities worldwide, delivers physical commodities, and provides risk management and financial services to customers around the world.

Enron is consistently recognized as a leader in the energy industry not only measured by financial and physical assets, but by our vast intellectual resources. Our intellectual resources create new and emerging markets, products and technologies that consistently create positive global impacts. In North America, one market in which Enron is very actively engaged is American Indian Tribes and reservations. To promote this market, Enron's organization includes a distinct commercial business unit: Enron American Indian Affairs.

In fact, Enron has a long history of responsibly working with many American Indian Tribes. Our involvement began many years ago when Enron was largely a gas transmission company with pipelines crossing many miles of Indian lands, participating in numerous amicably negotiated settlements of rights-of-way and permits. From this friendly and mutually-respectful relationship with several Tribes, Enron's involvement in Indian Country has evolved to the current independent proactive business unit that is joining together Enron with Indian Country as multifaceted partners in energy projects.

We value our Tribal relationships and are working toward enhancing the Tribal capacity in order to build strong business partnerships. For example, to assist in developing strong Tribal energy partners, Enron embarked on an energy education program throughout Indian Country, sponsoring energy conferences among regional groups of Tribes, as well as for individual Tribes. These conferences included not only presentations by Enron and other energy companies, but facilitated work sessions exclusively for Tribal leadership,

46B-1

where Tribal participants could map out self-determined energy strategies, in order to position the Tribe to partner equally with corporate America. Enron continues to sponsor this conferencing effort, and we believe that when Tribes have determined their energy strategies, Enron will prove itself to be the best energy partner of choice for Indian Country as we can tailor energy services to meet special Tribal needs. That's what competition is all about – being responsive to the customer, in this case the Tribe.

As result of this effort, today Enron American Indian Affairs is working as energy partners with several Tribes throughout North America to develop electric, gas and now, water projects. The Enron-Indian Country partnership is built on mutual respect and admiration for the collective strengths that each entity brings to create a greater whole than either entity possesses individually. We recognize that the strengths of Indian Country lie in its growing market and customer bases, vast natural and renewable resources, and regulatory and tax advantages based on Tribal political status as a sovereign nation. As to Enron's part of the partnership, Enron brings financing, market risk management and technical and operational expertise and experience.

As of January 1999, Enron formed its own water company, Azurix Corporation. Through Azurix, we are now delighted to add privatized water expertise to our energy portfolio. Azurix is currently listed on the New York Stock Exchange and is poised to become a global water company engaged in the business of acquiring, operating and managing water and wastewater assets, providing water and wastewater related services, and in assisting its clients to manage and develop their water related assets. The capabilities of Enron American Indian Affairs are especially enhanced with the addition of Azurix to recognize the significant and timely water issues in Indian Country.

To this end, Enron American Indian Affairs now works in several additional ways with Tribes: 1) adding water to a "bundled" energy picture in exploring energy partnership opportunities, 2) assessing water opportunities independently with Tribes, and 3) assisting Tribes to evaluate and manage their tribal water resources from a total resource development and management perspective. In all cases, with the addition of specific water expertise to our intellectual capital base, Enron's long experience in gas and electricity is readily transferable to the water arena.

In pursuing energy opportunities with Tribes, Enron's approach has been fairly simple: We seek Tribal partners that are equally motivated in seeking "for-profit" energy projects that are culturally, environmentally and economically sound. The valuation and feasibility process begins with a comprehensive energy assessment performed by Enron, at Enron's expense, of a Tribe's resources, physical infrastructure, and location to markets and general willingness to become proactively engaged in the energy industry. In exchange for this assessment, the Tribe contractually agrees to make Enron its preferred energy partner through mechanisms such as giving Enron a right of first refusal to pursue projects arising from the energy assessment. We anticipate that water opportunities will be explored in a similar manner.

Today, we are currently pursuing assessments with large and small Tribes, aggregations of more than one Tribe, as well as entities such as BIA schools. All assessments and transactions are custom designed for the specific tribal entity or entities. As noted above, while our previous focus has been on gas and electricity, we are now including in these assessments any potential opportunity existing with a Tribe's water resources, as well as wastewater treatment and water management.

The US water industry is one of the most inefficient industries in our nation today. As a leader and participant in developing restructured markets in gas and electricity, Enron sees many parallels between the status of these energy industries 15-20 years ago with the water industry today. Just as Enron led the evolution of natural gas and electric restructuring, we are excited to take a similar role in the water industry. In developing energy partnerships with Tribes, including water project partnerships, Enron and Tribes can explore together new opportunities and markets based on a more efficient use of water.

The future of water lies in the efficient use of water in restructured, open markets. In often complicated water issues, Enron offers talent and innovative thinking to provide management skills and new ideas that are unparalleled in the industry. As we are doing in natural gas and electricity, we believe Enron and Azurix, in partnership with Tribes, can together create mutually profitable commercial opportunities with respect to water resource development and management resulting in maximized economic potential for each partner.

Folder Profile	
Control #	1999-010445
Name	Facsimile to Secretary Richardson from Rae McQuade, Gas
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to participate as the featured speaker at annual meeting – September 27-28, 1999 Rec'd in ES 7/15/99
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter. Hand-carried to SL/Johnston 7/16/99
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	7/14/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	7/16/99

47



Gas Industry Standards Board
1100 Louisiana, Suite 4925
Houston, TX 77002
713-356-0060 / Fax 713-356-0067

FAX COVER SHEET

To: The Honorable Bill Richardson

Company: _____

Fax Number: 202-586-4403

From: Rae McQuade

Notes: _____

Number of Pages (Including Cover Sheet): 6

Date: 7-13-99

If there are problems with the transmission, please call the GISB office at (713) 356-0060.

1999-010445 7/15 8:10

47A



GAS INDUSTRY STANDARDS BOARD

1100 Louisiana, Suite 4925

Houston, Texas 77002

713-356-0060/Fax 713-356-0067

July 14, 1999

The Honorable Bill Richardson
Secretary of Energy
Department of Energy
Forrestal Building, 1000 Independence Avenue, S.W.
Room 7A-257
Washington, D.C. 20585

Dear Secretary Richardson:

On behalf of the Gas Industry Standards Board (GISB), I extend an invitation to participate as the featured speaker at our annual meeting. The meeting is held on Monday September 27 and Tuesday September 28, in San Antonio, Texas, at the Menger Hotel. We will accommodate your schedule in any way possible should you be available to speak at any time in our program: the afternoon of Monday, September 27, or anytime on Tuesday September 28. Our members would be most interested in hearing your views on the administration and the future of our country's energy policies.

As background, GISB is a non-profit standard setting organization whose goal is to introduce efficiencies and streamline the natural gas business through the use of standardized business transactions, and electronic communications using the Internet. We have over 400 standards defined, most of which have been adopted by the Federal Energy Regulatory Commission into the body of energy regulations. Your department has long supported public-private partnerships that are formed to resolve industry issues, and GISB clearly is an example of this type of partnership. In fact, your department was our first government member in 1995. Our mission to make access to clean burning natural gas more user friendly is entirely consistent with your department's leadership on promotion of domestic and environmentally friendly fuels. Recently, we worked closely with your department, Sandia National Labs and Lawrence Livermore National Labs to formulate additional Internet standard to ensure reliable and safe electronic communications in our industry.

GISB is composed of over 200 corporate leaders and over 800 volunteers. With the recent activities at the regarding pending federal energy legislation, and the FERC adoption of Order No. 587 that incorporated by reference many of our standards, this annual meeting will prove to be an important venue for industry awareness. We believe that standards are required to move our industry into a seamless marketplace, with ultimate benefits going to the consumer. Our conference will stress these points, highlight some success stories, and hear from experts on what the future holds for us. The activities of your department, promoting industry activities that further our national energy policies, are clearly germane to GISB. Your appearance at our annual meeting will provide much needed federal policy level input into our process.

47 b



We expect approximately 200 attendees, mostly executive level corporate management. Other speakers for our conference include Chairman James Hoecker from the Federal Energy Regulatory Commission, Mayor Howard Peak of San Antonio, and several state commissioners. Should you or your staff require any additional information about GISB or our annual meeting, please feel free to call us at the above telephone number. Thank you in advance for your attention and most importantly, for your leadership on issues important to our country.

Respectfully,

Rae McQuade
Executive Director, GISB

Attachments



Gas Industry Standards Board

1100 Louisiana, Suite 4825, Houston, Texas 77002
 Phone (713)356-0060, Fax (713)356-0067, e-mail gisb1@aol.com
 Home Page www.gisb.org

Gas Industry Standards Board

Board of Directors for 1999

End User Segment:

Janie Mitcham, V.P. Fuel and Energy Management, Houston Industries
 John Stevens, President & COO, Eastern Utilities Associates
 Jim Templeton, Principal, Comprehensive Energy Services
 Norman Davis, Manager Energy Purchases, International Paper
 Lee Smith, Vice President Gas Supply, Midland Cogeneration Venture

Term Ending:

December 31, 2000
 December 31, 2000
 December 31, 2000
 December 31, 1999
 December 31, 1999

Local Distribution Companies Segment:

Walt DeForest, Sr. V.P., National Fuel Gas Distribution
 Lee Stewart, President, Energy Transportation Services, Southern California Gas Co
 Bill Boswell, V.P., Secretary & General Counsel, Peoples Natural Gas
 Mary Jane McCartney, Sr. V.P., Gas Operations, ConEd
 Andy Sonderman, Sec. & Gen. Counsel, Columbia Gas Distribution

Term Ending:

December 31, 2000
 December 31, 2000
 December 31, 1999
 December 31, 1999
 December 31, 1999

Pipelines Segment:

Ron Mucci, V.P. & CIO, Williams Gas Pipelines
 Bob Reid, Vice President, Colorado Interstate Gas
 Rick Balsh, President, El Paso Natural Gas
 Stan Horton, Chairman & CEO, Enron Gas Pipeline Group
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Term Ending:

December 31, 2000
 December 31, 2000
 December 31, 2000
 December 31, 1999
 December 31, 1999

Producer Segment:

Pete Dickson, East Region Marketing Manager, Exxon Company
 Vacancy
 Allan Knopp, Director, Regulatory Affairs, Conoco
 Nancy Laird, Group V.P. Marketing, PanCanadian Petroleum Ltd.
 Hugh Roberts, Manager of Industry and Regulatory Affairs, Marathon

Term Ending:

December 31, 2000
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 December 31, 1999
 December 31, 1999

Services Segment:

Lyn Maddox, President & CEO, PG&E Energy Trading
 Marty Patterson, Director of Operations, Idaho Power Company
 Steve Bergstrom, Exec. Vice President, Dynegy Marketing and Trade
 Julie Gomez, Vice President, Enron Capital & Trade Resources
 Greg Lander, President, TransCapacity

Term Ending:

December 31, 2000
 December 31, 2000
 December 31, 1999
 December 31, 1999
 December 31, 1999



GISB CORPORATE MEMBERS

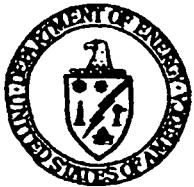
AEP Energy Services, Inc.	Comprehensive Energy Services	Gastantic
AGL Resources Inc.	Conectiv	GE Information Services
Algonquin Gas Transmission	ConEdison	GPU Energy
Alliance Pipeline Ltd.	Conoco, Inc.	Great Lakes Gas Transmission
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Ameren Corporation	Coral Energy Resources, L.P.	Hatch Associates Limited
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Aquila Energy	Department of Energy	Iroquois Gas Transmission System
Arizona Public Service Company	Dynegy Inc.	K N Energy, Inc.
ATCO Pipelines	Dynegy Marketing and Trade	Kansas Pipeline Company
Baker & Botts, LLP.	ECOM Worldwide	Kern River
Baltimore Gas & Electric Co.	EDS	Key Span Energy
Boeing Co.	El Paso Natural Gas Co.	Koch Gateway Pipeline
Bray and Associates	Elite Computer Consultants	Koch Midstream Services Co.
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Burlington Resources	Energy North Natural Gas Inc.	Latitude Technologies
Cabot Oil & Gas Marketing Corp.	EnFORM Technology, LLC	Lone Star Pipeline Company
Calpine-EMI Marketing, LLC	Engage Energy	Marathon Oil Company
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Citizens Power Sales	Enserch Energy Services, Inc.	Mid Louisiana Gas Company
CNG Producing Company	Entergy Services, Inc.	Midland Cogeneration Venture
CNG Transmission Corp.	Equitable Gas Company	Mississippi River Transmission
Coastal Oil & Gas	Ernst & Young	Mobil Natural Gas, Inc.
Colorado Interstate Gas Co.	EUA Ocean State Corporation	Multisoft Consulting Corporation
Columbia Gas Distribution Co.	Exxon Company, U.S.A.	National Fuel Gas Distribution
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Columbia Gulf Transmission Co.	Florida Power & Light Company	National Registry of Capacity Rights



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 Peoples Gas Light & Coke Co.
 Peoples Natural Gas Co.
 PG&E Energy Trading
 PG&E Gas Transmission
 Portland Natural Gas Transmission
 ProLiance Energy, L.L.C.
 Providence Gas Co.
 Proxim, Inc.
 Public Service Electric & Gas
 Questar Pipeline Co.
 Reliant Energy Gas Transmission Co.
 Reliant Energy HL&P
 Reliant Energy Services, Inc.
 Sabine Pipe Line Company
 Salt River Project
 San Diego Gas & Electric Company
 Sapient Corporation
 Southern California Gas Co.
 Southern Company Energy Marketing
 Southern Connecticut Gas Co.
 Southern Natural Gas Co.
 Southwest Gas Corporation
 Southwestern Energy Company
 Sprague Energy Corp.
 Sterling Commerce
 Superior Natural Gas Corporation
 Tejas Offshore Pipelines
 Tennessee Gas Pipeline
 Tennessee Valley Authority
 Texaco Natural Gas, Inc.
 Texas Eastern Transmission Corp
 Tractebel Energy Marketing, Inc.
 TransCanada Pipelines
 TransCapacity L.P.
 TransEnergy
 Transok, Inc.
 Transwestern Pipeline Co.
 Trunkline Gas Company
 Utility Partners, Inc.
 Valmet Automation, Inc.
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 Viking Gas Transmission Company
 Washington Gas Light Co.
 Westcoast Energy Inc.
 Westfield Gas & Electric Light Dept.
 Williams Energy Services Co.
 Williams Gas Pipelines
 Williston Basin Interstate Pipeline
 Wisconsin Electric Power Company
 Wisconsin Gas Company
 Wright, Logue & Associates

1999-010445



Department of Energy

Washington, DC 20585

July 20, 1999

Mr. Rae McQuade
Executive Director
Gas Industry Standards Board
1100 Louisiana, Suite 4925
Houston, Texas 77002

Dear Mr. McQuade:

We have received your correspondence dated July 14, 1999, on behalf of the Gas Industry Standards Board, inviting Secretary Richardson to participate as the featured speaker on September 27 or 28, 1999, at their annual meeting in San Antonio, Texas.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

A handwritten signature in black ink that appears to read "James N. Solit".

James N. Solit
Director, Executive Secretariat



Printed with soy ink on recycled paper

41 D

Folder Profile	
Control #	1999-010602
Name	Letter to Secretary Richardson from Kenneth D. Karas, Enr
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Regrets unable to attend the IV Hemispheric Energy Ministers Conference on July 28-30, 1999—(Rec'd in ES 7/19/99)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	Info.copy: SL/Johnston
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	7/14/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB 6-5936 Edwards, Kesha
Action Office #	
Assigned To	PO
Date Due	
Date Completed	7/20/99

48

1999-010602 7/19 4:12



Kenneth C. Karas
Chairman and Chief Executive Officer

July 14, 1999

Enron Wind Corp.
P. O. Box 1910
Tehachapi, CA 93581
(805) 823-6720
Fax (805) 822-1169
kkaras@enron.com
www.wind.enron.com

The Honorable Bill Richardson
Secretary of the United States
Department of Energy
Washington, DC 20585

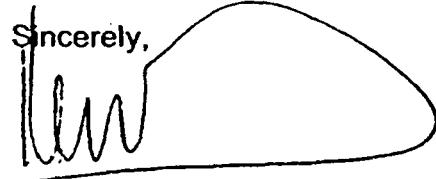
Dear Mr. Secretary:

I very much appreciated your comments at the American Wind Energy Association's Windpower '99 conference in Vermont a couple of weeks ago and having the opportunity to chat with you after your formal remarks. Wind power truly has come of age, and the Department of Energy has without question played an influential role in the development of this useful and environmentally friendly technology.

Thank you for the invitation to attend the IV Hemispheric Energy Ministers Conference in Louisiana on July 28-30. Unfortunately, I will be out of the country during this period of time and will be unable to attend. If specific participation or presentations would be helpful, one of my colleagues could attend. Please have one of your staff members contact me if you feel this would be appropriate or helpful.

Thank you again for your support of wind energy. I look forward to seeing you again in the near future.

Sincerely,



cc: Gary Ward

G:\Schemie\WPDOCS\KKLTRS\071499 Bill Richardson.wpd

Natural gas. Electricity. Endless possibilities.TM

48A

Folder Profile	
Control #	1999-010609
Name	Letter to Secretary Richardson from Christopher M. Long, E
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Request support for the African Growth and Opportunity Act (H.R.434) (Rec'd in ES 7/19/99)
Topical Index	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/15/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	ALSTONL 202 586-5914 Alston, Lisa
Action Office #	
Assigned To	IA
Date Due	
Date Completed	7/28/99

449



Christopher M. Long
Director
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, DC 20006
(202) 466-9158
Fax (202) 828-3372
clong@enron.com

July 15, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

Dear Secretary Richardson:

I am encouraging the U.S. House of Representatives to consider H.R. 434, The African Growth and Opportunity Act in the next few days. I have attached a letter sent to the full House of Representatives outlining Enron's support of this legislation. This letter clearly signifies Enron's commitment to expanding U.S. trade opportunities in sub-Saharan Africa.

Please feel free to contact me with any questions at 202-466-9158.

Sincerely,

A handwritten signature in black ink that appears to read "Chris Long".

1999-010609 7/19 4:12



Rebecca A. McDonald
Executive Managing Director

Enron International
P. O. Box 1188
Houston, TX 77251-1188
(713) 345-5540
Fax (713) 345-5542

July 13, 1999

The Honorable
United States House of Representatives
Office Building
Washington, DC 20515

Dear Representative:

Enron Corp. respectfully requests your support for the **African Growth and Opportunity Act (H.R. 434)**. Please vote in favor of the Rule for House consideration and in support of H.R. 434.

This bipartisan legislation would make significant progress in opening markets in key sub-Saharan African countries. Enron believes this legislation will encourage greater U.S. investment in Africa resulting in new jobs for African workers, and more importantly, more jobs for U.S. workers and producers of goods and services. Examples of increased investment include Enron's proposed projects in Mozambique for exploration and production of the Pande gas reserve, a pipeline, and a steel reduction facility. Enron is also pursuing potential projects in numerous other sub-Saharan African nations. Not only will this legislation provide greater opportunities for the American business community to invest in sub-Saharan Africa it will contribute to stability, peace and democracy in the region.

H.R. 434 directs the Export-Import Bank (EX-IM) and the Overseas Private Investment Corporation (OPIC) to expand activities in sub-Saharan Africa. One of the more important provisions is the creation of the OPIC-supported equity and infrastructure funds to assist African entrepreneurs in developing private sector enterprises. These funds will assist American companies seeking to establish a presence in the region, which will lead to long-term U.S. exports to the region. It is important to note this legislation directs eligibility only to those countries that respect human rights and also support U.S. national security and foreign policy interests.

Our European business competitors have long understood the importance of investment in sub-Saharan Africa. During the 1990's, British and French investments were 300% to 200% higher, respectively, than U.S. investments in Africa. Enactment of the African Growth and Opportunity Act is important for U.S. businesses to compete with the already established European businesses in Africa. Enron believes this legislation will provide the American business community with the important tools needed to effectively invest in sub-Saharan Africa and become more globally competitive.

Thank you for your attention to this important matter.

Sincerely,

Rebecca A. McDonald

Folder Profile	
Control #	1999-010613
Name	Letter to Secretary Richardson from Kenneth L. Lay (Enron)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Concerns regarding promoting energy services as significant trade service and to include the GATTs 2000 negotiations -S/CC
Action Office #	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	Secretary Richardson courtesy copy of a letter addressed to the Honorable Charlene Barshefsky.
Folder Trigger	Letter
Source	PM-O
Date Received	7/19/99
Correspondence Date	7/16/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG
Organization ID	EXECCORR2
Assigned To	PO
Date Due	
Date Completed	8/2/99

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1999-010613 Jul 19 p 4:13



Kenneth L. Lay
*Chairman and
Chief Executive Officer*

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6773
Fax (713) 853-5313
klay@enron.com

July 16, 1999

The Honorable Charlene Barshefsky
US Trade Representative
Office of United States Trade Representative
600 17th Street, NW
Room 209
Washington, DC 20508

Dear Charlene:

We are actively involved with 28 other companies and associations in promoting energy services as a significant trade service deserving to be included in the GATTs 2000 negotiations. I am attaching the list of members.

