Description of document:	Department of Energy (DOE) Talking Points, 2009-2011(?)
Request date:	2009
Released date:	18-July-2012
Posted date:	02-November-2015
Source of document:	Department of Energy FOIA Requester Service Center 1000 Independence Avenue, SW Mail Stop MA-90 Washington, DC 20585 Fax: (202) 586-0575 Online FOIA Request Form

Department of Energy
Washington, DC 20585

July 18, 2012

Via Email

Re: HQ-2011-00206-F

This is a partial response to the request for information that you sent to the Department of Energy (DOE) under the Freedom of Information Act (FOIA), 5 U.S.C. § 552.

You initially requested "a copy of any primarily internal "Talking Points" or "Q&A" documents at DOE." After corresponding and discussing the issue with Ms. Joan Ogbazghi of my office, you agreed to narrow the scope of your request to a computer search that contained the phrase "Talking Points." You also agreed to limit the search to documents that were less than three years old and from the offices of Ms. Stephanie C. Mueller, former Press Secretary, and Mr. Daniel Leistikow, Director of the Office of Public Affairs (PA). Lastly, on June 25, 2012, in a phone conversation with Ms. Angelia Bowman of my office, you agreed to exclude all draft documents from your request.

Your request was assigned to the Office of Public Affairs (PA). PA conducted a computer search of their files for responsive documents. Seventeen identified documents are enclosed in their entirety and described in the accompanying index.

The adequacy of the search may be appealed within 30 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to Director, Office of Hearings and Appeals, HG-1, L'Enfant Plaza, U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington DC 20585-1615. The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. The appeal must contain all the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where the Department's records are situated, or (4) in the District of Columbia.

Given the partial response nature of this letter, my staff is continuing to review additional documents that may be responsive to your request.

If you have questions about the processing of the request or this letter, you may contact Ms. Angelia Bowman or Ms. Joan Ogbazghi at:

MA-90/ Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585
(202) 586-5955

I appreciate the opportunity to assist you with this matter.

Sincerely,

Alexander C. Morris
FOIA Officer
Office of Information Resources

Enclosures

Clean Energy and Climate General Talking Points

- President Obama is committed to a comprehensive energy plan that will jump-start the American Clean Energy sector and create millions of new jobs developing clean energy technologies that will cut pollution and produce alternative sources of energy - clean energy jobs that cannot be shipped overseas.

- America should be leading the world in clean energy; instead we're falling behind in the race for jobs and technology that will drive global markets for generations. China is spending $12.6 million every hour on clean energy investments. We rank below Spain, Denmark, and Portugal in the use of wind power. Only six of the top 30 wind, solar, and advanced battery technologies are American. Rather than sending billions overseas to pay for these technologies we will eventually need, we can start investing these dollars here in American jobs, businesses and innovation.

- Clean energy investments will reduce our dependence on foreign oil and put our nation on the path to energy independence. Developing home grown solar power, wind energy and bio-fuels creates clean energy jobs and is also an important element in securing our economic and national security. We must also make investments in clean coal, nuclear and the responsible domestic production of oil and gas so that we use all of our available resources as we transition to an energy independent, clean energy economy.

- The inclusion of a clean energy incentive system (not Cap & Trade) in the legislation will help to make clean energy the profitable kind of energy and clean our environment by cracking down on corporations that pollute our rivers and streams, the water we drink and the air we breathe. We have a responsibility to our children and grandchildren to reduce the harmful greenhouse gas pollutants that are causing global warming.

Manufacturing Communities:

- A clean energy incentives system will begin to reduce carbon pollution and will create good jobs in manufacturing clean energy technologies, weatherizing and updating energy efficient buildings, and making thousands of other products in America.

- A single wind turbine, for example, contains up to 400 tons of steel, along with 8,000 parts, from copper wire and gearboxes to electronic controls. Jobs making these components must be created here in America.

- In addition to creating new jobs, a comprehensive energy plan will protect current American manufacturing. Energy intensive, trade-exposed industries like steel, cement, and pulp and paper can be provided with rebates to cover additional energy costs as America moves towards energy independence.

- Clearly, the status quo is failing the manufacturing sector; nearly a quarter of all U.S. manufacturing jobs were lost in the last decade. Continuing with business as usual will ensure that manufacturing jobs continue to be shipped overseas. It is time for America to lead the world in clean technology manufacturing – the growth industry for the 21st Century.

