

Appendix A. Analysis Request Letter

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September 12, 2006

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

Dear Mr. Caruso:

On April 24th, 2006, I submitted a request to the Energy Information Administration (EIA) for analysis of a clean energy portfolio standard (CEPS) proposal. In June, EIA released its analysis, providing valuable insight into how a clean energy portfolio standard could perform in the United States, and I have utilized that information to inform a revised, more robust CEPS.

The goal of this revised CEPS (attached) remains the formulation of legislation that will diversify electric generation fuels; reduce Clean Air Act criteria pollutants and carbon dioxide emissions; promote new electric sector technology; and encourage energy conservation through demand side management programs. This revised CEPS proposal, submitted last April, showed great promise on these fronts. EIA found electricity sector carbon dioxide emissions could be reduced at negligible cost to ratepayers and the electricity power sector. Meanwhile, the analysis showed the proposal would lessen America's reliance on natural gas through implementation of advanced energy technologies.

Building on the first analysis, the revised proposal will require each retail electric supplier (supplying more than 500,000 MWh/year) to, beginning in 2015, submit to the Secretary of Energy clean energy credits equal to a required annual percentage of its retail electric sales. This required percentage would be 10 percent in 2015-2020; 15 percent in 2020-2025; and 20 percent in 2025 and thereafter. In order to prevent slow-growing utilities from being forced to shut down existing generation to comply, a retail electric supplier's obligation would be capped at 100 percent of its load growth.

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

Sincerely,



Norm Coleman
United States Senate

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