The Energy Services Coalition was recently established on May 26, 1999. At that time we forwarded our letter to you announcing its organization, recognizing the key role that the office of the USTR has played and continues to play in promoting energy services liberalization in APEC, and the desire of the growing group in the United States for the United States government to include energy services on the WTO negotiations agenda.

I have agreed to deliver a speech at the WTO Ministerial Business Forum in Seattle on December 2, 1999, and will address the broad horizon that energy services covers. Energy services also includes energy equipment as a significant part of our energy services market.

The United States energy industry because of our continuing liberalization of market opportunities has helped create new enterprises which stimulate investment, improve overall competitiveness and bring to all consumers beneficial choices. This can be done globally with many WTO members using their entrepreneurial skills to developed and developing economies. Energy services offers unlimited opportunities for you and benefit to all WTO members.

To assist you in preparing for the Seattle Ministerial, and beyond that in negotiations of the GATS Round itself, we look forward as an industry grouping to providing you with definitions of the scope and breadth of energy services, its impact on the US economy, and barriers faced by US energy and energy service companies in foreign markets.

Sincerely,

A handwritten signature in black ink that appears to read "Ken".

Encl. (Matrix)

cc: The Honorable William Daley
The Honorable Bill Richardson
The Honorable Robert Rubin

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50A

Folder Profile

Control #	1999-011398	Name	Letter to Secretary Bill Richardson from John M. Seidl, Cell
Priority	Important	Folder Trigger	Letter
DOE Addressee		Source	PM-O
Bill Richardson		Date Received	8/2/99
Subject Text		Correspondence Date	7/28/99
Invites the Secretary to visit CellNet or any of the other major utilities that have put Network Meter Reading (NMR) technology to work for them and their customers – No date mentioned		RIDS Information	Head of Agency
Action Office #		Sensitivity	Not Applicable
Signature/Approval		Classification	None
NA		Point of Contact	BLAKES
Action Requested		Organization ID	EXECCORR2
Appropriate Action		Assigned To	SL/Johnston
Special Instructions		Date Due	
Regretted. Hard copy hand-carried to the Office of Scheduling on 8/3/99. Info copy: ES/Carpenter		Date Completed	8/3/99

1999-011398 8/2 12:20



CELLNET
DATA SYSTEMS

July 28, 1999

Mr. Bill Richardson
Secretary of Energy
U.S. Department of Energy, Headquarters
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Secretary Richardson:

As a former president and COO of Enron Corp, I have followed with great interest the announcement of your six-point plan to help prevent major power outages, such as those experienced during the recent hot spells in many parts of the country.

I applaud your plan. However, I believe it is far too biased toward finding a remedy to disruptive power outages on the supply side of energy. I submit that the cure for this recurring problem is to be found on the demand side of energy. The crux of the energy load management problem today is that, in the midst of the Information Age, the vast majority of utilities and energy providers today operate in the blind! They have no means of truly measuring real-time energy consumption, monitoring distribution, or managing demand.

Fortunately, the technology to do all of the aforementioned is commercialized, relatively inexpensive, and proven in large scale. It's called Network Meter Reading (NMR) technology and I believe it is integral to meeting the objectives of your new plan. Better yet, NMR technology avoids the big capital expenditures, rate hikes to consumers, as well as the adverse impact on the environment that all too often accompany new generation facilities.

By embedding a low-cost communication module in an electric meter -- enabling that meter to "talk" over a wireless network -- NMR technology provides:

- virtual real-time measurement of energy consumption, eliminating the guesswork from energy supply;
- notification to the utility when power is lost at isolated homes or businesses;
- an effective management tool for large-scale restorations;
- the data necessary to facilitate time-of-use pricing needed to harness market forces that can push down power peaks and "broaden the shoulders," even during severe weather conditions.

NMR technology also enables a new generation of low-cost demand-management systems for residential and commercial customers. It works via wireless links from NMR networks to smart thermostats ...there's even a capability for Internet access – and control – for customers.



Mr. Bill Richardson
July 28, 1999
Page Two

Now, NMR is not pie-in-the-sky technology. I say this as the chairman of CellNet Data Systems, a company that is a pioneer in this field.

Today, in Missouri, Washington, Minnesota, Indiana, Connecticut, Pennsylvania and California, CellNet is working with nine utilities to provide NMR service to almost three million residential, commercial, and industrial energy customers. We are adding more than 100,000 meters to our networks each month and have long-term contracts for approximately 6.8 million meters.

I would like to invite you to visit with us here at CellNet, or, better yet, at AmerenUE (St. Louis), Kansas City Power & Light, Puget Sound Energy, or one of the other major utilities that have put NMR technology to work for them and their customers.

Feel free to contact me. I strongly believe that NMR technology is part and parcel of well-managed energy in the information age.

Sincerely,


John M. Seidl
Chairman of the Board

JMS/at
Enclosures

Folder Profile

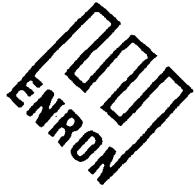
Control #	1999-011525	Name	Letter to Secretary Bill Richardson from Kenneth C. Karas,
Priority	Important	Folder Trigger	Letter
DOE Addressee		Source	PM-O
Bill Richardson		Date Received	8/3/99
Subject Text		Correspondence Date	8/2/99
Requests the Secretary's participation in dedicating two of the world's largest wind power facilities – September 17-18, 1999		RIDS Information	Head of Agency
		Sensitivity	Not Applicable
Action Office #		Classification	None
		Point of Contact	ALSTONL
Signature/Approval		Organization ID	EXECCORR2
NA		Assigned To	
		SL/Johnston	
Action Requested		Date Due	
Appropriate Action			
Special Instructions		Date Completed	8/4/99
Info:ES/Carpenter. Hand-carried to SL/Johnston on 8/5/99			

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1999-011525 8/3/99 12:18pm

Kenneth C. Karas

Chairman and Chief Executive Officer



August 2, 1999

Enron Wind Corp.

P. O. Box 1910

Tehachapi, CA 93581

(805) 823-6720

Fax (805) 822-1169

kkaras@enron.com

www.wind.enron.com

The Honorable Bill Richardson
Secretary of Energy
U.S. Department of Energy, Headquarters
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1000

Dear Mr. Secretary:

I enjoyed meeting you at the recent DNC dinner in Los Angeles on the evening before the Los Angeles Department of Water and Power "Green Power" announcement, as well as during your visit to Vermont for the Windpower '99 annual conference and exhibition. I would like to thank you personally and on behalf of our company for your forethought and initiative in furthering the benefits of wind power through your Wind Powering America initiative.

I am writing to request your participation in dedicating two of the world's largest wind power facilities. On Friday and Saturday, September 17 and 18, communities in southwestern Minnesota and northcentral Iowa will join with our company and local utilities in dedicating wind power projects which add nearly 300 new megawatts of clean wind power to our nation's energy mix. The projects will annually provide nearly 1 billion kilowatt hours of clean electricity and offset approximately 750,000 tons of carbon dioxide, the leading greenhouse gas associated with global warming. We would be greatly honored if you would join us Saturday during our Storm Lake wind power project dedication ceremony in Alta, Iowa at 1:00 p.m.

We will kick off our two-day event at our Lake Benton II wind power dedication in Minnesota. The celebration will continue into Saturday with the late-morning dedication of our Storm Lake facility in Iowa, at which we have also requested Vice President Gore to be one of our honored guests. Concurrent WindFest celebrations, hosted by the projects' neighboring communities, will begin at 11:00 a.m. in both Iowa and Minnesota project communities.

As you may know, Enron Wind Corp., a subsidiary of Houston-based Enron Corp., is the largest manufacturer of wind turbines in the United States, and in 1998 was the second largest in the world. We develop and construct wind facilities, and sell turbines worldwide. We have enjoyed a close and productive working relationship with the Department of Energy (DOE), primarily through the National Renewable Energy Laboratory (NREL). The DOE's wind program has been of great assistance to Enron Wind, particularly in the development of our wind turbine technology. Assistant Secretary Dan Reicher, wind program manager Peter Goldman, and Bob Thresher and his staff at NREL have been wonderful to work with. Their advice and financial assistance has made our 750 kW wind turbine a world leader. We thank you for that help and would like you to view, first hand, the progress you have fostered.

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August 2, 1999
Page 2

We hope that you will accept our invitation and join us in Iowa as we celebrate 300 new megawatts of clean, renewable energy for our Midwestern states.

Sincerely,

A handwritten signature in black ink, appearing to read "KENNETH C. KARAS". It is written over a large, stylized, downward-pointing arrowhead shape.

Kenneth C. Karas
Chairman and CEO

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Folder Profile			
Control #	1999-011646	Name	Letter to Secretary Richardson from E. Joseph Hillings (EN)
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Regrets that was unable to attend the New Orleans Hemisphere Energy Ministerial Conference		
Action Office #			
Signature/Approval	NA		
Action Requested	Prog Determination		
Special Instructions			
Assigned To	IA		
Date Due			
Date Completed	8/10/99		



E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, DC 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

August 3, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

Dear Mr. Secretary:

I regret I was not an attendee at the New Orleans Hemisphere Energy Ministerial. However, Ken Lay and several Enron colleagues who did attend were pleased at this excellent opportunity for U.S. companies involved in energy development in the hemisphere.

They attended the well-planned and executed workshops, and met with several ministers from nations in the hemisphere where we have facilities and where opportunities exist. I believe this is the first session of its kind in that it brought developers, investors and government leaders together to exchange ideas that assist in making positive energy contributions.

We compliment you, your excellent staff and especially Deputy Assistant Secretary Fariello for a superb job.

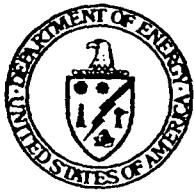
Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lay".

cc: Ken Lay

Folder Profile	
Control #	1999-011117
Name	Action Memo for the Secretary from EE/Reicher 8/6/99
Priority	Important Critical
DOE Addressee	Bill Richardson
Subject Text	Opportunity for the Secretary to speak at the dedication of an Enron Wind Corporation Wind project on September 17 and 18, 1999
Action Office #	Goldman, EE-11
Signature/Approval	Bill Richardson
Action Requested	Approval/Signature
Special Instructions	9/23 Per Robyne Johnston this invitation was a regret. Folder has been closed to reflect this
Folder Trigger	Internal Memo
Source	AM
Date Received	8/5/99
Correspondence Date	8/6/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYC
Organization ID	EXECCORR2
Assigned To	EE
Date Due	8/20/99
Date Completed	9/23/99

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Department of Energy

Washington, DC 20585

1999-011117

AIIG 06 1999

BRIEFING MEMORANDUM

MEMORANDUM FOR THE SECRETARY

FROM: Dan W. Reicher *DWR*

Assistant Secretary
Energy Efficiency and Renewable Energy

SUBJECT: Opportunity to Speak at the Dedication of an Enron Wind Corporation Wind Project

SETTING: Lake Benton II Dedication near Lake Benton, Minnesota, early afternoon Friday, September 17, 1999. (1:00 p.m. - 4:00 p.m.)
Storm Lake I&II Dedication near Storm Lake, Iowa, early afternoon Saturday, September 18, 1999. (1:00 p.m. - 4:00 p.m.)

REMARKS: TBD

BACKGROUND:

In June 1999, the Enron Wind Corporation completed and placed into operation two large wind farms in the Upper Middle West, one in Iowa, and one in Minnesota. Both projects use U.S. manufactured wind turbines developed in cooperation with the Department. The Iowa project is the largest single wind installation in the world and is expected to provide the electricity needs of about 70,000 homes.

The Lake Benton II, Minnesota project, is a 103 megawatt wind farm that has joined the 107 megawatt Lake Benton I, Enron project completed in 1998 in the Lake Benton area in southwestern Minnesota. I represented the Department at the dedication of the Lake Benton I project, which was held in September of 1998. The output of both the Lake Benton projects, is being sold to Northern States Power, which primarily serves customers in Minnesota.

The Storm Lake I&II Iowa project is a 193 megawatt wind farm near the town of Storm Lake in northwestern Iowa. The electricity produced by this wind project is being sold to two Iowa utilities--MidAmerican, and IES Utilities.



Printed with soy ink on recycled paper

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SENSITIVITIES:

Enron Wind Corporation has notified Vice President Gore's office of the planned dedications in September with the intention of formally inviting the Vice President to speak. The expectation is that if the Vice President is able to attend either of the two events, it is more likely that he would speak at the dedication of the larger project in Iowa.

RECOMMENDATION:

That the Secretary participate in the Storm Lake, Iowa, project dedication on September 18, 1999.

PREPARED BY: Peter Goldman 6-1995

APPROVED: _____

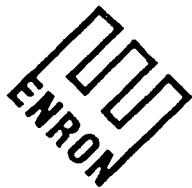
DISAPPROVED: _____

DATE: _____

Folder Profile

Control #	1999-011738	Name	Letter to Under Secretary Moniz from E. Joseph Hillings (E)
Priority	Important Critical	Folder Trigger	Letter
DOE Addressee		Source	PM-O
Ernest Moniz		Date Received	8/6/99
Subject Text		Correspondence Date	8/5/99
Provides photographs taken at the US Bolivia Business Partnership luncheon on July 28, 1999		RIDS Information	Head of Agency
		Sensitivity	Not Applicable
		Classification	None
Action Office #		Point of Contact	HOLLOWAG
		Organization ID	EXECCORR2
Signature/Approval		Assigned To	Ernest Moniz
NA		Date Due	
Action Requested		Date Completed	8/9/99
Appropriate Action			
Special Instructions			

55



E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, D.C. 20006-4607
(202) 466-9145
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jhillin@enron.com

August 5, 1999

The Honorable Ernest J. Moniz
Under Secretary
US Department of Energy
1000 Independence Avenue, SW
Room 7B252
Washington, DC 20586

Dear Secretary Moniz:

Enclosed are photographs taken at the US Bolivia Business Partnership luncheon on July 28, 1999 at the Willard. I thought you would enjoy them.

Thank you for your participation in the Partnership, and I look forward to working with you in the future. Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Joseph Hillings".

Encl.

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SSA
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Folder Profile

Control #	1999-012746	Name	Letter to Secretary Richardson from Rahul Bajaj, Confeder
Priority	Important	Folder Trigger	Invitation
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text		Date Received	8/24/99
Thanks the Secretary for speaking at the Indo-U.S. Business Dialogue on May 20, 1999 and invites Secretary to attend a major Conference that CII is organizing on October 25-27, 1999		Correspondence Date	8/19/99
Action Office #		RIDS Information	Head of Agency
Signature/Approval		Sensitivity	Not Applicable
NA		Classification	None
Action Requested	Assigned To		
Appropriate Action	SL/Johnston		
Special Instructions		Date Due	
Info:ES/Carpenter hard copy given to SL/Johnston on 8/24/99		Date Completed	8/24/99

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1999-012746 8/24 11:56

Rahul Bajaj
President



Confederation of Indian Industry

23, Institutional Area, Lodi Road, New Delhi 110 003
Phones : 4621874, 4629994-7 • Fax : 4633168/4626149
email: cii@co.cii.emet.in
Internet : www.ciionline.org

19 August 1999

The Hon'ble Bill Richardson
Secretary
US Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington DC 20585

Dear Mr. Richardson:

The Environment Summit

THE TRIPLE E FACTOR
Energy, Environment & Efficiency

25th-27th October 1999 : Hotel Le Meridien : New Delhi

Thank you very much for speaking at the Indo-U.S. Business Dialogue on the Clean Development Mechanism in Washington, DC on May 20, 1999 sponsored by the Confederation of Indian Industry (CII). We were delighted with your participation and your keen interest in India. Government and industry representatives at the meeting agreed that the threat of climate change is a global challenge, and that all nations will have to work in partnership to address it, while recognizing their "common but differentiated" responsibilities under the Framework Convention on Climate Change. The Indo-US business community stressed that industry around the world has a critical role to play in devising and implementing measures to mitigate the impact of global climate change, while sustaining healthy economic growth and development.

I am writing to invite you to a major Conference that CII is organizing on **The Triple E Factor – Energy, Environment & Efficiency** from 25th – 27th October 1999, in New Delhi, India. The Conference will focus on policies and financing strategies to implement efficient and environmentally sound technologies in industry and business. The objective of the Conference is to enable the Indian and US corporate world to establish business partnerships to address economic and environmental objectives.

Speakers at the Conference include prominent government and industry representatives from India and overseas, who have made significant contribution

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in the fields of energy and environment. Some of the invited speakers include Mr. Bjorn Stigson, Executive Director, World Business Council for Sustainable Development, Geneva (confirmed), The Environment Minister from India, Mr. Joe Sutton, Vice Chairman & CEO, Enron Corporation and Mr. Jonathan Lash, President, World Resources Institute.

We would be delighted and honored if you would agree to be the keynote speaker at the inaugural session of the Environment Summit, on Monday 25th October 1999. The United States is a leader in the field of policy and financing approaches to implement energy and environmental technologies. I strongly feel that the Environment Summit would be the right platform to project the strides made by the United States in the field of Energy Investments, Technology and the Environment. The Summit also provides an opportunity to engage the business community of both our nations to take maximum advantage of the potential economic benefits from addressing global climate change issues. The Environment Summit is slated to become one of the foremost environment events in Asia and we would be extremely pleased to have you set the tone of discussions for the Inaugural Summit.

I look forward to your positive response. I am asking, Mrs. Kiran Pasricha, Director of our Washington Office, to be in touch with your office to follow-up and to answer any questions that you or your staff may have. She can be reached at Phone: 703 841 3209 and Fax: 703 841 3309.

Yours sincerely



Rahul Bajaj

56A 1

Folder Profile

Control #	1999-012582	Name	Facsimile to Secretary Richardson from Christie Patrick, Er
Priority	Important	Folder Trigger	Invitation
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Request a meeting with the Secretary to discuss DOE's Service Performance Contracting Program- No Date Mentioned		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info:ES/Carpenter hard copy given to SL/Johnston on 8/24/99		
Assigned To	SL/Johnston		
Date Due			
Date Completed	8/24/99		

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1999-012582 8/20 4:12



August 20, 1999

Christie Patrick
Vice President
American Indian Affairs

Enron Corp.
P.O. Box 1188
Houston, TX 77251-1188
(713) 853-6117

Secretary William B. (Bill) Richardson
U. S. Department of Energy
1000 Independence Avenue S.W.
Mail Stop 7E-079
Washington D. C. 20585

Dear Secretary Richardson:

First of all, congratulations on the great success and commitment that you have demonstrated in your recent tenure at the Department, especially on behalf of "Indian Country". As an Indian person working with Tribes in energy development, it is especially exciting for myself and Christie Patrick to have the Secretary of Energy with a wealth of experience, understanding and commitment to Indian Country. We also recognize many significant positive changes within the Department personalities as well. Again, Thank You.

I am writing to you at the heels of the Tribal leaders town hall meeting in Phoenix, Arizona July 17, 1999. We appreciated the honor of participating at the request of the Jemez Pueblo as their perspective corporate energy partner. We are "partnering" with many Tribes throughout Indian Country at various levels and on a variety of projects with great success.

One opportunity that is especially exciting is the Department of Energy's Energy Service Performance Contracting Program that you had described to Tribal leadership during the July 17th meeting in Phoenix. Enron is working with Santa Fe Indian School, SIPI, Chemawa Indian School and many other Tribal entities including as BIA and IHS. As one of the prime contractors and the only one specifically concentrating on Indian Country, we would like to offer the following, in hopes of enhancing the process for Indian Country:

- Create administrative policy changes to waive the \$30,000-\$50,000 contract fee for Tribes (most cannot afford the required fee)
- Designate one contracting officer for Indian Country to streamline and fast track Indian Country applications (there will be many)
- Develop a Master MOU with the Bureau of Indian Affairs and Indian Health Service
- Create a "keep more of the savings at the local institutions" mechanism for increased motivation in the program
- Encourage DOE staff to pursue and accept energy projects consisting of combined facilities at multiple locations to ensure inclusion of smaller facilities that would not be a stand-alone project, and to ensure securing the better interest rates available to larger projects

Secretary Richardson
Page Two

We believe that as practitioners of this great DOE program, that this is an opportunity for Indian Country to make up for some of the more than \$ 800 million in unmet facility needs in the BIA alone. We have also shared your dedication and commitment to working in Indian Country to create opportunities for Tribes to enhance their economies, environments and their resources.

I hope that these points are helpful. We would respectfully request a opportunity to meet with you to discuss these points more comprehensively as soon as your schedule would allow. We have several perspective tribal facilities anticipating resolution of our proposed policy changes. Please do not hesitate to contact me at 713-853-6546 in person to set up the meeting.

Please find enclosed Enron Annual Report and our introduction to Enron American Indian Affairs.

Respectfully,

Respectfully,



Roger B. Pragua
Manager
Enron American Indian Affairs



Christie A. Patrick
Vice President
Enron American Indian Affairs

Enclosures

Cc: Dan Reicher, Assistant Secretary, Energy Efficiency (Mail Stop 6B-025)
Christopher Stearns, Director of Indian Affairs (Room 7B-138)
Demick Watchman, Special Assistant, Indian Affairs (Room 6G-051)
James B. Lewis, Director, Economic Impact/Diversity (Mail Stop 5B-110)



Christie Patrick
Vice President
American Indian Affairs

Enron Corp.
P.O. Box 1188
Houston, TX 77251-1188
(713) 853-6117

Enron American Indian Affairs

Enron is one of the world's leading integrated electricity and natural gas companies. Enron owns approximately \$30 billion in energy related assets, produces electricity and natural gas, develops, constructs and operates energy facilities worldwide and deliver physical commodities and risk management and financial services to customers around the world.