For Rural Communities:

- For rural communities, a system of clean energy incentives will not only allow for the protection of rural consumers from price spikes but will create valuable new opportunities for farmers and ranchers.

- A robust carbon offsets market would allow farmers to create and sell carbon offsets to polluting entities. Farmers and landowners will have a wide array of opportunities to generate offsets, such as by capturing methane emissions, planting trees, and using other agricultural practices that reduce global warming pollution.

- Rural America is where we will create the clean fuels to re-power our economy and these rural economies are poised to reap the benefits. Wind turbines are already creating additional sources of revenue for rural land owners, generating annual rents of $2,000 to $5,000 per turbine. And electricity from biomass creates a huge new market for renewable fuels from rural lands.

- Rural communities, farmers and ranchers will be at the forefront of our efforts to reduce greenhouse gas pollution, increase carbon sequestration, develop renewable energy, and improve energy efficiency

For Coal Communities:

- In meeting the President's call for Congress to enact comprehensive energy legislation, communities in coal producing states will play a vital role in helping to develop a clean energy economy and in reducing the effects of greenhouse gas pollution.

- Coal is a vital energy resource for our country. It currently provides roughly fifty percent of our electricity, and we have enormous coal reserves that can provide power long into the future.

- At the same time, we have to recognize that coal-fired power plants are the largest contributor to U.S. greenhouse gas pollution, and a growing source of global emissions.

- This is why we need to aggressively pursue clean coal technologies. We are going to need this technology not only in the United States, but in China, India and elsewhere.

- The Administration is committed to funding large-scale carbon capture and storage projects – clean coal projects..

- In fact, it is important to note that, in addition to funding provided in the budget request, the Recovery Act provided $3.4 billion for low-carbon emission coal power and industrial projects.

- President Obama believes that we need a comprehensive, long-term plan to transform the nation to a clean energy economy and to reduce greenhouse gas pollution.

- By enacting legislation with a system of clean energy incentives, we can provide the investments that will allow us to deploy low-carbon electricity sources, including coal with carbon capture and storage.

ECONOMIC TALKING POINTS

Jobs Up (September)

- Payroll jobs increased 128,000 in August, the biggest increase in five months.
- Our economy is strong and resilient by almost any measure, and continues to get stronger everyday.
- The economy has now produced 36 consecutive months of job growth for a total of over 5.7 million jobs since the labor market turnaround in August 2003.
- (Monthly job growth has averaged over 142,000 over the past 12 months, near the 20-year historical average of 149,000.)

Wages Up

- Productivity growth has been very strong and history shows it will lead to higher living standards.
- Over the past year wage growth has picked up significantly and is catching up with productivity growth.
- Since January, wages grew 4.1% at an annual rate, as compared with 3.2% in 2005.
- Real wage growth has been hampered by rising energy prices and health care costs. President Bush has policies to address both.

Unemployment Low

- The unemployment rate was low at 4.7% in August. That's lower than the average for each of the past three decades (1970s, 1980s, and 1990s).
- People are reacting to continued job creation and higher wages, and are deciding to join the labor force to seek employment.
- Broader measures of unemployment have also decreased over the past year (including discouraged workers and part-time workers looking for full-time employment).

The Economy Remains Strong, And The Outlook Is Favorable

- **Employment Increased In 48 States Over The Past 12 Months Ending In July.**

- **Over The First Half Of This Year, Our Economy Grew At A Strong 4.2 Percent Annual Rate – Faster Than Any Other Major Industrialized Country.**

- **Productivity Has Grown A Strong 2.4 Percent Over The Past Four Quarters, Well Ahead Of Average Productivity Growth In The Last Three Decades.** Strong productivity growth helps lead to GDP growth, higher real wages, and stronger corporate profits.

- **Per Capita Disposable Income Has Risen 9.2 Percent In Real Terms Since The Beginning Of 2001.**

- **Total Wage And Salary Income Increased In Real Terms At An Annual Rate Of 3.3 Percent In The Second Quarter.** This follows an 11 percent surge in the previous three months.

Talking Points: American Clean Energy and Security Act

- This week, the House of Representatives is moving ahead on historic legislation that seeks to transform the way we produce and use energy in America.

- This bill represents the next step toward a comprehensive energy plan that will fuel lasting economic recovery, break our dependence on foreign oil, and reduce the threat of deadly pollution.

