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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510-6175

July 30, 2003

The Honorable Guy F. Caruso
Administrator
Energy Information Administration
1000 Independence Avenue, SW
Washington, DC 20585

Dear Mr. Administrator:

Legislation affecting the regulation of environmental emissions from electric generators is of increasing interest to the Senate. As a result, I hereby request the Energy Information Administration to undertake analyses of S.843, The Clean Air Planning Act of 2003, introduced by Senator Thomas Carper, and S.485, Clear Skies Act of 2003, introduced by myself.

These bills would require significant reductions of emissions of sulfur dioxides (SO_x), nitrogen oxides (NO_x), and Mercury (Hg). In addition, the Clean Air Planning Act of 2003 requires reductions of carbon dioxide emissions (CO_2).

In fulfilling this request, please use the latest National Energy Modeling System (NEMS) reference case developed to analyze the S. 139, the Climate Stewardship Act of 2003 in order to provide a basis of comparison to what might be expected without future legislation. I am particularly interested that the following components be included in the analysis:

1. The reductions in SOx, NOx, Hg, and CO2 required both nationally and regionally;
2. The marginal cost of reducing SOx, NOx, Hg, and CO2 (provide regional information where appropriate);
3. The amount of emissions control equipment and activated carbon injection required to comply with the legislation;
4. The total resource cost (in present value terms) for each Bill;
5. The impact on energy production (coal, natural, oil, renewable, etc.) and energy prices;
6. The impact on residential electric and natural gas consumers;
7. The impact on macroeconomic activity and coal employment, resulting from passage of each Bill;
8. The loss in electric industry revenues projected for each of the Bills.

Please evaluate the following additional scenarios. With respect to the Clear Skies Act of 2003 evaluate two additional scenarios that achieve the following:

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- Eliminate the safety valve component of the Hg provisions and
- Eliminate the Hg provisions.

With respect to the Clean Air Planning Act of 2003, evaluate two additional scenarios that achieve the following:

- Eliminate the CO2 provisions and
- Eliminate both Hg provisions and the CO2 provisions.

Any further details of the analysis can be addressed with John Shanahan at 202-224-8072. I would appreciate it if you would provide the analysis of the Clear Skies Act of 2003 by August 22nd and the Clean Air Planning Act of 2003 by August 25th. Thank you in advance for your cooperation. I believe these analyses will be essential to ensuring an informed debate on the multi-emission issue.

Sincerely,

U.S. Senator James M Inhofe
Chairman
Committee on Environment and Public Works