Enron is consistently recognized as a leader in the energy industry not only measured by financial and physical assets, but by our vast intellectual resources. Our intellectual resources create new and emerging markets, products and technologies that consistently create positive global impacts. In North America, one market that Enron is very actively engaged in is American Indian tribes and reservations. To promote this market, Enron's organization includes a distinct commercial business unit: Enron American Indian Affairs.

In fact, Enron has a long history of responsibly working with many American Indian Tribes. Our involvement began many years ago when Enron was largely a gas transmission company with pipelines crossing many miles of Indian lands and involved numerous amicable negotiated settlements of rights of way and permits. From this friendly and mutually respectful relationship with several tribes, Enron's involvement in Indian Country has evolved to the current independent proactive business unit that is joining Enron with Indian Country as multifaceted partners in energy projects.

We value our Tribal relationships and are working toward enhancing the Tribal capacity in order to build strong and equal energy partnerships. For example, to assist in developing strong Tribal energy partners, Enron embarked on an energy education program throughout Indian Country, sponsoring energy conferences among regional groups of Tribes, as well as for individual Tribes. These conferences include not only presentations by Enron and other energy companies, but facilitated work sessions exclusively for Tribal leadership, where Tribal participants map out self-determined energy strategies, positioning the Tribe to partner equally with corporate America. Enron continues to sponsor this conferencing effort, and we believe that when Tribes have determined their energy strategies, Enron will prove itself to be the best energy partner of choice for Indian Country.

In fact, throughout North America today, Enron American Indian Affairs is already working as energy partners with several Tribes to develop electric, gas and now, water project. The Enron-Indian Country partnership is built on mutual respect and admiration for the collective strengths that each entity brings to create a greater whole than either entity possess individually. We recognize that the strengths of Indian Country lie in its growing market and customer bases, vast natural and renewable resources, regulatory and tax advantages based on the Tribal political status. As to Enron's part of the partnership, Enron brings financing, market risk management and technical and operational expertise and experience.

In pursuing energy opportunities with tribes, Enron's approach is fairly simple: we seek Tribal partners that are equally motivated in seeking "for profit" energy projects that are culturally, environmentally and economically sound. The valuation and feasibility process begins with a comprehensive energy assessment performed by Enron, at Enron's expense, of a Tribe's resources, physical infrastructure, and location to markets and general willingness to become proactively engaged in the energy industry. In exchange for this assessment, the Tribe agrees to make Enron its preferred energy partner through mechanisms such as giving Enron a right of first refusal to pursue projects arising from the energy assessment. Today, we are currently pursuing assessments with large and small tribes, aggregations of more than one tribe, as well as entities such as BIA schools. By way of specific example, we are currently working with the Chemawa Indian School in Oregon and the Santa Fe Indian School in New Mexico. This partnership will bring both significant savings to each school's energy bills, as well as improve the quality of their respective utility uses and educational environments, including bringing highly improved lighting to the classrooms. In commercially developing tribes, including gaming tribes, we are establishing partnerships with tribes whereby Enron assumes responsibility for all utility management within the tribe's facilities, and in exchange, guarantees tribes a specific percentage reduction in their utility costs. Overall, all assessments and transactions are custom designed for the specific tribal entity or entities. While our previous focus has been on gas and electricity, we are now including in these assessments any potential opportunity existing with a tribe's water resources, as well as wastewater treatment and water management.

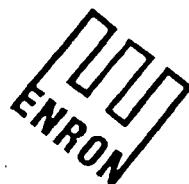
Overall, we are excited by the progress and successes both Enron and Indian Country are enjoying in building these "win-win" energy partnerships, and look forward to continuing to build on these. Enron and Indian Country---Partners in energy.



Roger B. Fragua
Manager
American Indian Affairs

Enron Corp.
1400 Smith Street
Houston, TX 77002-7361
(713) 853-6546

P.O. Box 1188
Houston, TX 77251-1188
Fax (713) 646-8160
Pager (800) 503-0647
Cellular (713) 907-2600



Christie Patrick, MS, MA, JD
Vice President
American Indian Affairs

Enron Corp.
1400 Smith Street
Houston, TX 77002-7361
(713) 853-6117

P.O. Box 1188
Houston, TX 77251-1188
Fax (713) 646-8160
Cellular (713) 823-0777
cpatric@ect.enron.com

57B1

Align top of FedEx PowerShip Label or Astra Label here.

SENDER'S NAME Miriam Brabham	SENDER'S PHONE NO. 713-345-7407
RECEIVER'S PHONE NO. 202-586-6210	



1400 Smith St.
Houston, TX 77002

Address Correction Requested

P.O. Box 1188
Houston, TX 77251-1188

To: **Secretary Bill Richardson**
U.S. Department of Energy
Mail Stop 7E-079
1000 Independence Avenue S.W.
Washington, D.C. 20585

ENRON CORP
ENRON CORP
1400 SMITH STE. 330
HOUSTON TX 77002
(713)853-6116

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ACTUAL WGT: 1 LBS SCALE

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NJWASA



Do not send cash or cash equivalent.

Do not ship Dangerous Goods
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Declared value limit \$100.00 from declared value information

57B-2

Folder Profile	
Control #	1999-012796
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Request the pleasure of the Secretary company as Enron Wind Corp. celebrates nearly 300 new megawatts of clean, wind power capacity for the Midwest on September 18, 1999
Action Office #	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter hard copy given to OS/Frankenberg on 8/31/99
Folder Trigger	Letter
Source	PM-O
Date Received	8/24/99
Correspondence Date	8/24/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB
Organization ID	EXECCORR2
Assigned To	OS/Frankenberg
Date Due	
Date Completed	8/31/99

58

1999-012740 Aug 24 p 4:36



*Enron Wind Corp.
Alliant Energy
MidAmerican Energy and
Northern States Power Company
request the pleasure of your company as we
celebrate nearly 300 new megawatts of
clean, wind power capacity for the Midwest.*

*Lake Benton II Wind Power Facility-104 Megawatts.
Power Purchaser: Northern States Power Company.
Dedication Ceremony: Friday, September 17, 1999,
3:00 p.m., Buffalo Ridge Project Site, near Lake Benton,
Minnesota.*

*Minnesota-Style BBQ immediately following - Lake
Benton City Center, Lake Benton, Minnesota.*

*Storm Lake Wind Power Facility-193 Megawatts.
Power Purchasers: Alliant Energy (80 MW) and
MidAmerican Energy (113 MW).
Dedication Ceremony: Saturday, September 18, 1999,
1:00 p.m., Buffalo Ridge Project Site, near Alta, Iowa.*

*Iowa-Style BBQ immediately following - Alta City
Park, Alta, Iowa.*

*Please also join us Saturday, September 18, 1999 for
Concurrent Community WindFest Celebrations.
Hole in the Mountain Park, Lake Benton, Minnesota,
and Alta City Park, Alta, Iowa, 11:00 a.m. - 5:00 p.m.*

*Please respond to Kathy Agerton by phone (661) 823-6707
or fax (661) 823-6464 prior to Friday, September 3, 1999.*

58A

Folder Profile

Control #	1999-013141	Name	Letter to Secretary Bill Richardson from Enroll B. Davis, Jr.
Priority	Important	Folder Trigger	Invitation
DOE Addressee		Source	PM-O
Bill Richardson		Date Received	8/31/99
Subject Text		Correspondence Date	8/26/99
Invites the Secretary to be an honorary guest and a keynote speaker at a dedication ceremony for two of the world's largest wind power projects -- September 18, 1999		RIDS Information	Head of Agency
Action Office #		Sensitivity	Not Applicable
Signature/Approval		Classification	None
NA		Point of Contact	BLAKES
Action Requested		Organization ID	EXECCORR2
Appropriate Action		Assigned To	SL/Johnston
Special Instructions		Date Due	
9/1/99 hard copy hand-carried to SL/Johnston. Info copy: ES/Carpenter.		Date Completed	9/1/99

59

1999-013141 8/31 10:55



Alliant Energy Corporation
Alliant Tower
200 First Street SE
P.O. Box 351
Cedar Rapids, IA 52406-0351

August 26, 1999

Office: 319.398.4411
www.alliant-energy.com

The Honorable Bill Richardson
Secretary of Energy
U.S. Department of Energy, Headquarters
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1000

Dear Mr. Secretary:

On behalf of Alliant Energy, I take pleasure in inviting you to join with our company and Enron Wind Corp. as an honored guest and keynote speaker during a dedication ceremony for two of the world's largest wind power projects. The two projects are located near Storm Lake, Iowa, and Lake Benton, Minnesota.

The dedication ceremony is scheduled to take place at the Storm Lake, Iowa, site on Saturday, September 18 at 1:00 p.m. The ceremony is the featured portion of a larger "WindFest" celebration in the Midwest, during which the dedication ceremony will be shown via simultaneous satellite broadcast. The satellite broadcast will also be available to local, regional and national media.

As you are aware, reductions in greenhouse gas emissions from energy production facilities will play an increasingly important role in future domestic and international policies. Your role as a leader in formulating the United States' environmental and energy policies is clear, and Alliant Energy would be honored to have you join us as we help dedicate these facilities. The facilities not only will add nearly 300 new megawatts of clean wind power generation capacity to our nation's energy mix, but also will provide nearly 1 billion kilowatt hours of clean electricity and offset approximately 750,000 tons of carbon dioxide emissions annually.

I hope that you will agree to play a special role in this celebration as we demonstrate America's movement toward a cleaner and more responsible energy resource mix. Please contact me at (608) 252-3137 with any questions. I look forward to your reply.

Yours truly,

Erroll B. Davis Jr.
President and Chief Executive Officer

59A

Folder Profile	
Control #	1999-013358
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Hopes the Secretary will address the ABA's Annual Meeting in London on July 20, 2000
Action Office #	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info:ES/Carpenter Relates to ES # 99-006107 hard copy given to SL/Johnston on 9/8/99
Folder Trigger	Invitation
Source	PM-O
Date Received	9/3/99
Correspondence Date	8/30/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MAUSERB
Organization ID	EXECCORR2
Assigned To	SL/Johnston
Date Due	
Date Completed	9/8/99

60

1999-013358 9/3 3:33

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

500 Fourth Street N.W.
Bank of America Centre, Suite 1000
Post Office Box 2168
Albuquerque, New Mexico 87103-2168

Las Cruces, New Mexico

Roswell, New Mexico

Santa Fe, New Mexico

Lynn H. Slade

Direct Dial: (505) 848-1828
Fax No.: (505) 848-1889 (9th Floor)
Internet Address: lslade@modrall.com

August 30, 1999

The Honorable Bill Richardson
Secretary of Energy
United States Department of Energy
1000 Independent Avenue, SW
Washington, DC 20585

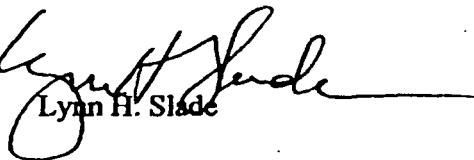
Dear Secretary Richardson:

This follows up on my April 22 letter to you on behalf of the ABA Section of Environment, Energy and Resources, inviting you to address our Presidential Showcase program at the ABA's Annual Meeting in London next summer. As you may recall, the program is entitled: "Global Climate Change: Planning for the Big Contingency." I enclose a copy of my April 22 letter extending the invitation.

In other programs being presented in London, four United States Supreme Court Justices will be speaking. For our program, two of our four invited speakers have confirmed their appearance: Maurice Strong, former Chair of Hydro Ontario and now Special Advisor to the Secretary General of the United Nations on environmental and climate change issues, and Ken Lay, Chairman of Enron Corporation, and perhaps the leading figure in the United States energy industry on the future of energy and climate change. An invitation has been extended to Sir John Brown, Chairman of BP Amoco, who has led his company in taking a position that makes it the world leader in addressing climate change and global warming.

We continue to hope you will join us in addressing these critical issues.

Sincerely,


Lynn H. Slade

LHS/pw
Enclosure

W0080712.WPD

(60A)

Secretary of Energy,

Bill Richardson

August 30, 1999

Page 2

cc: **Deputy Secretary Daniel Reicher**
Honorable Tom Udall
Mr. James N. Solit
Ms. Robyne Johnston
London 2000 Planning Group, Via Facsimile
Roberta Cooper Ramo

60A-1

Folder Profile	
Control #	1999-013793
Name	Letter to Deputy Secretary Gauthier from Dra. Lourdes M
Priority	Important
DOE Addressee	T. J. Gauthier
Subject Text	Wishes to confirm the Deputy Secretary's participate in IV IEA International Conference on Natural Gas. No date given
Action Office #	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	No prior document found.
Folder Trigger	Letter
Source	FG
Date Received	9/13/99
Correspondence Date	9/6/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	PRYORR
Organization ID	EXECCORR2
Assigned To	OS/Earley
Date Due	
Date Completed	9/14/99

1999-013793 9/13/99 5:00



SECRETARIA DE ENERGIA

Dirección General de
Asuntos Internacionales

DGAI 02740

Mexico City,
September 6th, 1999

Mr. T.J. Gauthier
Deputy Minister
Department of Energy
Washington, D.C.

Regarding the invitation Dr. Luis Téllez, Minister of Energy of Mexico, sent you to participate in the IV IEA International Conference on Natural Gas, I am pleased to write to you in this occasion to confirm your participation. This is a very important event, and we look forward to your participation.

Your presentation will be at the Workshop "*Natural Gas and Environment: Clean Operations and Gas in the Kyoto Context*" that will take place on Tuesday 7th at 11:30 hrs.

The Chair of the Workshop will be Mr. Kenneth Vollman, Chairman of the National Energy Board in Canada. He should be contacting you in order to define the precise length of your presentation as well as the generalities of the papers.

Enclosed, please find the conference brochure and general information for your reference.

Please feel free to call me on my staff at (525) 448 61 03/61 07 or at the e-mail: dgai3@energia.gob.mx

I avail myself of this opportunity to reiterate the assurances of my highest consideration.

Dra. Lourdes Melgar

A handwritten signature in black ink, appearing to read "Lourdes Melgar".

Director General

61 A

The IV IEA International Conference on Natural Gas

Shaping Natural Gas Industry for the 21st Century Draft Program

Sunday December 5, 1999

Morning	Registration
Afternoon	Registration
Evening	Welcome Cocktails

Monday December 6, 1999

8:00 - 9:00	Continental Breakfast (Foyer)
9:00 - 10:30	Opening Plenary Session
Welcoming Remarks: <i>Angélica Fuentes*, President, Mexican Natural Gas Association</i>	
Opening Speeches: <i>Dr Luis Tellez*, Secretary of Energy, Mexico</i>	
<i>Bill Richardson*, Secretary of Energy, US</i>	
<i>Mr Robert Priddle*, Executive Secretary, IEA</i>	
10:30 - 11:00	Coffee Break
11:00 - 13:00	Plenary Session
Overview Speeches: <i>Marit Arnstad, Minister of Petroleum and Energy, Norway</i>	
<i>Ralph Goodale*, Minister of Natural Resources, Canada</i>	
<i>Alfonso Cortina*, President, Repsol</i>	
<i>Ron Turner*, President, TransCanada Pipeline International, Canada</i>	
<i>Sergio Garribba*, Commissioner, Regulatory Authority for Electricity and Gas, Italy</i>	
<i>Héctor Olea*, Chairman, Energy Regulatory Commission, Mexico</i>	

61B

***Confirmed**

13:00 - 15:00

Lunch

15:00 - 17:00

Workshop Session: Parallel Workshops 1 - 2

(1) Technology Drivers in the 21st Century Gas Industry

Chair: Fidel Valle Saval, Head of the Application Development Department, Gas Natural, Spain*

Speakers:

Michael Stewart, President, Westcoast Energy International, Inc.*

Stephen D. Ban, President and CEO, Gas Research Institute

Richard V. Giordano, Non-Executive Chairman, British Gas

(2) The Evolving Structure of the North American Market: Prospects for the Future and Lessons for Other Regions

Chair: David Parker, President, American Gas Association, US*

Speakers:

Clifford Baxter, President, Enron North America*

Stephen Baum, Vice-Chairman, President and COO, Sempra

Pierre Gadonneix, President and CEO, Gaz de France*

Evening

Reception

***Confirmed**

61B1

Tuesday December 7, 1999

8:00 - 9:00

Continental Breakfast

9:00 - 11:00

Workshop Session: Parallel Workshops 3 - 4

(3) Mexico: Industry Restructuring and New Players

Chair: Angélica Fuentes, President, Mexican Natural Gas Association, Mexico*

Speakers:

Julio Campos, Minister of Energy and Mines, Guatemala*

Marcos Ramírez, CEO, PGPB

Dionisio Pérez-Jácome, Head of the Investment Promotion Office, SE, Mexico*

Charles R. Crisp, President and CEO, Coral Energy

Sergio Aranda, Director General, Gas Natural, Mexico*

Luis Vázquez, President, Grupo Diavaz, Mexico*

(4) South America After Liberalisation: Moving Towards an Integrated Regional Network

Chair: Luis Giusti, Senior Advisor, Center of Strategic and International Studies, US*

Speakers:

Roberto Monti, Vicepresident of the Board, YPF*

René G. Ortiz, Minister of Energy, Ecuador*

Alfredo Mirkin, Director of Strategic Planning, Mercado Energético, Argentina*

11:00- 11:30

Coffee Break

***Confirmed**

61B-2

11:30 - 13:30

Workshop Session: Parallel Workshops 5 - 6

(5) Natural Gas and Environment: Clean Operations and Gas in the Kyoto Context

Chair: Kenneth Vollman, Chairman, National Energy Board, Canada*

Speakers:

Elizabeth Odio, Second Vice-President and Minister for the Environment and Energy, Costa Rica*

T.J. Gauthier, Deputy Minister, DOE, US*

Marie Rounding, President and CEO, Canadian Gas Association, Canada*

Christos Paputis, Commissioner, DGXVII, European Commissioner

(6) Supply and Demand: Challenges in the 21st Century

Chair: Claude Detourné, Gaz de France*

Speakers:

Mr. Pierre Jacquard, Chairman, Institut Francais du Petrole, France

Tsunenori Tokumoto, Tokyo Gas

Luigi Scopesi, Snam, Italia*

13:30 - 15:30

Lunch

15:30 - 15:30

Closing Plenary Session

Workshop Chairs' reports:

Fidel Valle Saval, Head of the Application Development Department, Gas Natural, Spain*

David Parker, President, Natural Gas Association, US*

Angélica Fuentes, President, Mexican Natural Gas Association, Mexico*

Luis Giusti, Senior Advisor, Center of Strategic and International Studies, US*

Kenneth Vollman, Chairman, Canadian Energy Board, Canada*

Claude Detourné, Gaz de France*

61B3

Closing Addresses:

Adrián Lajous, CEO, Pemex

*Annemarie Jorritsma-Lebbink, Vice-Minister-
President, Minister of Economic Affairs, Netherlands*

61B4

The IV IEA International Conference on Natural Gas

Shaping Natural Gas Industry for the 21st Century

General Guidelines for Speakers

GUIDELINES FOR PAPERS

Format

Papers should be in MS Word 6 or 97 format, 10-20 pages in length. Formatting should be as plain as possible.

Papers should include, at the beginning, an abstract of the paper, of no more than half a page.

The papers should be single spaced for a 8 1/2" x 11" paper. Fonts should be Arial 12

Margins

The left margin should be of 1.5", while the top, bottom and right margins should be of 1".

Page numbering

Papers should not be numbered.

Main title

NATURAL GAS: AN OVERVIEW

Presented by

**John D. William
President and CEO,
XYZ Company
City, State**

6 | C



NATURAL GAS: AN OVERVIEW

2 spaces



2 spaces



Presented by:

**John D. William
President and CEO
XYZ Company
City, State**

Bold

4 spaces

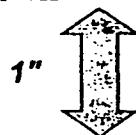
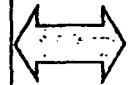


Text: Arial 12pts, single spaced, Microsoft Word 6.0 or 97

1.5"



1"



610-1

GUIDELINES FOR PRESENTATIONS AT THE WORKSHOPS

Presentations should be 10-15 minutes in length. The precise time should be agreed in advance with the Chair of the Session.

Presentations should be in English, using slides, overhead projector or Powerpoint PCs.

Presentations should summarize the key points of the written papers, and introduce the key points of the written papers, and introduce the key issues for discussion. They should not repeat the entire context of the papers.

Basic Points

- The presentation should be legible; the person at the rear of the room must be able to read your slide.
- The slides should clarify, emphasize and organize your presentation. Limit each slide to one main idea. Restrict each slide to a maximum of 15 to 20 words.
- Colors should be limited and simple, in order to assure the possibility of reading without problems.