- That's why President Obama is urging Members of Congress to come together and pass it out of the House. And it's why he is pleased that this earlier this week, Chairman Waxman and Chairman Peterson were able to come to an agreement to create a bill that protects our rural communities and creates a new clean energy economy, and that we are one step closer to passing this bill.

- The bill will create a system of clean energy incentives that will spur the development of new sources of energy while confronting the threat of carbon pollution.
    - These incentives will lead to innovations that will, in turn, create millions of good, new jobs and ensure America will continue to lead in the 21st century global economy.
    - And they will allow us to crack down on polluters while reducing deadly emissions that contaminate the water we drink and pollute the air we breathe.

- There is broad consensus behind this bill, from environmental advocates to energy producers, from the business community to the labor community. And it draws support from every corner of the country:
    - In rural America, communities will have a huge opportunity to generate revenue by planting wind turbines alongside crops and by taking advantage of incentives to produce advanced biofuels.
    - And the legislation is written to protect vulnerable industries and communities without sacrificing the basic goal of a new clean energy economy.

- Finally, this will build on the progress we've already made. Through the recovery plan, we're doubling our capacity to generate renewable energy like wind and solar over the next few years; investing in new battery technologies for plug in hybrids; and building a smarter, stronger electric grid on which the homes, businesses and vehicles of the future will run.

Retrofit Ramp-Up Talking Points

- It's time to move beyond doing energy retrofits one house at a time and start doing whole streets and neighborhoods at a time.

- We need to bring efficiencies of scale to the home retrofit market and make energy efficiency as cheap, easy, and accessible for homeowners as possible.

- The Recovery Act's "Retrofit Ramp-Up" program will pioneer innovative models for rolling out building energy retrofits for entire neighborhoods.

    - The program will address key barriers to energy retrofits: inconvenience, lack of information, and lack of financing.

    - By making energy retrofits a whole neighborhood event, we can simplify the process for homeowners and significantly reduce costs. We also hope to make energy efficiency a new social norm.

- The program Retrofit Ramp-Up program announced today will award up to $390 million for innovative proposals that demonstrate a sustainable business model for providing cost-effective energy upgrades for a large percentage of the residential, commercial, and public buildings in a specific community.

- We're seeking to stimulate activities and investments that can:

    - Deliver verified energy savings from retrofits on a large fraction of buildings within targeted neighborhoods or communities;

    - Achieve broader market participation and greater efficiency savings from retrofits than has been demonstrated to date;

    - Sustain themselves beyond the grant monies and the grant period;

    - Be replicated in other communities across the country.

- When applied on a national scale, the "Retrofit Ramp-Up" program could save billions of dollars annually in utility bills for households and businesses and create thousands of jobs across the country.

- Why is this effort necessary? Residential and commercial buildings consume more than 70 percent of U.S. electricity; represent more than 40 percent of the total energy used in the United States; and account for 40 percent of U.S. carbon emissions. Building efficiency represents one of the easiest and most cost-effective ways to reduce carbon emissions quickly and save money for families on their energy bills, while creating new jobs.

G8 Talking Points
Secretary Steven Chu
May 24 – 26, 2009

- Under President Obama, the United States is **ready to lead** on climate change.
    - **Reduce own emissions** more than 80 percent by 2050
    - Committed to **Copenhagen**
- Here in Italy, we have had **productive discussions** in G8 on energy strategies to respond to climate change; energy investment; and action to address energy poverty.
- I'm pleased we've made **progress on two areas** ripe for international cooperation
    - **CCS** – which requires major investments in demonstration projects
        - I signed a **bilateral agreement** on CCS with Italian Minister of Economic Development Claudio Scajola
    - **Energy efficiency** – gains realized locally
        - We launched a new **International Partnership for Energy Efficiency Cooperation** to accelerate implementation of energy efficient measures.
- I look forward to working with all the countries represented here in the months and years ahead.

Nuclear Energy Talking Points

- Nuclear power is a safe and reliable source of base load power that continues to fuel our growing economy while not emitting any air pollution or greenhouse gases. Nuclear Power accounts for 20% of electricity generated in the United States.

- Nuclear plants in the U.S. have one of the safest records across all industries. There are 104 nuclear power plants that have been operating around the country for decades with no injuries, deaths or discernible health effects to the public, which is indicative of this outstanding safety record.

- The purpose of the Global Nuclear Energy Partnership is to help meet rapidly growing energy demand around the world in a way that maximizes the benefit of nuclear power while minimizing the risk of nuclear proliferation.