RESPONSABILITIES OF CHAIRMEN

- Review the Conference objectives and ensure the Workshop is focused on these objectives.
- Ensure that all Speakers understand the topics they are to cover and that they should prepare both, a written paper (10-12 pages length) and an oral presentation (10-15 minutes, depending the number of Speakers).
- The Chairman should give to the Overview Speaker the drafts of the other Speakers so the Overview Speaker can accomplish his presentation.
- Receive draft papers for review. Ensure constancy and discuss any changes with Speakers. The final papers should be received by November 1st, 1999 and sent to the Ministry of Energy by November 10th, 1999 to allow for copying and distribution to delegates at the Conference.
- The Chairmen should prepare summary notes to introduce Speakers.
- Relate the Workshop discussion to the Workshop Topic, particularly in the opening remarks.
- Stimulate discussion, keeping it focused on the key issues and objectives of the Conference.
- Do not seek to negotiate Workshop conclusions, simply note areas of consensus and points of differences of opinion.
- Monitor the length of presentations.
- After the Workshop, prepare a 5 minute summary of the Workshop, including findings areas of consensus and differences of opinion, and present it in the Final Plenary.

61 E

TIME TABLE

1. Biography (October 1st, 1999)

A short one or two paragraph summary about yourself is required.

2. Presentation (November 1st, 1999)

Speakers are requested to submit a copy of their written paper as well as of their presentations to the Workshop's Chairs.

FORMAT OF THE CONFERENCE

- The conference will run for two full days, broken down in parallel Workshops Sessions.
- The first day will be divided in two Plenary Sessions during the morning, and two parallel Workshops during the afternoon.
- The second day will be divided in two Workshops Session, one during the morning and another one during the afternoon. The Conference will be closed with a Plenary Session and Final Remarks.

PLENARY SESSIONS

- The Opening Plenary Session will inaugurate the Conference. There will be some Welcoming Remarks by Angélica Fuentes, President of the Mexican Natural Gas Association and the keynote speeches of: Minister of Energy, Luis Téllez (Mexico), Minister of Energy, Bill Richardson (United States) and Mr. Robert Priddle, Executive Secretary, IEA.
- The Plenary Session that follows will be constituted by the presentations of the Overview Speakers of the Workshops.

WORKSHOPS FORMAT

- The Chairman will have a 5 minute introduction.
- The Overview Speaker will have a 10-15 minute presentation.
- The Speakers will be giving their presentations one by one.
- A Question and Answer Session will follow each session where written questions from the audience will be directed to the speakers via the Chairmen.

CLOSING PLENARY SESSION

- The Chairmen of the Workshops will present a summary of the conclusions of each Workshop.
- The Session will be finalized by the concluding remarks of Adrián Lajous, CEO Pemex and Marit Jorritsma-Lebbink, Minister of Economic Affairs, Netherlands.

61G

GENERAL INFORMATION

Registration Fee

- There is no registration fee for Speakers or Chairs. They are welcome to participate in all conference events.

Speaker Expenses

- Accommodation and travel expenses will be responsibility of the Speakers and Chairs.

Hotel and general travel Information

- Please contact Turismo y Convenciones for any doubt about airlines or parallel activities in Cancun...
- The web page: www.turycon.com.mx and the e-mail : turycon@acnet.net

61H

Natural Gas and Environment: Clean Operations and Gas in the Kyoto Context

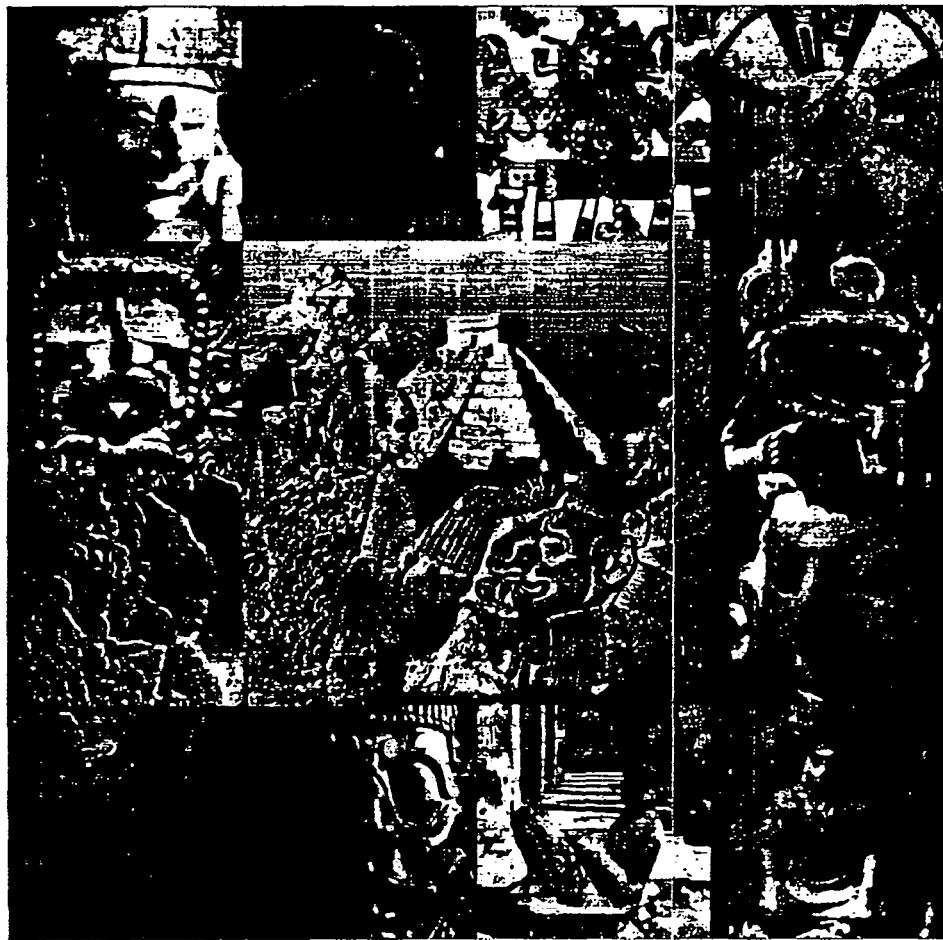
Kenneth Vollman (Chair)	Chairman, Canadian Energy Board, Canada	444 7 th Ave. S. W. Calgary, Alberta T2P 0X8 Canada Tel. (403) 292 48 00 Fax (403) 292 55 03
Marit Arnstad (Overview Speaker)	Minister of Petroleum and Energy, Norway	P.O. Box 8148, Dep. 0033 Oslo, Noruega Tel. (47 22) 24 61 01 Fax (47 22) 24 95 69
Elizabeth Odio	Second Vice-President and Minister for the Environment and Energy Costa Rica	Calle 25, Av. 8-10 Barrio Francisco Peralta Edif. Vista Palace, piso 2 1000 San José, Costa Rica Tel. (5062) 233 95 34 Fax (5062) 222 41 61
T.J. Gauthier	Deputy Minister, DOE, USA	Forestal Building Room if 048 20585 Washington D.C. Tel. (202) 586 55 00
Marie Rounding	President and CEO, Canadian Gas Association, Canadian	243 Consumers Road Suite 1200 Toronto, Ontario M2J 5E3 Canada Tel (416) 498 19 94 ext. 300 Fax (416) 498 74 65
Christos Paputisis	Commissioner, DGXVII, European Commission	Contacto en México: Sra. Lea Capeluto Tel. 55 40 33 45/46/47 Paseo de la Reforma 1675 Col. Lomas de Chapultepec 11000 México D.F.

61I



THE FOURTH IEA INTERNATIONAL CONFERENCE ON NATURAL GAS

Cancun, Mexico
December 6th and 7th, 1999



The only limits are, as always,
those of vision.

SHAPING THE NATURAL GAS INDUSTRY FOR THE 21ST CENTURY

615



SHAPING THE NATURAL GAS INDUSTRY FOR THE 21ST CENTURY

The coming century brings a new set of challenges and opportunities for the natural gas industry: new dynamics of supply and demand; new technologies; complex environmental, regulatory and market issues.

This conference will review the state of the art of the natural gas sector and its role in the interfacing of energy, economy and environmental issues. It will also analyze the way the Americas are facing the new realities brought about by the increasingly wide use of this fuel!

A session will be devoted to Mexico, who will be the catalyst for merging the markets of North America, a mature, evolving market, and to South America, an emerging giant with innovative regulatory experiences, that is trying to complete the hemispheric integration through Central America.

Key players from every region of the world will discuss visions shaping the natural gas industry to meet the challenges of the 21st century.

618-1

KEYNOTE SPEAKERS

**H.E. Luis Tellez,
Secretary of Energy, Mexico**

**H.E. Bill Richardson,
Secretary of Energy, USA**

**Robert Priddle,
Executive Secretary, IEA**

SPEAKERS*

Minister of:

Natural Resources, Canada
Petroleum and Energy, Norway
Economic Affairs, Netherlands
Environment and Energy, Costa Rica
Energy, Guatemala
Energy, Ecuador
European Union
American Gas Association
Canadian Energy Board
El Paso Energy
Enron
Gas Natural, SDG
Gaz de France

Grupo Diavaz
National Energy Board, Canada
PDVSA, Venezuela
Petroleos Mexicanos
Repsol
Sempra
Tejas Energy
Tokyo Gas
TransCanada
Westcoast
Williams
YPF

* To be confirmed

WORKSHOPS

1. Technology Drivers in the 21st Century,
 - State of the art of technology in the gas chain.
 - Who is developing the technologies required to meet future challenges?
 - Who is taking care of long-term R&D?
2. The Evolving Structure of the North American Market: Prospect for the Future and Lessons for Other Regions,
 - How is the North American market model operating?
 - What are the regulatory challenges?
 - What unexpected features have arisen in the interaction of price allocation and regulation?
 - How is the business model evolving? Contracts, capacity expansion decisions.
 - Who carries out long-term R&D?
3. Mexico: Industry Restructuring and New Players,
 - PEMEX's role in the transition to competition. Production outlook.
 - TransCanada's experience in a country with no previous private natural gas transportation.
 - Developing new pipeline networks.
 - Market prospects and environmental drivers.
 - How regulation has forced participants into new roles.
4. South America After Liberalization: Moving Towards an Integrated Regional Network,
 - Two decades ago, gas in South America was a barely exploited resource. Now liberalization allows private investments. Ninety South American countries are becoming world leaders in new market models.
 - How successful has this experience been?
 - Experience of barriers and opportunities to deployment, mobilizing investment.
 - How consistent are the regulatory frameworks across Latin America? Is there a consensus emerging on how to regulate developing natural gas markets?
 - Internationalization of Latin American companies.
5. Natural Gas and Environment: Clean Operations and Gas in the Kyoto Context,
 - The role of natural gas in the "Kyoto debate".
 - Natural gas, of all the major fuels, is said to be the best choice for the environment. What are the key applications of gas that reduce its environmental impact?
 - How are gas companies living up to the need to be safe and clean, within their own operations?
6. Supply and Demand: Challenges in the 21st Century,
 - Outlook for gas supply and demand for the next two decades and factors which can affect both.
 - Factors affecting gas demand. Will new technologies, regulatory reforms, increased financing options and environmental benefits, especially related to the Kyoto protocol, increase gas demand?
 - New "conventional" gas resources. What can we expect from new technologies for enhancing gas production? How will they affect gas recovery and gas reserves?
 - New, frontier or "unconventional" gas resources. Long-term proven and ultimate gas reserves. What can we expect from unconventional gas resources such as seabed gas hydrates or deep gas?
 - Which gas resources will find markets as a result of cost reductions along the gas and LNG chains?
 - New forms of network management in the context of gas market deregulation.
 - The role of gas storage for ensuring secure delivery.

Reservation & Registration:
Turismo y Convenciones, S.A. de C.V.:
E-MAIL: furycon@acnet.net
Fax No.: +(52) 55 36 24 46
Ph. No.: +(52) 55 23 31 51
WEB: www.furycon.com.mx

**SHAPING THE NATURAL GAS INDUSTRY
FOR THE 21ST CENTURY**

61f-2

Registration Form
(Please type or print clearly)

CANCUN IN DECEMBER

I plan to attend the IEA International Natural Gas Conference
in Cancun, December 6-7, 1999.

Title: Prof. Dr. Mr. Mrs. Ms.

Name _____ First _____ Middle _____

Title: _____ Section/Department: _____

Company/ Institution: _____

Address: _____

Country: _____ Zip Code: _____ E-Mail: _____ Phone (____) _____ FAX (____) _____

Guest(s): _____

CONFERENCE:
Rates through September 20th-

_____ Participant(s) x \$450 \$ _____
_____ Guest(s) x \$180 \$ _____

Rates September 21st and after-

_____ Participant(s) x \$600 \$ _____
_____ Guest(s) x \$200 \$ _____

TOTAL CONFERENCE \$ _____

- Guest(s) will be invited only to the Gala Reception and Cocktails.
Sightseeing Tours or other programs will be charged separately.

CANCELLATION POLICY:

Conference Registration- Received by November 5 will be returned less 10% for
administrative processing. NO REFUNDS AFTER NOVEMBER 6.

PAYMENT (TAXES AND TIPS WILL BE ADDED):

Conference \$ _____ Hotel \$ _____ Total \$ _____

ENCLOSED

CREDIT CARD _____

EXP. DATE _____

ACCOUNT # _____

SIGNATURE _____

NAME ON CARD _____

(Please type or print clearly)

*** FEES IN US CURRENCY *****

Hotel / Travel agency: Attendee's responsibility.

612-3



Guía Aérea y Terrestre
(No negotiable)
Shipment Airwaybill
(No negotiable)

1 De (Remitente) / From (Sender)

Cuenta no. / Account no.

92000347

Nombre del remitente / Sender's name

UA

Referencia del remitente doce dígitos serán mostrados en la factura
 Sender's reference first twelve characters will be shown on invoice

SECRETARIA DE ENERGIA

INSURGENTES SUR MIL. 890

COL. DEL VALLE

MEXICO, D.F.

Código postal / Postcode

03100

MEXICO

Tel/Fax/Telex

Phone/Fax/Telex

4-43-61-37

2 Para (Destinatario) / To (Receiver)

DOE, USA
 Department of Energy, USA

Forel Building Room # 048
 20585 Washington, D.C.

Código postal / Postcode

20585

E.U.A.

Persona a contactar / Contact person

T.J. Glauthier

Tel/Fax/Telex

Phone/Fax/Telex

(202) 586-5500 Tel.

5 Firma de autorización y sellado de remitente / Sender's authorization, insurance and signature

Manifiesto(amos) conocer y aceptar las bases de contratación inscritas al reverso y no transportar efectivo, valores o bienes peligrosos.

Requiero Seguro (Favor de Marcar)

En caso negativo, acepto la responsabilidad máxima para DHL, de hasta 30 días de salario mínimo del D.F., por daños o extravío de mi envío, en los términos de las cláusulas tercera y cuarta del Contrato de Adhesión aprobado por la Procuraduría Federal del Consumidor. Inscrita al reverso.

Firma / Signature

Fecha / Date

6872595074

Mencione este número de Envío para consulta
 Give this shipment number to an Inquiry

Este número de Envío es irremplazable
 This shipment number is Irreplaceable

No todos los servicios están disponibles en todos los países.
 Not all payment and service options are available in all countries.

b Detalles del envío / Shipment details

No todas las condiciones de pago y servicios están disponibles en todos los países.
 Not all payment and service options are available in all countries.

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DOCUMENTO / DOCUMENT

MENSUERA MUNDIAL todos declarables.

WORLDWIDE PARCEL EXPRESS all declarables

INTRA EC (en circulación libre)

INTRA EC (in free circulation)

DOCUMENTO EXPRESS

EXPRESS DOCUMENT

DOMESTICO / DOMESTIC

CORREO MUNDIAL / WORLDMAIL

Carro Aéreo/Flor, Impresión Especial/Car aereo

Airmail Printed Mailer Specify one

OTRO SERVICIO

OTHER SERVICE Especificar / Specify

NOTA: No se aplica a paquetes de correo

NOTA: Not applicable to mail pieces

NOTA: Nicht anwendbar auf Pakete

NOTA: Non applicable aux envois de courrier

Folder Profile	
Control #	1999-013812
Name	Letter to Secretary Richardson from Kenneth L. Lay (Enron)
Priority	Important Critical
DOE Addressee	Bill Richardson
Subject Text	Informs the Secretary that an agreement was reached and signed between Enron and the other relevant parties regarding the Leon substation transmission line in Nicaragua and thanks the Secretary
Action Office #	
Signature/Approval	NA
Action Requested	Prog Determination
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Date Received	9/14/99
Correspondence Date	9/14/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG
Organization ID	EXECCORR2
Assigned To	IA
Date Due	
Date Completed	9/16/99

602

1999-013812 Sep 14 A 10:32



Kenneth L. Lay
Chairman and
Chief Executive Officer

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6773
Fax (713) 853-5313
klay@enron.com

September 14, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

Dear Bill:

I am happy to report that after long and difficult negotiations, an agreement was reached and signed between Enron and the other relevant parties regarding the Leon substation transmission line issue in Nicaragua. On behalf of Enron, I would like to express our appreciation for the excellent support we received from you in this very difficult situation. I especially appreciate your letter of support that achieved a favorable resolution.

The agreement allows Empresa Energética Corinto (EEC), Enron's subsidiary in Nicaragua, to start testing procedures for the power plant immediately and to dispatch energy to the national system during the testing period and after it is completed. EEC agreed to move a total of 44 poles during a period of 15 months. In addition, EEC agreed to donate equipment and materials for the installation of 600 street lights in populations along the transmission line, up to a sum of \$450,000. The signed agreement will be complemented by another document that will be signed by the Attorney General of Nicaragua, confirming that the agreed payments and actions constitute the entire compensation that will be claimed related to the use of the right of way or any other government property. Actions to reinitiate all project activities have been taken and it is expected that the plant will be delivering the full contractual capacity to the system as soon as the testing period is completed.

Thank you again for all your assistance and to those in your international division.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken".

Natural gas. Electricity. Endless possibilities.

62A

Control #	1999-015416	Name	Letter to Secretary Richardson from Kenneth L. Lay (ENRC)
Priority	Important	Folder Trigger	Fax Message
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Thanks the Secretary for the excellent support during the signing of the agreement between Enron and the other relevant parties regarding the Leon substation transmission line issue in Nicaragua		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info copy: IA.		
Assigned To	Bill Richardson		
Date Due			
Date Completed	10/14/99		

63

1999-015416 Oct 12 A 10:11



September 14, 1999

Kenneth L. Lay
Chairman and
Chief Executive Officer

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6773
Fax (713) 853-5313
klay@enron.com

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

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Sincerely,

A handwritten signature in black ink that appears to read "Ken".

Natural gas. Electricity. Endless possibilities.

** TOTAL PAGE .02 **

63A

Folder Profile

Control #	1999-014148	Name	Letter to Secretary Richardson from Malcolm Locke
Priority	Routine	Folder Trigger	E-Mail Message
DOE Addressee	Bill Richardson	Source	PM-I
Subject Text	Inquiry regarding the World Economic Development Congress 99	Date Received	9/20/99
Action Office #		Correspondence Date	9/16/99
Signature/Approval	NA	RIDS Information	Head of Agency
Action Requested	Prog Determination	Sensitivity	Not Applicable
Special Instructions		Classification	None
		Point of Contact	HOLLOWAG
		Organization ID	EXECCORR2
		Assigned To	IA
		Date Due	
		Date Completed	10/21/99

64

1999-014148 Sep 20 A 9:38

Secretary, The

From: a.eckerstein@worldcongress.com@INTERNET [a.eckerstein@worldcongress.com]
Sent: Thursday, September 16, 1999 10:20 AM
To: Secretary, The
Subject: WEDC-99 Final Call

Dear Eli Richardson,

With only 6 days until the opening of World Economic Development Congress 99, I want to remind everyone who hasn't already registered that it is now the FINAL CALL!

Join any of our summits:
Water and Wastewater, Integrated Energy, Global Communications and IT,
Chief Executive Officer or Chief Financial Officer.

Keywords this year are:
e-business, Competition, Corporate IQ, Customer Relations Management,
Market Risks, Infrastructure Finance - by attending the Congress you will
be provided with actionable solutions to the most significant issues
impacting your business strategies at the moment.

You will meet:
Pedro Malan, Minister of Finance, Brazil, Joseph Stiglitz, Chief Economist,
The World Bank, William Kriegel, Chairman, Sithe Energies, Goran Lindahl,
CEO, EB - and many more.

What other forum provides you with the most topical and talked about
speakers and companies from around the globe?
Vodafone is merging its US mobile operations with Bell Atlantic - its
biggest adversary in the fight over AirTouch - in a deal that will create a
company valued at \$70-80 billion! If everything goes on schedule, the new
company will be going IPO in the next year....Chris Gent of Vodafone
AirTouch will not only talk about his strategies for the Vodafone -
AirTouch merger and what went on behind the scene, but also his formula for
success in the new venture.

Overhype or Reality? The highly revered former US State Secretary George
Shultz will debate the issues on the evolving global Internet economy with
technology visionary Bill Joy of Sun Microsystems.