- GNEP currently has 17 international members and Canada has joined and is planning to sign the Statement of Principles.

- DOE is working to create an international partnership to expand the use of safe, clean and economical nuclear energy to power the world's growing economies while protecting the environment.

- New power plants can now be built more quickly, but also safer and cheaper. Standardized designs will lead to greater efficiencies in all aspects of nuclear plant operations. Technological advances offer designs that are simpler and more compact, which leads to reduced construction time and costs. Improvements in the regulatory processes reduce uncertainties in licensing and construction, which lowers the costs of capital needed to finance new plants.

- Incentives-NP2010 cost-sharing program. TVA and Dominon have both submitted COL applications to the NRC as a result of DOE's Nuclear Power 2010 Program.

BUDGET-CLIMATE/ENERGY TALKING POINTS

Ending the Era of Irresponsibility

- We've inherited a mess – the result of mistaken policies, misplaced priorities and an era of profound irresponsibility. For too long, we have ignored the tough choices we needed to make and failed to address the big challenges our economy faces.
    - This lack of responsibility has left us with an economy in recession and an untenable fiscal situation -- $1 trillion a year deficits on average over the coming decade.
- This irresponsibility ends right now. In this budget, we are being up-front and honest about the challenges we face – and are making the tough choices necessary to get our country back on track – asking every American to step up in the shared sacrifices we'll need to make.
    - It starts with being honest about the problem. We are doing that, accounting for more than $250 billion a year in costs on things that other administrations used to hide with accounting tricks.

Making Investments Critical to our Economic Future

- Even as our budget makes hard choices to bring our deficit down, now is the time to act boldly and wisely and make investments critical to our economic future -- ending our dependence on foreign oil and creating millions of clean energy jobs, bringing down the high cost of health care and giving all our kids a world-class education so they can compete in the 21st century economy. If we do that, we'll lay the groundwork today to make our economy strong for years to come.
- To truly transform our economy, protect our security and save our planet from the ravages of climate change, we need to make clean, renewable energy profitable. To do this, the President has asked Congress to send him legislation that places a market-based cap on carbon pollution and drives the production of more renewable energy in America.
- To help support innovation, the President will invest $15 billion a year to develop renewable and alternative sources of energy like wind and solar power so that the jobs of tomorrow are created in this country. The President will also provide additional funding to help businesses and families transition to a clean energy economy.
- The President's budget builds on the historic investments made in the Recovery Act – investments that will double the nation's supply of renewable energy in the next three years; spur new discoveries in energy, medicine, science and technology through the largest infusion of basic research funding in American history; and put Americans back to work modernizing buildings and weatherizing homes.

- To invest in clean energy, end our dependence on foreign oil, address the global climate crisis, and create new American jobs that cannot be outsourced, the Administration is developing a comprehensive energy and climate change plan.
    - After enactment of the Budget, the Administration will work quickly with key stakeholders and Congress to develop an economy-wide emissions reduction program to reduce greenhouse gas emissions approximately 14 percent below 2005 levels by 2020, and approximately 83 percent below 2005 levels by 2050.
    - This program will be implemented through a cap-and-trade system, a policy approach that dramatically reduces acid rain at much lower costs than the traditional government regulations and mandates of the past.
    - This will be a 100 percent auction to ensure that the biggest polluters do not enjoy windfall profits, and $150 billion over 10 years (starting in FY 2012) will be used to invest in clean energy technology so that the jobs of tomorrow are created in this country and not overseas.
    - The balance of the auction revenues will be returned to the people, especially vulnerable families, communities, and businesses to help the transition to a clean energy economy. Returning the revenues to the people starts with financing the extension of the Making Work Pay Tax Credit, which costs $64-$68 billion per year over FY12-FY19. This will provide $400 per working individual and $800 per working family each year.
- It'll take time to work through these challenges we inherited – change doesn't come easy. But if we confront the problems we face and take responsibility for our energy future, America will rebuild, recover and emerge stronger than before.

(B)

TALKING POINTS ON NUCLEAR ENERGY

Expanding Nuclear Power is Essential to Clean Energy Future

- Safe, Secure and Reliable Power: Nuclear industry has among the safest of industry records
- Need expansion to meet projected energy demand: Global energy demand expected to double by 2030; domestic energy demand expected to increase by over 30% by 2030
- Confront climate change: Nuclear is emissions free power source
- Produces large amounts of power: Nuclear is one of three base-load electricity sources (coal and hydropower are the others) – we need diversity of energy supplies and nuclear produces large amounts of power compared to other renewable sources
- Technology advancements (for safe shutdown, more efficiency): NRC has certified the designs of two advanced nuclear technologies – the GE Advanced Boiling Water Reactor and the Westinghouse AP 1000.

Bush Administration Is Spurring Nuclear Renaissance through Incentives, Credits and Public-Private Partnerships

- Streamlined NRC Nuclear Plant Licensing – Utilities can apply for a Construction and Operating License Application instead of multiple licenses
- Risk Insurance for First Movers – DOE will provide risk insurance totaling up to $2 billion for the first six nuclear plants that file applications for use in case of litigation and other regulatory delays. This is for the first movers through the new streamlined regulatory process. DOE will provide up to $500 million for each of the initial two reactors and 50 percent of covered costs up to $250 million for each of the subsequent four reactors
- Nuclear Power 2010 program – Launched in 2002 to partner with industry to get new plants built by 2010 by reducing the regulatory and technical burdens. Two early site permits (for plants in IL and MS) have been issued through this program.
- Loan Guarantees – DOE finalized a rule to guarantee loans for projects that use new or significantly improved technologies that avoid, reduce or sequester greenhouse gases – including advanced nuclear facilities. We have $4 billion in authority and have requested an additional $9 billion for next fiscal year. We invited 17 pre-applicants out of 143 pre-applicants received and expect to issue future solicitations shortly – at least until after Congress acts on current budget request.

Industry has indicated Submission of Dozens of License Applications in the Coming Months and Years

- 17 companies have announced that they intend to submit licenses for over 32 reactor units
- You may receive news later today that the first application in decades full, combined construction and operating license application will be submitted to the NRC for review by NRG.
- Baltimore's Constellation Energy Group filed a partial license application for a new reactor at Calvert Cliffs, the first application to the Nuclear Regulatory Commission in almost 30 years
- Restart and reconnection of the Browns Ferry Unit No. 1 in Alabama to the power grid through the Tennessee Valley Authority after being shut down for more than two decades.
- U.S. has 104 nuclear plants providing over 100 Gw of electricity currently in operation in 31 states

U.S. is Engaged in International Cooperation to Expand Nuclear Power (GNEP, GEN IV)

- Global Nuclear Energy Partnership recently tripled its size to 16 nations agreeing to work together to expand the use of nuclear power for peaceful purposes worldwide
- China, France, Japan, Russia and the United States, who are original GNEP partners, were joined by Australia, Bulgaria, Ghana, Hungary, Jordan, Kazakhstan, Lithuania, Poland, Romania, Slovenia, and Ukraine
- Up to 20 other nations as well as three international organizations participated as observers including the IAEA
- Countries have agreed to work together to share in the benefits of economical, peaceful nuclear energy; no nation will give up any rights under this partnership
- Working groups are developing a path forward on nuclear fuel services (focused on spent fuel management such as fuel leasing) and infrastructure development through advanced technologies
- GNEP offers a viable alternative to development of a costly and difficult to secure nuclear enrichment program

Talking Points: Pace of the Recovery Act Implementation

- The American Recovery and Reinvestment Act is the largest and most robust fiscal stimulus in U.S. history.

- The Recovery Act is making a down payment on our clean energy future. It is creating jobs immediately and ensuring American competitiveness in the 21st century.

- As a result of the Recovery Act funding, the Department of Energy is helping to transform the way we use and produce energy. It's giving us the ability to create entire new industries based on our nation's resources, ingenuity and workers, and turning the economic crisis into an opportunity to build a clean, secure, and prosperous energy future.

- Under the Secretary's leadership, we are getting good projects underway quickly, ensuring projects have lasting value, and delivering an unprecedented degree of transparency.

- We're working to increase energy efficiency, increase the supply of energy from clean and renewable sources, and achieve energy breakthroughs through transformational science.

- The Recovery Act included incentives that could double the production of clean energy over the next three years.

- DOE's annual budget is around $26 billion. The Recovery Act alone entrusted the Department with more than $38 billion.

- Here are just a few highlights of the energy investments in the bill:

- The Recovery Act will put people to work making our homes and offices more energy efficient.

- It includes $5 billion to help low and middle-income families weatherize more than one million homes; a $1,500 tax credit to help homeowners invest in efficiency upgrades; $4.5 billion to slash energy consumption in federal buildings, saving taxpayers 25 percent on energy bills; and $6.3 billion to implement state and local efficiency and renewable programs.