Motorola is in talks to acquire General Instrument in a deal likely to be
worth at least \$10 billion. Motorola's Leslie Shroyer will share the
company's strategies for the deal and her insights on reviving the
communications/electronics giant.

Reinventing your Business - Dr. Ken Lay of Enron Corporation will share
with the audience Enron's secret in delivering innovation and the cash-rich
energy giant's new ambition in entering the communications business.

Brazil's Minister of Finance, Pedro Sampaio Malan, will unveil Latin
America's largest economy's plan to fuel its economic growth after the
financial crisis and the country's plan for the rapidly evolving Internet
economy.

To register, call 212-869-7567, register online at
<http://www.worldcongress.com>, or simply return this email with full contact
details and state what summit you want to attend.

See you next week in Washington, DC!

Malco W. Eckerstein

64A

Folder Profile	
Control #	1999-014720
Name	Letters to 44 Mayors, utilities, States from Secretary Richard M. Daley
Priority	Important Critical
DOE Addressee	NA
Subject Text	Invitation to States, Mayors, utilities to regional summit 10/8/99, w/Mayor Richard M. Daley and Metropolitan Mayors Caucus in Chicago, IL, to address electric systems' issues among States in Midwest
Action Office #	CI/Lingle
Signature/Approval	Bill Richardson
Action Requested	Approval/Signature
Special Instructions	9/27 letters were faxed and originals were mailed by Tracy. Ic
Folder Trigger	Internal Memo
Source	OL
Date Received	9/24/99
Correspondence Date	9/24/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYC
Organization ID	EXECCORR2
Assigned To	CI
Date Due	9/24/99
Date Completed	9/24/99

65



The Secretary of Energy

Washington, DC 20585

1999-014720

September 24, 1999

The Honorable Michael R. White
Mayor
City of Cleveland
601 Lakeside Avenue
Cleveland, OH 44114

Dear Mayor White:

This summer's tremendous heat stretched the limits of many electric systems as utilities made urgent appeals to the public for conservation, engaged in voltage reductions and rolling blackouts to conserve limited resources, and scrambled to repair distribution equipment failures. Unfortunately, there are no guarantees that these events will not be repeated next summer.

I will be hosting a regional summit on October 8, 1999, along with Mayor Richard M. Daley and the Metropolitan Mayors Caucus, in Chicago, Illinois, to help facilitate a coordinated effort to address electric systems' issues among the States in the Midwest.

As you know, the electric utility industry is undergoing dramatic changes as it makes the transition to a more competitive environment. For example, electricity markets are becoming increasingly regional, and consumers will be buying power that is generated at plants located in other States. While these changes and others should have a beneficial impact, they will require new ways of thinking and new models for Federal and State policymakers and regulators.

The power outages the Midwest States experienced this summer and the structural changes occurring in the utility industry suggest that we need to increasingly rely on regional solutions to address generation and transmission capacity needs, as well as other means of reducing the burden on our electric systems.

The regional summit to address these issues will be held on October 8, 1999, from 9:00am to 11:00am at the Harold Washington Library Center, in the Winter Garden, located at 400 South State Street, Chicago, Illinois. Your personal participation is important, and I encourage you to attend.



Printed on recycled paper

654

Address List: September 24, 1999

**The Honorable Michael R. White
Mayor
City of Cleveland
601 Lakeside Avenue
Cleveland, OH 44114**

**Chairman Craig A. Glazer
Public Utility Commissioner
180 East Broad Street
Columbus, OH 43215-3793**

**Chairman Edward A. Garvey
121 Seventh Place East
Suite 350
St. Paul, MN 55101-2147**

**Mr. Michael Stuart
General Counsel
Wisconsin Public Power, Inc.
1425 Corporate Center Drive
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**Mr. Richard Abdoo
CEO
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**Chairman Richard Mathias
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**Mr. Robert Tongren
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Columbus, OH 43266-0550**

Mr. Jose M. Delgado

65B

Chairman, Mid-America
Interconnected Network
Assistant Vice President
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Mr. David Joos
Chairman and CEO
Electric Consumers Energy
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Mr. David L. Mangskau
Chairman, Mid-continent
Area Power Pool, Director
ENRON Power Marketing, Inc.
98 Country Club Drive
Bismark, ND 58501

Mr. Kermeth L. Lay
Chairman & CEO
ENRON Corporation
P.O. Box 1188
Houston, TX 77251-1188

Mr. John W. Rowe
Chairman, CEO

65B-1

Commonwealth Edison Company
P.O. Box 767
Chicago, IL 60690

The Honorable John O. Norquist
Mayor
City of Milwaukee
200 East Wells Street
Milwaukee, WI 53202

The Honorable Stephen Goldsmith
Mayor
City of Indianapolis
200 East Washington Street
Indianapolis, IN 752279

The Honorable Dennis W. Archer
Mayor
City of Detroit
2 Woodward Avenue
Suite 1126
Detroit, MI 48226

Mr Martin Cohen
Citizens Utility Board
208 S. LaSalle
Suite 1760
Chicago, IL 60604

The Honorable Michael R. White
Mayor
City of Cleveland
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Cleveland, OH 44114

Mr. Steve Hiniker
Executive Director
Wisconsin Citizens Utility Board
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Suite 300
Madison, Wisconsin 53703

Ms. Anne Becker

65B2

**Office of Utility Consumer Counselor
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Special Litigation Division
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Mercantile Building
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P.O. Box 30221
Lansing, MI 48909-7721**

**Chairman William D. McCarty
Indiana Government Center South
302 West Washington Street, Suite 360
Indianapolis, Indianapolis 46204**

**Mr. Joseph Pandy
Director and General Manager
Lansing Board of Water and Light
123 West Ottawa Street
P.O. Box 13007
Lansing, MI 48901-3007**

**Mr. Charlie Bayless
CEO
Illinova Energy Partners,
Inc. Illinois Power
500 S. 27th Street
Decatur, IL 62525**

**Mr. Ronald D. Earl
General Manager/Chief Executive Office
Illinois Municipal Electric Agency
919 South Spring Street
Springfield, W 62704-2774**

65B-3

Mr. Steven Smith
President/CEO
Hoosier Energy
7398 North State Road 37
Bloomington, IN 47402

Mr. Arthur R. Garfield
Chairman, East Central Area
Reliability Coordination Agreement
Vice President
First Energy
76 South Main Street
Akron, OH 44308-1890

Mr. E. Linn Draper
Chairman, President and CEO
American Electric Power Co.
1 Riverside Plaza
Columbus, OH 43215

Mr. H. Peter Burg
President/CEO
1st Energy Corporation
Ohio Edison Company
76 South Main Street
Akron, OH 44308

Mr. Jeff Reeves
President/General Manager
Cornbelt Electric Cooperative
1502 Morrisey Drive
Bloomington, IL 61701-7038

Mr. William Berg
General Manager
Dairyland Power
3200 East Avenue, South
LaCroix, WI 54601-7227

Ms. Ave M. Bie
Chair
Public Utility Commissioner
610 North Whitney Way
Madison, WI 53705-2729

65B-4

The Honorable Roxanne Qualls
Mayor, City of Cincinnati
City Hall, Room 150
801 Plum Street
Cincinnati, OH 45202

The Honorable Greg Lashutka
Mayor, City of Columbus
90 West Broad Street, Room 247
Columbus, OH 43215

The Honorable Lowell Grieves
Mayor, City of Peoria
City Hall, Room 207
419 Fulton Street
Peoria, IL 61602

The Honorable John Fernandez
Mayor, City of Bloomington
401 N. Morton Street
Bloomington, IN 47404

The Honorable Terry Howley
Mayor, City of Decatur
Decatur Civic Center, 3rd Floor
Decatur, IL 62523

Mr. Patrick Mulchay
President and Chief Operating Officer
Northern Indiana Public Service Company
801 E. 86th Avenue
Merriville, IN 45230

Ms. Georgia Nelson
President, Midwest Generation, LLC
440 S. LaSalle Street, Suite 3410
Chicago, IL 60605

65B-5

The Honorable Virginia Rugai
19th Ward Alderman
City Hall, Room 201F
121 North LaSalle Street
Chicago, Illinois 60602

The Honorable Jesse Ventura
Governor
Office of the Governor
130 State Capitol Street
St. Paul, MN 55155

Mr. Robert Chiszar
Village President
Village of Moneka
11004 Carpenter Street
Moneka, IL 60448

Mr. Ronald Ghilardi
Village President
Village of Lisle
1040 Burlington Avenue
Lisle, IL 60532

Mr. William Balling
Village Manager
Buffalo Grove
50 Raupp Blvd.
Buffalo Grove, IL 60089

Mr. Tim Schuenke
Village Manager
Village of Park Ridge
505 Butler Place
Park Ridge, IL 60068

Mr. Steve Veitch
Village Manager
Village of Oak Brook
1200 Oak Brook Road
Oak Brook, IL 60521

Ms. Heidi Voorhees
Village Manager
Village of Wilmette
1200 Wilmette Avenue
Wilmette, IL 60091

65b6

Ms. Nancy Firfer
Village President
Village of Glenview
1225 Waukegan Road
Glenview, IL 60026

Mr. Paul Stack
Village President
Village of Riverside
27 Riverside Road
Riverside, IL 60546

Mr. Thomas Murawski
Village President
Village of Midlothian
14801 S. Pulaski
Midlothian, W 60445

Mr. William Mueller
Village President
Village of Lombard
255 E. Wilson
Lombard, W 60148

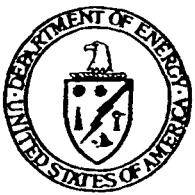
Mr. Frank Paris
Village President
Village of River Forest
400 Park Avenue
River Forest, IL 60305

6587

Folder Profile

Control #	1999-014722	Name	Memo to the Secretary from IA-Goldwyn
Priority	Important	Folder Trigger	Internal Memo
DOE Addressee	Bill Richardson	Source	MOOS
Subject Text	Advocacy for Nicaragua Enron Project: Barge Mounted Power Plant		
Action Office #	IA	Correspondence Date	9/28/99
Signature/Approval	Bill Richardson	RIDS Information	Head of Agency
Action Requested	Information Only	Sensitivity	Not Applicable
Special Instructions			
Assigned To	IA	Date Due	10/5/99
	Date Completed 9/24/99		

66



Department of Energy
Washington, DC 20585

September 24, 1999

MEMORANDUM FOR THE SECRETARY

THROUGH: David L. Goldwyn

Assistant Secretary

Office of International Affairs

FROM: Theresa M. Fariello

Deputy Assistant Secretary

Office of International Energy Policy, Trade & Investment

SUBJECT: UPDATE: Nicaragua's Barge Mounted Power Plant

ISSUE: Advocacy for Nicaragua Enron Project.

I would like to bring to your attention a company's problem in an overseas market which, through your intervention, was successfully resolved.

In late July, Enron advised the Office of International Affairs of a problem they were having in Nicaragua with a barge mounted power plant. After receiving all of the necessary approvals, Enron's subsidiary, Empresa Energetica Corinto Ltd., was advised in March, that its electric line connecting the power plant to the Nicaraguan transmission system violated the right-of-way of a non-operating railroad. This claim was made after it had received clearance from the Nicaraguan Electricity Company to use the right-of-way.

On July 26, you signed a letter to President Aleman urging that this issue be resolved in a speedy and amicable manner. Shortly after receipt of your letter, Nicaraguan Government officials met with Enron's subsidiary and began negotiations. On September 3, Enron announced that the two sides had successfully reached an amicable agreement, and that the project would be completed providing much needed electricity to the citizens of Nicaragua.

Enron has advised us that your letter was the catalyst that led the Nicaraguan Government to sit down and negotiate seriously after months of inaction.

Attached is a letter to you from Ken Lay of Enron in which he thanks you for your intervention.

Attachment

66A



Kenneth L. Lay
Chairman and
Chief Executive Officer

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6773
Fax (713) 853-5323
klay@enron.com

September 14, 1999

The Honorable William Richardson
Secretary of Energy
US Department of Energy
1000 Independence Avenue, SW
Room 7A-257
Washington, DC 20585

Dear Bill:

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Natural gas. Electricity. Endless possibilities.

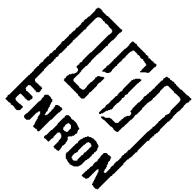
*** T01

A large, handwritten mark consisting of the letters "66" and "B" stacked vertically.

Folder Profile	
Control #	1999-014784
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Express views regarding insights on how NOAA's services affect Enron's risk management, commodity trading and electricity generation endeavors
Action Office #	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	Secretary's courtesy copy of letter to Mayor Daley
Folder Trigger	Letter
Source	PM-O
Date Received	9/29/99
Correspondence Date	9/29/99
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB
Organization ID	EXECCORR2
Assigned To	EE
Date Due	
Date Completed	9/29/99

67

1999-014784 9/29 3:59



Kenneth L. Lay
Chairman and
Chief Executive Officer

Enron Corp.
P. O. Box 1188
Houston, TX 77251-1188
(713) 853-6773
Fax (713) 853-5313
klay@enron.com

September 29, 1999

The Honorable William M. Daley
The Secretary of Commerce
U.S. Department of Commerce
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Bill,

Thank you for taking the time several weeks ago to discuss with me Enron's interest in the climate-related information services provided by NOAA. I appreciate your interest in the impact of weather services on several of Enron's businesses, and wanted to briefly follow up with some more specific insights on how NOAA's services affect Enron's risk management, commodity trading and electricity generation endeavors.

NOAA historical climate data and long-range weather forecasts are essential to our ability to provide customers risk management services to hedge against weather and disaster related losses. Enron also uses this information to assess future demands for major commodities, such as electricity and natural gas, and then assign valuations to these commodities. NOAA's climate records and its ability to predict what will happen next season are essential for our contracts. It is extremely important to these businesses that NOAA is able to ensure that systems are working well, information is available in a timely manner, and data is verifiable. Therefore, we support continuing investment in and development of NOAA's state-of-art infrastructure – research services, computers, and measurement systems – which is critical to our rapidly growing markets.

In addition, current and accurate weather information is absolutely essential to the reliability of the electricity industry, including power marketers and generators. Enron Power Marketing, Inc. (EPMI), a subsidiary of Enron Corp., is the nation's largest electric power marketer. Enron Corp. is also an owner and operator of electric generation. Weather data and forecasts are extremely important for planning purposes, which is done as much as fifteen days in advance. Medium and long-range forecasts can even prove to be much more critical to the power industry than to the aviation or agriculture industries.

EPMI uses the National Center for Environmental Prediction Ensemble Plots on a daily basis. Ensemble Plots help our power marketers determine the quantity of energy they will purchase or sell on a particular day, and assist us when scheduling power to flow on the grid. The decision to run our electric generators is largely based on weather data.

Natural gas. Electricity. Endless possibilities.

67A

The Honorable William M. Daley

September 29, 1999

Page 2

However, these Ensemble Plots are not consistently updated at the same time each day, nor are they necessarily updated even on a daily basis. This unpredictable schedule is highly problematic for power planning -- a function that is essential to ensuring the reliability of systems that deliver electric power to consumers. I hope you will urge NOAA to place a high priority on ensuring that the most accurate information possible is provided at the same time each day.

Thank you for your attention to these important matters. We look forward to working with the Department on improvements to NOAA's climate information services, and stand ready to provide any assistance or information that would assist you or your colleagues in these efforts.

Very truly yours,



cc: General John J. Kelly
Assistant Administrator for Weather Services
National Weather Service

Dr. James Baker
Under Secretary for Oceans and Atmosphere and Administrator, NOAA

Honorable Bill Richardson
Secretary, U.S. Department of Energy

67A-1



The Secretary of Energy

Washington, DC 20585

October 15, 1999

1999-011972

Mr. Joe B. Foster
Chair
National Petroleum Council
1625 K Street, N.W.
Washington, D.C. 20006-1656

Dear Mr. Foster:

This letter conveys my approval to establish a Committee on Critical Infrastructure Protection and to appoint the members of the Committee as proposed in your letter of August 9, 1999.

The Government Co-chair for the Committee will be retired Air Force General Eugene E. Habiger, Director of the recently established Office of Security and Emergency Operations. The Office of Fossil Energy has substantial interest in this topic and will continue to work cooperatively with the Office of Security and Emergency Operations to address critical infrastructure issues related to the electricity, oil and gas industries.

I am pleased that the National Petroleum Council has accepted responsibility for reviewing the potential vulnerabilities of our Nation's oil and gas critical infrastructure and advising me on policies and practices that Government and industry, separately and in partnership, should adopt to ensure its integrity. The Council's willingness to additionally serve as the interim Sector Coordinator for the oil and gas industry for the duration of your study is deeply appreciated.

Yours sincerely,

Bill Richardson



Printed on recycled paper

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Folder Profile			
Control #	1999-017162	Name	Letter to Secretary Bill Richardson from Nancy A. Hawes, A
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Invites the Secretary to participate as a keynote speaker at the Second Annual Energy Conference on April 27-28, 2000		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info:ES/Carpenter hard copy given to OS/Watkins on 11/9/99		
Assigned To	OS/Watkins		
Date Due			
Date Completed	11/9/99		

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1999-017162 11/8

November 5, 1999

The Honorable William Richardson
Secretary of Energy
Department of Energy
1000 Independence Avenue SW
Washington, D.C. 20585

Dear Secretary Richardson:

I am pleased to announce that the Asia Society Texas Center, along with Roy M. Huffington, Honorary Chairman, will sponsor its *Second Annual Energy Conference on April 27-28, 2000* in Houston, and I am writing to invite you to participate as a Keynote Speaker at this important event.

This year's conference, *Reconnecting Asia: Energy, Power and Technology in the 21st Century*, will examine the economic and political implications of Asia's growing energy needs. The conference will also explore the tremendous impact which increasing access to energy in the region will have on power and technology.

I hope that you will consider bringing your expert perspective to this conference. Senior representation from the world's energy leaders is a critical component for a successful meeting and the conference would not be complete without your informed perspective on the Department of Energy's leadership role in reconciling Asia's growing energy demands with critical U.S. concerns. We hope that you will agree to address the important implications which a "Reconnected Asia" will have not only for the U.S. but worldwide. For your information I have attached a copy of the basic conference information.

I can appreciate how busy your schedule is, but I hope you will be able to participate and lend your important voice to this conference. I will look forward to your reply and to seeing you in April.

Most sincerely,



Nancy A. Hawes
Executive Director

Cc: Robert Gee
David Jhirad



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Society

Texas Center

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Sam Gerde

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Robert H. Green

ASIA SOCIETY TEXAS
and
ROY M. HUFFINGTON, Honorary Chairman
with
THE JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY
AT RICE UNIVERSITY, Academic Partner
Present

RECONNECTING ASIA:
ENERGY, POWER & TECHNOLOGY IN THE 21st CENTURY

Houston - April 27-28, 2000

THE CONFERENCE

On April 28, 1998 the Society will present a one-day conference focused on prospects for a US/Asia energy partnership. A VIP Keynote Dinner the evening of the 27th will kick off the event for conference speakers and sponsors. The 2000 conference will discuss broad trends of energy development in Asia and the challenge of "Reconnecting Asia" after the financial crisis of the mid 1990s. The program will examine the economic and political implications of Asia's growing energy needs and explore the tremendous impact which increasing access to energy in the region will have on power and technology. Conference speakers will include leaders from the US and Asia in the fields of energy & power, technology, finance, law, government and business. Critical issues addressed will be:

- The significance to the energy industry of the economic crisis and political unrest in Asia
- Asian Recovery: Opportunities and responsibilities for the energy, power and technology sectors
- Questions of finance, security and sanctions
- Strategic planning to exploit future opportunities and to deal with potential changes in the business and regulatory climate
- The implications of greater access to energy and power in Asia? A look at the future.

CORPORATE SPONSORSHIP

Corporate sponsorship will be available at--\$25,000, \$15,000 and \$5,000--with corresponding benefits which are described in the enclosed proposal.

PAST CONFERENCES

The April 2000 conference will build on the success of two significant conferences held by the Texas Center of the Asia Society: the February 1996 Conference, "*China, The United States and Asia: Challenges for US Policy and Business*," and the May 1998 Conference, "*Meeting Asia's Energy Challenges in the 21st Century: Business, Political and Strategic Implications for the US and Asia*." The Asia Society has a long record of success in creating conferences for business audiences, having organized nine Asia-based corporate conferences. The agendas from the 1996 China Conference and the 1998 Energy Conference are enclosed.

THE ASIA SOCIETY

The Asia Society is uniquely qualified to undertake this kind of project. As a leading non-governmental, non-partisan organization whose mission is to deal with issues across Asia, the Society is well positioned to use its considerable resources in developing an ongoing dialogue on Asian Energy Issues. An American educational institution founded in 1956 by the late John D. Rockefeller 3rd, over the years The Asia Society has built a highly respected network among government officials, business leaders and specialists on both sides of the Pacific and a record of responsible, balanced coverage of Asia and US-Asia relations. The Texas Center of the Asia Society, with its close and long standing ties to the energy industry, is ideally suited to spearhead this initiative.

69B

MEETING ASIA'S ENERGY CHALLENGES IN THE 21ST CENTURY: BUSINESS, POLITICAL AND STRATEGIC IMPLICATIONS FOR THE UNITED STATES AND ASIA

Sponsored by the

ASIA SOCIETY TEXAS

**May 1, 1998
The Four Seasons Hotel
Houston, Texas**

Agenda

Thursday, April 30

- 7:00 p.m. Registration
- 7:15 p.m. VIP Reception in Conroe Room
- 8:00 p.m. VIP Keynote Dinner in Highland Room
- 8:45 p.m. Welcome

**The Hon. Nicholas A. Platt
President
Asia Society**

Presider
**The Hon. Roy M. Huffington, Chairman & CEO, Roy M. Huffington, Inc.
Honorary Life Trustee, Asia Society
Honorary Chairman, 1998 Energy Conference**

Keynote Address

**H.E. Bolat K. Nurgaliyev
Ambassador to the United States from the Republic of Kazakhstan**

Closing Remarks

**Mr. Charles C. Foster
Founding Partner
Tindall & Foster L.L.P.
Chairman
Asia Society Texas Center**

69C

Friday, May 1

7:30 a.m. Registration and Continental Breakfast

8:00 a.m. Call to Order

**Ms. Nancy A. Hawes
Executive Director
Asia Society Texas Center**

Welcome

**The Hon. Roy M. Huffington
Chairman & CEO
Roy M. Huffington, Inc.
Honorary Life Trustee, Asia Society
Honorary Chairman, 1998 Energy Conference**

8:10 a.m. Keynote Addresses: Economics of Oil in Asia

Presider

**Mr. Charles C. Foster, Founding Partner, Tindall & Foster L.L.P., Chairman,
Asia Society Texas Center**

**Mr. Robert H. Baldwin, Jr.
Managing Director, Asia Pacific
Enron International**

**Mr. Glen Pankonien
Director, LNG Venture Development
Mobil LNG Inc.**

9:00 a.m. Meeting Asia's Energy Challenges

Chair

John L. Kennedy, Editor, Oil & Gas Journal

Panelists

**Fereidun Fesharaki, Director of the Energy Program, East-West Center
Handel C.H. Lee, Partner, Vinson & Elkins L.L.P.
Al Troner, Managing Director, Asia Pacific Energy Consulting**

10:15 a.m. Break

10:30 a.m. Joint Ventures and Strategic Alliances

Chair

**Roy M. Huffington, Chairman and CEO, Roy M. Huffington, Inc.
Honorary Life Trustee, Asia Society
Honorary Chairman, 1998 Energy Conference**

Panelists

David F. Asmus, Partner, Baker & Botts L.L.P.

Johnny L. Hall, Vice President, Far East Business Unit, Exxon Exploration Company

Monico V. Jacob, Chairman, Petron Corporation

12:00 p.m. Luncheon

12:45 p.m. Keynote Address

Presider

The Hon. Nicholas A. Platt, President, Asia Society

Mr. Nguyen Xuan Nham

Vice President

PetroVietnam

1:30 p.m. **Unlocking the Assets: Energy and the Central Asian Republics**

Chair

Amy Jaffe, Energy Specialist, James A. Baker III Institute for Public Policy, Rice University

Panelists

Tom Doss, Vice President of Kazakhstan and Russia Projects,

Amoco Eurasia Petroleum Company

Xiaojie Xu, Petroleum Economic Research Center,

China National Petroleum Corporation

2:30 p.m. Break

2:45 p.m. Keynote Address

Presider

Mr. Graydon H. Laughbaum, Jr., Senior Vice President, New Ventures,

Unocal Corporation

Dr. Subroto

Chairman

Indonesian Institute for Energy Economics

3:45 p.m. **Predicting the Future: An Energy Policy Agenda for the U.S. and Asia**

Chair

John Cogan, Partner, Baker & McKenzie L.L.P.

Panelists

Kent Calder, Special Advisor to the Ambassador, US Embassy, Tokyo, Japan

Richard Cronin, Specialist in Asian Affairs, Congressional Research Service,
Library of Congress

Shigeru Sudo, Manager of Research for Petroleum Association of Japan

5:00 p.m. Closing Remarks and Conference Adjournment

The Hon. Roy M. Huffington

Chairman & CEO

Roy M. Huffington, Inc.

Honorary Life Trustee, Asia Society

Honorary Chairman, 1998 Energy Conference

Folder Profile			
Control #	1999-017482	Name	Letter to Secretary Bill Richardson from Terence H. Thorn,
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Rextending invitation to the Secretary to serve as a official host at the April 19-21, 2000 International Gas Center's Worldwide Natural Gas Trade and Regulation Roundtable		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info:ES/Carpenter Invitation (ES # 1999-016617) dated 10/29/99 was controlled ES on 11/1/99. Accepted		
Assigned To	SL/Johnston		
Date Due			
Date Completed	11/16/99		

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Enron Corp.
P.O. Box 1188
Houston, TX 77251-1188
(713) 853-6161

November 15, 1999

The Honorable Bill Richardson
Secretary of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Richardson:

I was not surprised when you told me that you hadn't seen my October 29 letter inviting you to participate and serve as the official host at the April 19-21, 2000 International Gas Center's Worldwide Natural Gas Trade and Regulation Roundtable.

We're anxious, with your permission, to extend the invitation letter to both ministers and gas executives. Please let me know of your decision.

Your travel schedule is breathtaking.. I hope our paths cross again soon.

Best regards,

Terence H. Thom

Terence H. Thom
Executive Vice President
International Govt. Relations &
Environmental Affairs

Natural gas. Electricity. Endless possibilities.™

TOTAL P.02

70A

Folder Profile

Control #	1999-019657	Name	Letter to Deputy Secretary from Kempton Jenkins, Ukraine
Priority	Important	Folder Trigger	Letter
DOE Addressee	T. J. Gauthier	Source	PM-I
Subject Text	Invites Deputy Secretary Gauthier to attend a working breakfast on energy issues in early 2000		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions			
Assigned To	OS/Earley		
Date Due			
Date Completed	12/28/99		

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UKRAINE-U.S. BUSINESS COUNCIL

1615 L Street, N.W. • Suite 900 • Washington, D.C. 20036 •

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Daniel Witt
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Investment Center

Dr. Anders Åstrand
Carnegie Endowment

Charles William Maynes
The Eurasia Foundation

Amb. William Miller
Scholar
Woodrow Wilson Cente

December 20, 1999

1999-019657 Dec 27 p 2:25

Mr. T.J. Gauthier
Deputy Secretary of Energy
1000 Independence Ave., SW
Suite 7A219
Washington, DC 20585

Dear T.J.:

I want to thank you for joining us at our breakfast for President Leonid Kuchma.

It seemed like Kharkiv all over again!

We will be planning a working breakfast on energy issues for our members early in 2000 and would hope you would join us again.

Sincerely,



Kempton Jenkins

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Folder Profile

Control #	1999-018707	Name	Letter (courtesy copy) to MA-7/Jim Solit from Lynn H. Slade
Priority	Important	Folder Trigger	Letter
DOE Addressee	ME-70	Source	PM-O
Subject Text	Encloses information for the American Bar Association Annual Meeting in London on July 20, 2000		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Relates to ES #99-013358		
Assigned To		SL/Johnston	
Date Due			
Date Completed	12/8/99		

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1999-018707 12/8 P 2:35

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.
500 Fourth Street N.W.
Bank of America Centre, Suite 1000
Post Office Box 2168
Albuquerque, New Mexico 87103-2168

Las Cruces, New Mexico

Roswell, New Mexico

Santa Fe, New Mexico

Lynn H. Slade

Telephone No.: (505) 848-1828
Fax No.: (505) 848-1889 (9th Floor)
islade@modrall.com

December 2, 1999

VIA FACSIMILE (202.586.8794)

Ms. Robyne Johnston
Office of the Secretary of Energy
United States Department of Energy
1000 Independent Avenue, SW
Washington, DC 20585

Re: American Bar Association Annual Meeting: London, July 20, 2000

Dear Ms. Johnston:

Following our telephone conversation today, I enclose a letter to Secretary Richardson explaining fully the program, the other speakers with whom he would be presenting, and some of the other speakers who would be present in London. I also enclose copies of the program description for our program, "Global Climate Change: Planning for the Big Contingency." As well, I enclose a description of the overall program being presented in London by all Sections.

As we discussed, time is of the essence, because the Association undertakes to provide transportation and accommodations, and the time for making reservations is running short. Please raise any questions or advise me if there is any other information we can provide.

Please advise if there is anything further we can provide. Thank you for your assistance with this.

Sincerely,


Lynn H. Slade

LHS/pw
Enclosures

72A

Ms. Robyne Johnston
Office of the Secretary of Energy
December 2, 1999
Page 2

cc: **Deputy Secretary Daniel Reicher**
 Honorable Tom Udall
 Mr. James N. Solt
 Ms. Roberta Cooper Ramo

W0093429.WPD

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500 Fourth Street N.W.
Bank of America Centre, Suite 1000
Post Office Box 2168
Albuquerque, New Mexico 87103-2168

Las Cruces, New Mexico

Roswell, New Mexico

Santa Fe, New Mexico

Lynn H. Slade

**Direct Dial: (505) 848-1828
Fax No.: (505) 848-1889 (9th Floor)
Internet Address: lslade@modrall.com**

December 2, 1999

**The Honorable Bill Richardson
Secretary of Energy
United States Department of Energy
1000 Independent Avenue, SW
Washington, DC 20585**

Re: Annual Bar Association Meeting: London, July 20, 2000

Dear Secretary Richardson:

This follows my April 22 and August 30 letters to you on behalf of the ABA Section of Environment, Energy and Resources, inviting you to address our Presidential Showcase program at the ABA's Annual Meeting in London on July 20, 2000. As you may know, every fifteen years or so, the American Bar Association holds its national Annual Meeting in London. Much of the ABA's work is done by its Sections, that focus on particular legal areas. The ABA's Section of Environment, Energy and Resources is the national forum for over 10,000 lawyers practicing energy, environmental and resource law. The Section's program, co-sponsored by the Section of International Law of ABA, is entitled: "Global Climate Change: Planning for the Big Contingency." It has been selected by ABA as a Presidential Showcase program for the Annual Meeting.

The Section believes that global climate change will be the most important issue affecting energy and the environment in the 21st Century. The Section has led the national discussion of climate change issues among lawyers, and our London presentation will bring together key national and international participants in these issues. We invite you to be part of the first of two panels, with Sir John Browne, Chairman, BP Amoco, addressing "Climate Change-Policy and the Business Environment." The second panel in our program, including Mr. Ken Lay, Chairman, Enron Corporation, together with a leading international regulator, will address Business Planning and Regulatory Compliance Strategies. Messrs. Browne and Lay, who have guided their companies to take world leadership positions in addressing climate change, have confirmed their participation.

ABA's London Annual Meetings have become perhaps the most prestigious legal meetings in the world. In other programs being presented in London, six United States Supreme Court Justices will be speaking, as will national and international leaders in law, industry, and government. I enclose a description of the overall program.

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The Honorable Bill Richardson

Secretary of Energy

December 2, 1999

Page 2

We hope you will agree to participate in this discussion. Of course, as appropriate, ABA offers to provide transportation to and from London and accommodations in London. However, it is important to confirm your availability now to insure reservations are available.

We continue to hope you will join us in addressing these critical issues. Of course, I would be delighted to provide any further information you may need.

Sincerely,



Lynn H. Slade

LHS/pw

Enclosure

W0093432.WPD

cc: Deputy Secretary Daniel Reicher
Honorable Tom Udall
Mr. James N. Solt
Ms. Robyne Johnston, Via Facsimile
Ms. Roberta Cooper Ramo

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**SECTION OF ENVIRONMENT, ENERGY AND RESOURCES
LONDON 2000 PLENARY PROGRAM RE-SUBMISSION
December 2, 1999**

1. Final Proposed Program Title:

Global Climate Change: Planning for the Big Contingency

2. Date and Time: July 20, 2000; 2:00 - 5:00 p.m.

3. Program Contacts:

Parthenia B. Evans
Stinson, Mag & Fizzell, P.C.
1201 Walnut St., Suite 2600
Kansas City, MO 64106
Phone: 816-691-3127
Fax: 816-691-3495
Email: pevans@stinson.com

Theodore L. Garrett
Covington & Burling
1201 Pennsylvania Ave., NW
Washington, DC 20044
Phone: 202-662-5398
Fax: 202-662-6291
Email: tgarrett@cov.com

Lynn H. Slade
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
500 Fourth Street, NW
NationsBank Tower, Suite 1000
P. O. Box 2168
Albuquerque, NM 87103-2168
Phone: 505-848-1828
Fax: 505-848-1889
Email: lslade@modrall.com

Laura H. Kosloff
Trexler and Associates, Inc.
1131 SE River Forest Rd.
Portland, OR 97267
Phone: 503-786-0559
Fax: 503-786-9859
Email: lkosloff@climateservices.com

4. ABA Sponsoring Entity:

Section of the Environment, Energy, and Resources

5. Other Sponsoring Entities:

International Law Section, Program Contacts:

Paul Edward Hagen, Jr.
Beveridge & Diamond PC
10607 Wheatley St.
Kensington, MD 20895-2623
Phone: 202-789-6022
Fax: 202-789-6190
Email: phagen@bdlaw.com

Gearold L. Knowles
Schiff Hardin & Waite
Suite 600
1101 Connecticut Ave NW
Washington, DC 20036-4390
Phone: 202-778-6400
Fax: 202-778-6460
Email: gknowles@sciffharlin.com

72C

Business Law Section, Program Contact:

Roland E. Brandel
Morrison & Foerster, L.L.P.
425 Market Street
San Francisco, CA 94105-2403
Phone: (415)268-7093
Fax: (415)268-7522
Email: rbrandel@mofo.com

6. Other Sponsoring Entities Not Yet Confirmed:

ABA Sections or Committees:

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- Section of Public Utility, Communications, and Transportation Law
- State and Local Government Law Section
- Real Property, Probate and Trust Law Section
- Young Lawyers Section
- Standing Committee on Environmental Law

Other Organizations:

- Environmental Law Association (United Kingdom)
- Royal Institute for International Affairs (United Kingdom)

Executive Summary:

At the close of the twentieth century, environmental, energy, and resource law are in transition. Local players are being eclipsed by multinational firms. International agreements, standards, and accords increasingly are becoming frameworks for local laws and site-specific actions. The global warming issue is an issue in point. Global concerns over climate change coalesced in the December 1997 Kyoto Protocol, adopted by the more than 150 Parties to the United Nations Framework Convention on Climate Change. By 2000 it will begin to form a framework for a wide array of private- and public-sector financial and regulatory activities. These changes and general concerns over transboundary pollution will increasingly project environmental, energy, and resource lawyers into international arenas.

The climate change issue is here to stay – and in a big way. More and more private companies recognize this fact and are acting accordingly. Some focus on what they perceive as long-term economic and corporate risks associated with future emissions reduction mandates;

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others are moving to take advantage of public and governmental concerns in this area and to gain market share in the process.

The goal of this program is to attune environmental, energy, resource, and commercial lawyers to the significant impact climate change will have on their legal practices. As one of the most contentious issues facing the international legal and policy communities – and with the United States widely considered by European and developing countries to be lagging well behind them in seriously tackling the climate change issue – it is a particularly appropriate subject to be discussed at the London 2000 meeting. Over the next few years, it is likely that the Kyoto Protocol, or some other international legal instrument targeting global greenhouse gas reductions, will come into effect. The legal issues surrounding implementation of the Protocol or other potential instruments remain at an early stage of development. What is already clear is that climate change regulation will have significant economic implications for companies around the world, will affect a wide range of ordinary business practices, and will fundamentally change business and risk management planning and environmental regulation.

Speakers at this program will discuss why national and multinational companies will need to monitor these developments carefully, and indeed how pro-active attention to the issues involved can significantly benefit companies. The program will review what companies are doing as well as what they can do to contribute to policy and market development in this area.

- **Program Description**

- **PANEL I: Climate Change – Policy and the Business Environment**

Policy developments in the climate change arena have been moving rapidly in the recent past. With the signing of a climate change protocol in Kyoto in December 1997, climate change policy began to take on a whole new face. The Kyoto accord will present private developers and their governments with issues potentially transforming the relationship between development and environmental management. By the year 2000, developing climate change policies likely will be reflected in steps towards implementation of an international regime, as well as national actions towards meeting international commitments. Early action crediting programs are being pursued in the United States and Canada.

This panel will address primary reasons why global climate change is an issue of significant interest in the coming decades. Summaries of key points are provided below.

- **Climate Change Policy**

The Framework Convention was signed in 1992, at the U.N. Conference on Environment and Development in Rio de Janeiro. Just two years later, the treaty came into force. The pressure for binding targets manifested itself quickly. The first Conference of the Parties to the Convention called for a binding protocol to implement the Convention's goals of preventing "dangerous anthropogenic interference" with the climate system. The Parties then undertook negotiations that

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culminated with the Kyoto Protocol at the third Conference of the Parties in December 1997 in Kyoto, Japan. This process continued at the fourth Conference of the Parties in November 1998 in Buenos Aires, Argentina, where the Parties initiated a series of workplans intended to advance the commitments of the Kyoto Protocol.

The Kyoto Protocol has many features. Undoubtedly, the most significant of these is the provision for binding emission reductions. Other key features of the Protocol are the so-called "flexibility mechanisms" – emissions trading, and project-based mitigation programs between industrialized countries and developing countries.

Country-specific emissions reduction commitments by 2010 vary from 8 percent below 1990 emissions for European Union countries to 8 percent above 1990 emissions for Australia. Key players ended up with similar positions: 8 percent below 1990 emissions levels for the European Union, 7 percent for the United States, and 6 percent for Japan. Commitments are framed in terms of a budget period extending from 2008 to 2012, meaning that U.S. emissions during the entire budget period are to average 7 percent below 1990 levels. The real reductions are much greater than they at first appear; for example, complying with the terms of the Kyoto Protocol will require a U.S. reduction of more than 30 percent below levels expected under a business-as-usual scenario.

In this portion of the program, leading policymakers will outline environmental and economic implications of global climate change.

Invited Speakers: Honorable Bill Richardson–U.S. Secretary of Energy
Charlene Barshefsky–U.S. Trade Representative

• **Climate Change and the Business Environment**

Climate change will be an important issue for tomorrow's businesses. Although regulation of greenhouse gas emissions in the United States may be several years away, many policy, pilot-scale, and market development efforts are underway. Generally speaking, these efforts are predicated on widespread beliefs that regulatory intervention is a matter of "when" rather than "if." Companies are deciding to position themselves to be able to move quickly when the time comes and to show that flexible implementation mechanisms such as greenhouse gas trading and offset projects should be built into future compliance systems. Many companies are evaluating the climate change issue as a near-term market opportunity, rather than simply as a long-term risk.

Forward-looking companies are identifying opportunities to gain competitive advantage in the changing policy environment. Early movers are finding ways to:

- assess their risks and opportunities under a future emissions reduction regime;
- take advantage of low-cost risk management options; and
- take steps to accumulate assets that may be valuable in a future trading system.

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These developments may foster a number of market opportunities associated with climate change mitigation policy. ABA lawyers are in a prime position to help their clients in these processes in the crucial years to come.

In this section of the program, a leading industry decision-maker will address what global climate change regulation means for industry, and how his or her company has chosen to manage the climate change risk and pursue market opportunities.

Confirmed Speaker: Sir John Browne—CEO, BP-Amoco

• **PANEL II: Business Planning and Regulatory Compliance Strategies**

The second panel will turn to practical issues and discuss key issues that are of interest to business and corporate lawyers, focusing on how broad issues of international policy will affect them on a day-to-day basis.

• **Regulatory Strategies: Greenhouse Gas Emissions Trading and Beyond**

Emissions trading is a market-based approach to flexible, cost-effective, and innovative pollution control. It was given preliminary approval by the Parties in the Kyoto Protocol. Most participants to the climate change policy process believe some form of emissions trading regime will be put into effect; early involvement and education by lawyers will enable them to adequately represent their clients who will be involved in these trades.

• **Strategies for Multinational Companies**

Companies may address climate change regulatory initiatives in a variety of ways. In addition to reducing costs through improved energy efficiency and performance, many companies are identifying opportunities to gain competitive advantage in a changing market environment that includes climate change policy. Companies are finding that their environmental ethic and performance are important variables for consumers. Steps companies are taking to meet these consumer/client needs and to come up the climate change "learning curve" include:

- *Green power purchasing* to reduce dependence on greenhouse gas-intensive fuels.
- *Purchasing carbon offsets* to hedge against future emissions mandates and even to create a valuable asset in a future greenhouse gas trading system.
- *Adopting ISO 14000 certification* or another environmental management system and integrating greenhouse gas emissions reduction objectives into this process.

• **Technology Transfer, Infrastructural Developments, and Climate Change**

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Should the Kyoto Protocol or other legal instrument be ratified and come into force, there will be many project development opportunities. The mechanism for implementing climate change mitigation projects in developing countries – the Clean Development Mechanism (CDM) – has as its goal to assist developing countries in achieving sustainable development, reduce worldwide greenhouse gas emissions, and assist industrialized countries to achieve compliance with their emissions reduction commitments. Technology transfer is widely cited as one of the key objectives and benefits of implementing the CDM. Under the CDM, greenhouse gas credit "banking" could occur as early as the year 2000 – right around the time this ABA program will take place. Yet procedures and rules for banking have not yet been developed. Lawyers involved with international project development and finance should be educating themselves about these issues and preparing their clients.

A leading regulator and major corporate decision-maker will discuss these issues.

Confirmed Speakers: Ken Lay—Chairman, Enron Corporation

- **Format and Length of Program:**

We contemplate two panel presentations during a three-hour time slot on the afternoon of Thursday, July 20, 1999. In each, two speakers will give 30-minute remarks, followed by a period for moderated questioning of both panelists. Panel I: 2:00-3:20 p.m.; Panel II: 3:35-5:00 p.m. The first panel will focus on key reasons why global climate change is an issue of significant interest: policy and market issues. The second panel will turn to practical regulatory and business issues of interest to business and corporate lawyers, focusing on how climate change will affect them on a day-to-day basis. The panels will consist of senior environmental governmental officials who have been involved in climate change negotiations; corporate executives who have been working in this field from the private-sector perspective; and prominent legal practitioners knowledgeable in climate change legal issues, policy, and the business market.

- **Special Equipment:**

Projector suitable for PowerPoint or similar presentations; overhead projector.

- **Written Materials or Other Handouts:**

Written materials will include presentation papers or outlines of speakers.

- **Finances:**

The budget for this program will fall below \$18,500.

ABA 2000 Annual Meeting

London Sessions ★ Plenary Events

MCLE accreditation is being requested from all states requiring Continuing Legal Education and inquiries are in process to assure availability of Continuing Professional Development credit for U.K. solicitors and barristers.

Monday, July 17

10:00 a.m. - 11:30 a.m.

Opening Assembly

Royal Albert Hall

12:30 p.m.

Assembly Luncheon - exciting topic to be announced (ticketed)
Queen Elizabeth II Conference Centre, Whittle-Fleming

2:30 p.m. - 5:30 p.m.

"The Jurisdiction of Cyberspace: Achieving Legal Order among the World's Nations"

Queen Elizabeth II Conference Centre, Mountbatten Room
Sponsors: Section of Business Law; Section of Science and Technology; Section of Public Utility, Communications and Transportation Law; and Section of International Law and Practice

Who will traffic-cop cyberspace? The recently-formed ABA Transnational Jurisdiction Project, directed by the Business Law Section's Cyberspace Law Committee, has over 100 lawyers representing 10 countries working with 12 global business organizations and U.S. federal and state agencies and organizations. The Project aims to define controlling principles by which nations may prescribe, adjudicate, and enforce the legal rules governing electronic commerce across the global information superstructure. Project recommendations will be showcased by this program, which will feature U.S. and foreign officials, Internet business experts, and jurisdictional law experts. Topics will include international privacy considerations; how jurisdictional principles should apply to global banking, securities, and sales transactions; and how electronic commerce should be regulated.

"The Marital Woes of King Henry VIII"

Queen Elizabeth II Conference Centre, Churchill Auditorium
Sponsors: Section of Family Law; Commission on Domestic Violence; Commission on Women in the Profession; Steering Committee on the Unmet Legal Needs of Children; Section of Tort and Insurance Practice; and Young Lawyers Division

Justice delayed? Perhaps. But through a mock trial setting, King Henry VIII will finally stand trial in the divorces, beheadings, and other tribulations experienced by the majority of his six wives -- each wife to illustrate a different family law issue. British and American law will be compared in the areas of fault/no-fault divorce, domestic violence, prenuptial agreements, alimony, child custody, equitable distribution, and marital torts.

"Common Law/Common Bond: Common Law Principles for the 21st Century"

Church House, Assembly Hall

Sponsors: London 2000 Planning Committee and Special ABA Common Law/Common Bond Committee.
Presented with generous support from the American Bar Retirement Association and State Street Bank.

What are the enduring principles of the common law that will

guide law development in the 21st century? Professor Arthur Miller of Harvard Law School and PBS will guide a panel of distinguished leaders of the legal profession from both sides of the Atlantic, including Justice Anthony Kennedy and Lord Steyn. The panel will address this and other questions and outline a set of common legal values for the 21st century. In this unique program, which promises to be an intellectual high point of the London Sessions, panelists will discuss, in town-hall style, such fundamental issues as freedom of expression, the sanctity of contract and property, access to justice, use of international standards, due process, and independence of the judiciary. They will focus on the similarities between the two systems, the differences that set them apart, and the ability of the common law to adapt to future issues and developments.

"Human Rights: Perspectives on Priorities in the New Millennium"

Church House, Hoare Memorial Hall

Sponsors: Section of Individual Rights and Responsibilities; Section of International Law and Practice; Federal Bar Association; Young Lawyers Division; Law Society; and General Council of the Bar

Justice Ruth Bader Ginsburg will moderate a stellar panel of international policy-makers and leaders within the human rights community, who will present perspectives on human rights priorities. Enforcement issues; the re-emergence of genocide; the persistence of racial, religious, and ethnic intolerance; and violence against women are among the issues to be addressed. Also analyzed will be the legality and effectiveness of using international criminal prosecution and military intervention to resolve emerging crises around the world.

Tuesday, July 18

2:00 p.m. - 5:00 p.m.

"The Wig and the Robe and Civility: The Practice of Law in the U.S. and Britain"

Church House, Assembly Hall

Sponsors: Judicial Division; Standing Committee on Professionalism; Section of Tort and Insurance Practice; and Section of Business Law -

Picture George Steinbrenner entering into serious negotiations to sell the New York Yankees to Sir Alister Fleet-Street, a British media tycoon. Distinguished counsel from the U.S. and Britain become involved in negotiating the deal, and then in pursuing litigation when problems arise. Transactional lawyers and litigators must decide how far to go and what is the right thing to do, while responding to a fast-moving series of events. In the process, the panelists will apply both American and British traditions of ethics, civility, and dignity to a practical setting. Do differences go beyond costume and accent? If so, which approach better advances the aims of the parties and the principles of our profession?

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Tuesday, July 18, cont.

"Out of the Box" -- Thinking about the Training of Lawyers of the Next Millennium"

Queen Elizabeth II Conference Centre, Churchill Auditorium
Sponsors: Section of Legal Education and Admissions to the Bar and Commission on Women in the Profession

Let's clean the slate and rethink how we train our lawyers for the next millennium! Loss of professionalism, inadequacy of skills-training, and insensitivity to ethical and public service responsibilities will be among the urgent questions examined by an international panel of distinguished practitioners, law professors, and other leaders in legal education. Using a cross-fire format, three radically new systems of legal education will be presented to and examined by a panel of U.S. and U.K. judges, bar leaders, and academics.

"Products over the Pond: Is U.S.-Style Litigation Invading the U.K.?"

Queen Elizabeth II Conference Centre, Fleming Room
Sponsors: Section of Tort and Insurance Practice and Section of Litigation

Some of our best trial lawyers from both sides of the Atlantic will present mock trial vignettes focussing on issues of products liability and procedure. Cutting-edge issues will be addressed, including vehicle crashworthiness, defective components, and recalls. The program will analyze the similarities of and the differences between the U.S. and U.K. legal systems.

"Doing Business in the Global Economy of the 21st Century: What's 'Fair' and What's 'Foul'"

Queen Elizabeth II Conference Centre, Whittle Room
Sponsors: Section of Antitrust Law; Section of International Law and Practice; and Section of Business Law

Who will determine (and how) what is "fair" and what is "foul" in the international marketplace? Different bodies of law, sometimes with differing objectives, generate cutting-edge questions in governments from the U.K. to Japan to the U.S. to Europe, as well as in the international business and legal communities. As the world economy moves towards becoming "one market," a world-class panel will explore how the divergence, convergence, and cooperation between trade law and competition law affect businesses' ability to conduct their international initiatives in a cost-effective and timely manner.

Wednesday, July 19

8:30 a.m. - 11:30 a.m.

"Common Bonds/Common Challenges: Women, Minority, and Younger Lawyers in the 21st Century Law Firm"

Grosvenor House, Ballroom
Sponsors: Young Lawyers Division; Commission on Women in the Profession; Law Practice Management Section; Commission on Opportunities for Minorities in the Profession; and Young Solicitors Group of England and Wales

The profession of the next millennium presents a different face

from the one that characterized the profession in past generations. A panel of experts will examine the complex issues facing men, women, and minorities practicing law in the 21st century -- and facing their firms.

"The Amalgamated Transnational Firm: The Global Web of Law, Business, and the Delivery of Legal Services"

Queen Elizabeth II Conference Centre, Fleming Room
Sponsors: Section of Real Property, Probate and Trust Law; Law Practice Management Section; Standing Committee on Ethics and Professional Responsibility; Section of Business Law; and Section of Taxation

How will the practice of law across boundaries be organized? Organizational models -- both formal and informal -- in use by traditional and non-traditional law service providers will be described by managers working within these models. Client representatives and general counsels will debate the pros and cons.

"Not 'Death and Taxes' but How to Deal with Other Inevabilities: Healthcare, Physical Abuse and Frauds, and End of Life Decisions"

Queen Elizabeth II Conference Centre, Whittle Room
Sponsors: Senior Lawyers Division; Section of Health Law; Section of Public Contract Law; Section of Criminal Justice; Section of Family Law; General Practice, Solo and Small Firm Section; Section of Tort and Insurance Practice; and American Bar Retirement Association

The most difficult issues we deal with as individuals are also those on which we must give advice as lawyers. What is the future of the law with respect to the delivery of health care, frauds and scams on seniors, and end of life decisions? Public or private health care? Just what is the right to die and what is the slippery slope? This panel will define and debate these momentous questions.

"ADR in the U.K. and the U.S.: A Comparative Analysis of Alternative Dispute Resolution Systems"

Queen Elizabeth II Conference Centre, Churchill Auditorium
Sponsors: Section of Dispute Resolution; Section of Litigation; and Forum on the Construction Industry

Mediation and arbitration, having burst on the scene so recently, are still evolving. Two interactive panels of British and American speakers -- one focusing on mediation, the other on arbitration -- will contrast and compare perspectives regarding the use and future of alternative dispute resolution. Panelists will explore the key policy issues that each country faces as ADR gains in use and popularity, and audience members will be invited to interact with panel members.

12:30 p.m.

Assembly Luncheon - "Behind Every Great Man: A Woman Lawyer?" (ticketed)
Grosvenor House, Great Room

Two of the best known women lawyers in the world talk about life as lawyers and as world-famous public figures.

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Wednesday, July 19, cont.

2:30 p.m. - 5:30 p.m.

"Justice Versus the Appearance of Justice: Strengthening Public Confidence in the Justice System"

Queen Elizabeth II Conference Centre, Whittle Room

Sponsors: Coalition for Justice; Committee on State Justice Initiatives; American Bar Foundation; Section of Criminal Justice; Section of Litigation; Consortium on Legal Services and the Public; National Association of Bar Executives; and National Conference of Bar Presidents

Justice Stephen Breyer and a panel of distinguished participants will analyze what the most recent studies tell us about what the public thinks about our justice system. Lawyers, writers, judges, and journalists from the U.S. and the U.K. will discuss how factual reporting and fictional portrayals shape perceptions of the public at large and of minorities. Panelists will review why the decline in public confidence threatens the judicial branch in particular, the reasons for the decline, and the efforts to reverse it.

"The Future of the Jury System in the U.S. and England: Changing Paradigms"

Queen Elizabeth II Conference Centre, Churchill Auditorium

Sponsors: Section of Criminal Justice; Section of Litigation; Judicial Division; and Section of Tort and Insurance Practice

Justice John Stevens, The Right Honorable Lord Woolf, and a panel of experts will help us compare and contrast the changes occurring in the trial processes in the U.S. and the U.K. Participants will address the new, sometimes revolutionary, techniques being used, particularly in jury trials, and will describe the impact of increased racial, ethnic, religious, and generational diversity in juries. How do America's efforts to improve communication and England's to increase control of the trial process compare with each other? What can we learn from these experiments and proposals? And how can we improve as trial lawyers by learning from the experiences of each other?

"Multidisciplinary Practices: The Future Is Now"

Church House, Assembly Hall

Sponsors: Section of Business Law; Section of Taxation; and Commission on Multidisciplinary Practice

Multidisciplinary practices are here. But what do they do ... how do they operate ... will they take over the practice of law as we know it? Are they essential in a global economy ... are the U.S.'s current ethical rules against law firms having non-lawyer partners and against the sharing of profits with non-lawyers still valid? How will MDPs affect small firms and sole practitioners ... will MDPs succeed in small communities ... will they provide more efficient and higher quality legal services? How is the public interest best served and what is the response of organized bars to MDPs? Expert panelists will offer up-to-the-minute responses to these questions and provide their views on the future of the practice of law.

"David Versus Goliath: Solo and Small Firm Practitioners among Global Law Firms"

Queen Elizabeth II Conference Centre, Fleming Room

Sponsors: General Practice, Solo and Small Firm Section; Standing Committee on Solo and Small Firm Practitioners; and Law Practice Management Section

If "bigger" and "global" seem to describe the new paradigm, how will solo and small firms compete in the coming era? On both sides of the Atlantic, lawyers, solicitors, and barristers have a compelling interest in the answers. The uniquely tailored services provided by smaller firms and solos, both in cooperation and in competition with larger, global firms, must be armed with tools for the next century, which this program will provide.

Thursday, July 20

9:00 a.m. - 12:00 p.m.

"Tyrant and Terrorist: Bringing the Leaders of the Revolutionary War to Trial," Part I

Westminster Central Hall, Great Hall

Sponsors: Section of Litigation; Judicial Division; Young Lawyers Division; Section of International Law and Practice; and Section of Criminal Justice

The trials of the Georges will begin with a trial of King George III, prosecuted by U.S. attorneys who will try the king for his "tyrannical" conduct, followed by a trial of that revolutionary leader, George Washington, who will be tried by English barristers for his "terroristic" tactics. The jury will deliberate off stage over the lunch break. To learn the results, audience members will want to attend the afternoon program, starting at 2:00 in the same location.

"Financial Services in the European Union: Fifteen Years Later"

Queen Elizabeth II Conference Centre, Mountbatten Room

Sponsors: Section of Administrative Law and Regulatory Practice; Section of Tort and Insurance Practice; Section of Business Law; and Section of International Law and Practice

Looking through a crystal ball, participants in the 1985 ABA London Sessions anticipated the regulation of and changes in the financial services industry in the European Economic Community. How well did they do? Many changes have occurred and more are coming. How have harmonization and multilateral trade agreements changed the practice of law in the financial services industry? What does the future look like for the banking, securities, and insurance industries? The first panel will address E.C. issues such as cross border law enforcement, consolidation or integration of financial services, bankruptcy and insolvency, reciprocity, and changes in the regulation and operation of the financial services industry. A second panel will explore the impact on U.S. companies: protectionist impediments, the suitability of the U.S. regulatory environment to the global marketplace, opportunities for U.S. and E.C. companies beyond their own boundaries, and the effect of the integration of financial services outside the U.S. on companies operating within the U.S.

"Biotechnology and the Law in the New Millennium"

Church House, Assembly Hall

Sponsors: Section of Science and Technology; Section of Intellectual Property; Section of Family Law; Section of Health Law; and Coordinating Group on Bioethics and the Law

If computers and the Internet were the drivers of change in the 20th century, many believe that biotechnology will be that driver

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Thursday, July 20 cont.

in the 21st. Cloning has captured headlines but is only one aspect of what is to come. Biotechnology will change all our lives. This session will look ahead to the challenges, opportunities, and consequences presented by human genetic testing, genetic manipulation, and the development of new drugs and foods through genetic alteration. Speakers will include prominent scientists, ethicists, and lawyers involved daily in grappling with the issues presented.

"Super Terrorism and Economic Threats in the New Millennium: The New National Security"

Queen Elizabeth II Conference Centre, Churchill Auditorium
Sponsors: Standing Committee on Law and National Security; Section of International Law and Practice; Central and East European Law Initiative (CEELI); Section of Individual Rights and Responsibilities; and Section of Criminal Justice

Although the Cold War has been over for more than a decade, the tactics of "super terrorists" demonstrate that the rule of law has never been more important or more threatened. Taking advantage of the internationalization of financial markets, crime syndicates trading in narcotics, extortion, and other hugely profitable illegal activities launder incredible amounts of money — to the sum of one trillion dollars last year. The money thus generated gives these criminals the means of access to weapons of mass destruction and other capabilities previously available only to state actors. Intelligence and law enforcement agencies are struggling to control these criminal activities. Speakers from the CIA, FBI, MI5, MI6, and others highly experienced in the national security arena will address these new threats and their implications for the 21st century.

12:00 p.m.

Assembly Luncheon - exciting topic to be announced (ticketed)
Queen Elizabeth II Conference Centre, Whittle-Fleming
Sponsor: Section of Litigation

2:00 p.m. - 5:00 p.m.

"Tyrant and Terrorist: Bringing the Leaders of the Revolutionary War to Trial," Part II

Westminster Central Hall, Great Hall
Sponsors: Section of Litigation; Judicial Division; Young Lawyers Division; Section of International Law and Practice; and Section of Criminal Justice

Jury deliberations from the morning trials of King George III and George Washington, which will have taken place in private during the lunch break, will be analyzed by a distinguished panel of judges, attorneys, a media representative, and a jury consultant among others. Trial techniques will be compared, and there will be a discussion of the impact of the media on high-profile trials such as these. Audience members and panelists will be able to question the barristers and attorneys prosecuting and defending the "two Georges." Overall, the program will highlight the differences and similarities between U.S. and U.K. trial techniques while also addressing many current international issues.

"Love in the Law Firm -- When Does It Become Illegal Sex Harassment? A Mock Oral Argument, Mediation, and Arbitration Will Compare the Answers under British and American Law"

Church House, Assembly Hall

Sponsors: Section of Labor and Employment Law; Section of Dispute Resolution; Law Practice Management Section; and Commission on Women in the Profession

Where's the line, and what are the consequences of its being crossed? A claim of sexual harassment arising in a law firm will be presented via video. To demonstrate the differences between U.S. and U.K. law and to illustrate how the outcome of such a complaint can vary depending upon the method of dispute resolution used, the case will be the subject of oral argument, mediation, and arbitration involving some of the most highly respected lawyers, jurists, mediators, and arbitrators in the U.S. and the U.K. Audience members will cast their own votes for or against the viability of the claim.

"Global Climate Change: Planning for the Big Contingency"

Queen Elizabeth II Conference Centre, Mountbatten Room
Sponsors: Section of Environment, Energy and Resources Law; and Section of International Law and Practice

How will global climate change change the landscape for our 21st century clients? Climate change policy and resulting regulations are evolving rapidly. A framework for a wide array of private- and public-sector financial and regulatory activities is evolving rapidly. More and more companies recognize that climate change regulation is here to stay and have begun to act accordingly. In the first panel, a leading policymaker will outline environmental and economic implications, and a leading industry decision-maker will address what regulation means to industry. Expected regulatory regimes and the resultant practical issues — how climate change will affect business lawyers on a daily basis — will be discussed by the second panel.

"Wiring the Legal Profession for the 21st Century"

Queen Elizabeth II Conference Centre, Churchill Auditorium
Sponsors: Law Practice Management Section; Section of Business Law; Section of Dispute Resolution; Standing Committee on Ethics and Professional Responsibility; Section of Intellectual Property Law; and Section of Real Property, Probate and Trust

Ten years ago, most of us didn't have a computer on our desks. And now the practice of law has been transformed. What's to come? Opening comments by major legal technology figures from the U.S. and the U.K. will set the stage for demonstrations and discussions about how the revolution in global communications technology will further transform the practice of law as we round the corner into the 21st century. Each case study segment will begin with a brief technology demonstration followed by a sequence of discussions about the effect on lawyers, clients, law firms, and courts.

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Folder Profile

Control #	1999-018540	Name	Letter to Secretary Bill Richardson from Rod Cargill, Energy
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Invites the Secretary to address the Power2000 Forum in Edinburgh on June 4, 2000		
Action Office #			
Signature/Approval	NA		
Action Requested	Appropriate Action		
Special Instructions	Info:ES/Carpenter		
Assigned To	SL/Johnston		
Date Due			
Date Completed	12/7/99		

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1999-018540



Department of Energy

Washington, DC 20585

December 8, 1999

Mr. Rod Cargill
EnergyNet Limited
110 Elm Road, Kingston
Thames, Surrey, KT2 6HU
England

Dear Mr. Cargill:

We have received your correspondence dated December 6, 1999, inviting Secretary Richardson to address the Power2000 Forum on June 4, 2000, in Edinburgh, England.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

A handwritten signature in black ink, appearing to read "James N. Solit".

James N. Solit
Director, Executive Secretariat



Printed with soy ink on recycled paper

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1000-1004 12/01 9:45

R-62

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Mr Bill Richardson
Secretary of State for Energy
US Department of Energy
1000 Independence Ave SW
Room 7A - 257
Washington DC
20585
United States of America

157527

December 6, 1999

Sent by fax modem

00 1 202 586 4403

Number of pages 8

Dear Secretary of State

I invite you to address the Power2000 Forum in Edinburgh on June 4, 2000. The proposed topic is "USA: committed to promoting African economic growth through private sector energy investment" in the opening session "Policies for Power"; but please feel free to suggest an alternative title. A programme-in-progress follows.

The objective of the Power2000 conference, which is part of the Africa Energy Forum, is to create an annual international marketplace outside Africa where the African power industry can meet with investors, energy companies, contractors, equipment manufacturers, and the like to discuss the modernization and expansion of the industry. The conference will be produced in conjunction with Gas2000.

Power2000 was launched this year in Amsterdam, attracting energy ministers and heads of power utilities from 14 African countries, with delegates totalling almost 250.

The forum is supported by an electronic MarketSite on the internet, allowing delegates to automatically email each other and to access a comprehensive list of African power projects and an associated directory. We will continue to expand the electronic services that we offer free to delegates to improve the efficiency of the African power sector.

We are committed to producing high-level conferences that will contribute to the economic development of African countries by encouraging foreign investors, exporters and industry experts to examine the business opportunities that exist in Africa. Since 1994, we have produced the Europe—South Africa Business and Finance Forum that has attracted numerous ministers from Europe and South Africa. This year we ran an equivalent conference in New York, attended by President Thabo Mbeki, Vice President Al Gore and James Wolfensohn, plus six South African ministers.

We would be honoured if you would join us on the Power2000 platform in Edinburgh next June.

Yours sincerely

Rod Cargill

Directors: EM Cargill RW Cargill; Company secretary: DJ Wilson; Registered No: 2832809 England

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Africa Energy Forum Power2000

Partnerships for Power

Edinburgh International Conference Centre
Edinburgh, June 4-6, 2000

Sunday June 4

15:00	Registration
18:00	City Reception

[James Wolfensohn, president,
World Bank]

10:30	Discussion
11:00	Coffee

Monday June 5

07:30	Registration
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Welcome address

09:00	Scotland: an international engineering powerhouse. <i>[Donald Dewar, first minister for Scotland]</i>
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Policies for Power

09:30	Deregulation & privatization of the power sector: the UK has a wealth of experience.
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[Helen Liddel, minister of energy, UK]

09:45	USA: committed to promoting African economic growth through private sector energy investment.
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[Bill Richardson, secretary of state for energy, USA]

10:00	Regional co-operation: requirements for power will fuel closer co-operation. <i>[Reuel Khoza, chairman, Eskom]</i>
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10:15	The World Bank: the extent to which policies impact on Africa's power supply.
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Regional Power: West Africa

The availability of natural gas will transform power generation in West Africa. A gas-fired IPP at Azito, Ivory Coast, has already been commissioned. A planned gas pipeline from Nigeria to Benin, Togo and Ghana will fuel power stations. Privatization is an objective for many countries. With the return to civilian rule in Nigeria, West African growth will stimulate Africa's long awaited renaissance.

11:30 Ministerial statements:

- *[Safiatou Ba N'Daw, minister of energy, Côte d'Ivoire]*
- *[Bola Ige, minister of power and steel, Nigeria]*
- *[Ekow Splo-Garbrah *, minister of mines and energy, Ghana]*
- *[Musah Sillah *, minister for trade, industry and employment, Gambia]*

12:00 Position statements of the National utilities:

- *[Gilbert Dokyi, CEO, Volta River Authority, Ghana]*
- *[Mustapha Kargbo, general manager, Sierra Leone Electricity Corporation]*
- *[Njifenji Niat, general manager, Société Nationale d'Électricité, Cameroon]*

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- *[Belo Sulieman, CEO, National Electric Power Authority (NEPA), Nigeria]*
- 12:30 Investing In African power—a debate**
- The status of a West African power pool.
 - How will Nigeria ensure that its goal of 85% electrification is reached by 2010?
 - Are there any "sticking points" in the various privatization projects?
 - How important is fuel diversification in determining plant type?
- Panellists:**
- *Ministers and utilities heads*
 - *(CMS, EDF, Hydro-Quebec, Société Générale)*
- 13:00 Lunch**
- Regional Power: East Africa**
- A number of IPP projects have already been initiated, but they are not without their difficulties. Nevertheless, East Africa offers significant opportunities for investment in the power sector: the discovery of gas in Tanzania, the development of Uganda's hydro potential, and installing interconnectors for intra-regional power supply are examples.
- 14:30 Ministerial statements:**
- *[Fyda Bumba, minister of energy and mineral development, Uganda]*
 - *[Abdallah O Kigoda, minister of energy and minerals, Tanzania]*
 - *[Francis Lotodo, minister for energy, Kenya]*
- 15:00 Position statements of the national utilities:**
- *[Samuel Gichuru, managing director, Kenya Power and Lighting Company]*
 - *[Baruany Luhanga, managing director, Tanzania Electric Supply Company (TANESCO)]*
 - *[Paul Mare, managing director, Uganda Electricity Board]*
- 15:30 Investing In African power—a debate**
- What can be done to avoid the problems associated with a number of IPP projects in the region?
 - Are there policies to reduce the reliance on hydro?
 - How interlinked is regional integration and the East African Power Pool?
 - What will be the major consumer of power in the region?
- Panellists:**
- *Ministers and heads of utilities*
 - *(AES, Cameron McKenna, World Bank)*
- 16:00 Coffee**
- Liberating Power: a debate**
- 16:30**
- The importance of deregulation, restructuring and privatization in attracting investment to modernize and expand large tracts of Africa's generating and transmission capacity.
 - The growth of IPPs: is it simple pragmatism that will foster their adoption?
 - Recipes for success: is it credible to assume that a success formula for one power deal can be replicated for others?
 - The lead financier: how important is his role in structuring a deal?
 - What are financial institutions looking for from a power project?
 - Project finance: can ways be found to finance almost any deal—and what would happen if money became tight?
 - Risk: is it not simple to assess whether the project should proceed, given that the instruments for covering risk are well understood?
 - The right chemistry: can one distill the elements for a successful power deal.
- 18:00 Close of Day One and Evening reception**

Tuesday June 6

Regional Power: Southern Africa

The region's generation is dominated by Eskom. Its excess capacity is expected to meet growth in demand for the next five or so years. Commercialization rather than privatization is present government policy. However, there are opportunities for investment in South Africa's power sector. Mozambique energy resources are varied and substantial, with significant scope for development. Gas from the Kudu field could fire power stations in Namibia and South Africa. IPPs in Zambia and Zimbabwe provide valuable experience for future investment. Southern Africa's power sector offers significant opportunities for future investment.

09:30 Ministerial statements:

- *[Jesaya Nyamu, minister of mines and energy, Namibia]*
- *[Enos Chikowore, minister of transport and energy, Zimbabwe]*
- *[John Kachamila, minister of mineral and energy affairs, Mozambique]*
- *[Phumzile Mlambo-Ngcuka, minister of mineral and energy affairs, South Africa]*
- *[B Mwila, minister of energy and water development, Zambia]*

10:45 Coffee

11:15 Positional statement of national utilities:

- *[WP Amani, chief executive officer, Electricity Supply Commission of Malawi (ESCOM)]*
- *[Jan de Beer, chief executive officer, Eskom Enterprises]*
- *[Dr Leake Hangala, chief executive, NamPower, Namibia]*
- *[Robinson Mwansa, managing director, Zambia Electricity Supply Corporation (ZESCO)]*
- *[Eng. Simbarashe Mangwendwende, chief executive, Zimbabwe Electricity Supply Authority (ZESA)]*

- *[Ketane Sithole, chief executive, Botswana Power Corporation]*
- *[Dr Vicente Mebunia Veloso, chairman and chief executive, Electricidade de Moçambique E.P.]*

12:15 Investing in African power—a debate

- Will Kudu proceed on economic or strategic grounds?
 - Will the commercialization of Eskom be sufficient to position itself as a major international player?
 - How important are large energy thirsty metals and minerals projects to the development of Mozambique's energy sector?
 - To what extent will the Southern African Power Pool foster international investment in the power chain?
 - Will governments promote competition by encouraging IPPs?
- Panellists:
- *Ministers and utilities heads (Cinergy Global Power, Billiton, Standard Bank....)*

13:00 Lunch

The Renewable Energy Seminar Financing the Future

Keynote

14:30 A political necessity: no longer can policy to promote renewable energy be put on the backburner.

Public and multilateral sector finance

14:45 Government priority: to what extent is it desirable to divert funds from conventional to renewable energy projects?

15:00 Multilateral agencies: do they have the expertise to develop innovative funding mechanisms for renewable energy projects?

15:15 Discussion

Private finance

- 15:30 Project finance: to what extent can traditional instruments be used to finance renewable energy projects?
- 15:45 Infrastructure funds: would the various funds for Africa consider investing in renewable energy projects?
- 16:00 Energy companies: what is the rationale and commitment to financing renewable energy projects in tandem with their conventional activities?

16:15 Discussion

16:30 Close of Conference

Note: Speakers names without brackets have confirmed their participation.

Square brackets denote that the speaker has been invited, and curly brackets indicate possible speakers. An asterisk after the speaker's name indicates that the speaker would like to participate, diary commitments permitting.

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Africa Energy Forum

Gas2000

Commercialization for Africa
 Edinburgh International Conference Centre
 Edinburgh, June 6, 2000

Monday June 5

- 16:30 Registration
 18:00 Reception

- 10:00 Financing gas development: where will the money come from?
 10:15 Discussion
 10:30 Coffee

Tuesday June 6

- 07:30 Registration

Welcome address

- 09:00 Scotland: building prosperity on natural gas.

Commercialization of Africa's gas
 Africa's gas reserves can fuel substantial development. The benefits from additional export earnings are obvious. But it is the industrial and domestic use of gas within Africa that will generate the greatest returns by stimulating economic development. How best to commercialize Africa's gas reserves will be discussed in this session.

- 09:15 Commercialization: Africa's gas supplies must increasingly be used to fuel industrial development.

- 09:30 Africa's oil and gas companies: is restructuring necessary for effective exploitation of the continent's gas reserves?

- 09:45 Oil majors: consortia for the exploitation of Africa's gas reserves.

North African Gas

The importance of North Africa's gas reserves has been known for some time. But their full potential has yet to be tapped. Development in Egypt proceeds apace, but additional investment is still sought. The previous difficulties of investing in Algeria and Libya only serve to multiply the opportunities now available as these markets open up to investors.

- 11:00 A policy for expansion: Egypt will promote investment to meet growing domestic and regional demand for gas.
(Sameh Fahmy, minister of Petroleum, Egypt)

- 11:15 EGPC and GASCO: their role in the development and commercialization of Egypt's gas reserves.
(Abdel Khalek Ayad, chairman, Egyptian General Petroleum Company)
(Mohamed Tawila, chairman & managing director, Egyptian Natural Gas Company)

- 11:35 Algeria gas, power and exports: partnerships for development and growth.
(Abdelmadjid Attar, chairman and chief executive, Sonatrach)

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Aissa Abdelkrim Benghanem,
chairman and managing director,
Sonelgaz)

11:55 Discussion

12:10 Oil majors: partnerships to unleash the potential of North Africa's gas reserves.
(*BP Amoco*)

12:25 An international gas company: experience can benefit the integration of supply and demand.
(*BG*)

12:40 Unlocking the money pot: good gas reserves and political will are a potent combination.

12:55 Discussion

13:10 Lunch

West African Gas

Nigeria flares some 75% of the gas it produces; the target is to reduce this to zero by 2010. This will require substantial expansion of the gas utilization infrastructure, providing concomitant investment opportunities. Moves to commercialize Nigeria's reserves are illustrated by the Escravos gas project: it already supplies an export market, and will be a principal supplier to the West African Gas Pipeline and a proposed gas-to-synthetic crude plant. Natural gas reserves could lead to Côte d'Ivoire becoming an important regional energy supplier: gas is used to fire the Azito power plant and exporting to neighbouring countries is probable.

14:30 The Nigerian Government: committed to the full utilization of the country's gas reserves.

(*Bola Ige, minister of power and steel, Nigeria*)

14:45 Côte d'Ivoire: policy has already demonstrated the government's commitment to private investment in the energy sector.

(*Mohammed Lamine Fadika, minister of mining and oil, Côte d'Ivoire*)

15:00 Discussion

15:10 Nigeria: prospects for the domestic gas industry.

- (*Jackson Galus-Obaseki, group managing director, Nigerian National Petroleum Corporation (NNPC)*)
- (*Andrew Jamieson, chief executive officer, Nigerian Liquefied Natural Gas Company (NLNG) Ltd*)
- (*chief executive officer, Nigerian Gas Company (NGC) Ltd*)

15:40 Through thick and thin: for Shell, oil and gas exploitation in West Africa is a long-term commitment.

- (*David Mortimer, managing director, Shell Nigeria Gas Limited (SNG)*)

15:55 Discussion

16:05 Coffee

Southern African Gas

Most of southern Africa's gas reserves are located in Angola and Mozambique. Gas is also found in Namibia, Tanzania and South Africa. Angola's reserves are an estimated 1.6 tcf; about 85% of the gas produced is flared; however, the government is developing strategies to increase commercial usage and is inviting international participation; two zero-flare fields have been initiated; and a LNG project is under consideration.

16:30 Angola's offshore oil and gas production: it will fuel "onshore", downstream investment.

(*José Maria Botelho Vasconcelhos, minister of petroleum, Angola*)

16:45 Liquefying Angola's natural gas: commercialization through joint ventures

- (*Manuel Vicente, president, Sonangol, Angola*)
- (*Martin Eldon, general manager, Texaco, Angola*)

17:05 Discussion

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17:15 Mozambique—the practicalities of government policy: the requirement is exploitation of the country's natural gas reserves; the objective is economic growth.

{John Kachamila, minister of mineral and energy affairs, Mozambique}

17:30 Mozambique: gas as a raw material and principal energy source.

- {Martin Voster, general manager, Sasol Petroleum International, South Africa}
- {Enron, }

17:50 Discussion

18:00 Close of conference

Note: Square brackets denote that the speaker has been invited, and curly brackets indicate possible speakers.

Speakers not listed between brackets have confirmed their participation

73C-6

Folder Profile

Control #	1999-018780	Name	Letter to Secretary Richardson from Joe Hillings, Enron Co
Priority	Important	Folder Trigger	Letter
DOE Addressee	Bill Richardson	Source	PM-O
Subject Text	Enclosed is a copy of Ken Lays Speech - WTO Seattle Ministerial on on energy issues and the economy	Date Received	12/9/99
Action Office #		Correspondence Date	12/8/99
Signature/Approval	NA	RIDS Information	Head of Agency
Action Requested	Prog Determination	Sensitivity	Not Applicable
Special Instructions		Classification	None
		Point of Contact	ALSTONL
		Organization ID	EXECCORR2
		Assigned To	PO
		Date Due	
		Date Completed	12/10/99

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1999-018780 12/9 4:02



E. Joseph Hillings
Vice President and General Manager
Federal Government Affairs

Enron Corp.
1775 Eye Street, NW, Suite 800
Washington, DC 20006-4607
(202) 466-9145
Fax (202) 828-3372
jhillin@enron.com

TRANSMITTAL SHEET

TO: The Honorable William Richardson
Secretary of Energy
US Department of Energy

FROM: Joe Hillings

DATED: December 8, 1999

RE: Ken Lay's Speech – WTO Seattle Ministerial

Enron Chairman Ken Lay recently addressed the Business Forum at the WTO Meeting in Seattle on energy services and the new economy.

I thought you would find the attached presentation to be of interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Hillings".

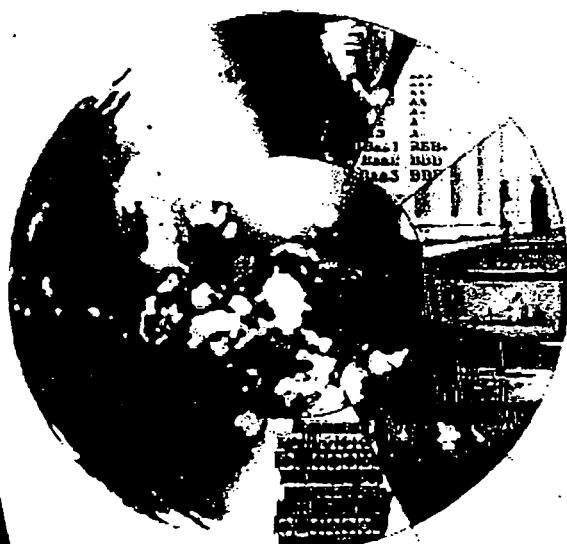
Encl.

Natural gas. Electricity. Endless possibilities.™

74A



Services & Energy in the New Economy



Dr. Kenneth L. Lay
Chairman & CEO, Enron

**on behalf of the
Coalition of Service Industries
Energy Services Coalition**

***3rd Ministerial Conference
World Trade Organization***

Seattle, Washington
December 2, 1999

74B



Economic Change

Old Economy

- Supply-driven
- Mass production
- Monopoly franchises
- Technology slows speed to market
- Value in assets
- Geographical

New Economy

- Demand-driven
- Mass customization
- Competition
- Technology increases speed to market
- Value in people
- Global

74B-1



New Economy Evolution

Phase 1

Market
Liberalization

Falling
Information
Costs

Increased
Demand for
Services

Fluid
Venture
Capital

Phase 2

First-Mover
Businesses

Network
Economies

Mass
Customization

Final Phase

**Open
Efficient
Markets**

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Globalization of the World Economy 1970 – 1995

Billion 1996 \$ U.S.

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>1995</u>
World Exports	298	1921	3379	5080
World GNP	15,700	22,900	30,700	34,600
Percent	1.9%	8.4%	11.0%	14.7%

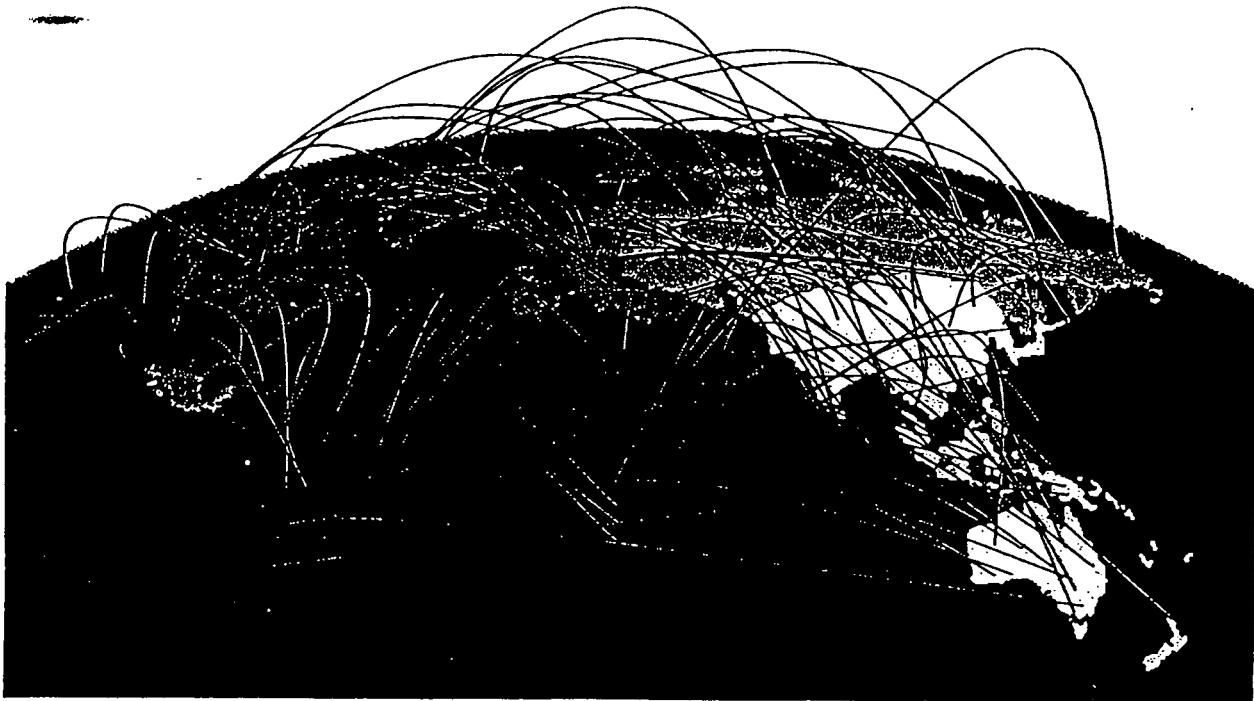
**The world economy is becoming
increasingly linked**

Source: U.S. CIA

74B-3



The Global Reach of Services



74B-4

7475-5



Coalition of Service Industries

Telecom

Professional

Financial

Air
Cargo

Transportation

Information
Technology

Travel

Energy
Services

Retail
Distribution

Education

Entertainment



Services Industry Accomplishments in WTO/GATS Process

Financial Services Agreement (1997)

Basic Telecommunications Agreement (1997)

Maintain existing levels of market openness

**Significant opportunities remain
for Services 2000 negotiations**



Definition of Energy Services

"Energy services are those services that comprise or are related to the exploration, development, extraction, production, generation, transportation, transmission, distribution, marketing, consumption management and efficiency of energy, energy products and fuels."

- Energy Services Coalition

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