- The Recovery Act will also deploy the clean energy technologies we have and develop the next generation of these technologies.

- It includes $6 billion for loan guarantees and more than $13 billion in tax credits and grants that will leverage $100 billion in private sector investment in clean energy and job creation. This will help clean energy businesses and projects to get off the ground, even in these difficult economic times.

- The bill also makes investments in key technologies, such as $2 billion in advanced battery technology, and $4.5 billion to jumpstart our efforts to modernize the grid.

- We can create jobs at every step. Jobs transforming how we generate power – building solar panels and wind turbines. Jobs overhauling how we move that power across the country –building a smart grid and better batteries. And jobs making the energy efficient appliances and advanced vehicles that will use that power once delivered.

- Most of these jobs can never be outsourced: there will always be someone who climbs into the attic to lay insulation or onto the roof to install a solar panel.

- We are working to get this money out the door quickly but wisely to start creating jobs immediately. We are insisting on strict accountability to make sure taxpayer dollars are well spent.

- Everything we do is transparent. The American people want to know who is receiving the money, and they want to know they are receiving value for their hard-earned tax dollars.

- We're posting weekly updates on the Web site and we've set up a call center to answer questions directly. Visit recovery.gov or energy.gov/recovery/ to stay informed.

YUCCA MOUNTAIN TALKING POINTS

- Nuclear power is a clean, reliable domestic source of energy that currently represents approximately 20 percent of the nation's energy supply. The Yucca Mountain repository is critical to the nation's current and future energy and national security needs.

- Scientific studies over the past 30 years and worldwide consensus have demonstrated that the best, safest long term option for dealing with spent nuclear fuel is geologic isolation.

- The Department is on track to submit a high quality license application to the Nuclear Regulatory Commission by June of next year and, if requested legislative changes are enacted, the repository will be able to accept spent nuclear fuel and high-level waste starting in early 2017.

- DOE is focused on providing stability, clarity and predictability in moving the Yucca Mountain project forward to enhance the nation's ability to manage and dispose of commercial spent nuclear fuel and Defense high-level radioactive waste. DOE has certified million of documents that will be included in its license application following independent, external assessments, several key engineering studies, and quality assurance reviews by DOE and several national laboratories.

- The Yucca Mountain site is one of the most studied pieces of real estate in the world. It was approved by the Congress and the President as the site for the nation's first permanent spent nuclear fuel and high-level radioactive waste geologic repository in 2002.

- Currently 55,000 metric tons of commercial spent nuclear fuel and Defense high-level waste is being stored at more than 120 above-ground temporary sites in 39 states, and that number grows by about 2,000 metric tons annually. By entombing it deep in Yucca Mountain – a safe and secure permanent geologic repository – we can ensure public safety for thousands of generations.

Talking Points on EIA Analysis of S. 2191

- The Department of Energy's Energy Information Administration (EIA) conducted analysis on the economic and energy impacts of implementing the Warner Lieberman bill (S. 2191). They concluded that its implementation could have dramatic affects on our nation's economic growth, American jobs, and our environment.

- Their findings vary significantly depending on the availability and costs of low-carbon electricity technologies, such as nuclear and carbon capture and storage; the prospects for the rapid deployment of this technology; and the availability of international carbon offsets.

- Electricity, gasoline and oil prices in 2030 would increase significantly if commercialization and deployment of clean energy technologies face regulatory, legal or other delays or are determined to be too costly.

- Even when the President's renewable fuels mandate and greater fuel economy initiatives are fully implemented over the next decade, the reduction in GDP loss by 2030 with this bill as law could be 0.8%, which equates to almost $500 billion, and thousands of jobs lost.

- Manufacturing impacts are significantly higher than GDP impacts in the EIA's analysis. Total manufacturing output would be 3.0% to 9.5% lower in 2030, imposing tremendous costs on our economy and our people, shipping jobs overseas, and not accomplishing the important climate change goals we share.

- Additionally post-2030 emissions targets may be very challenging because opportunities for further reductions in the power sector are limited.

- The EIA found that between 80% and 90% of CO reductions through 2030 are achieved through the electricity-related reductions, requiring a rapid expansion of safe, emissions free nuclear power, renewable energy sources like solar and wind, and coal plants with carbon capture and sequestration technology.

- Through the President's Advanced Energy Initiative, the Administration's investment in advanced technology is increasing the use of **nuclear energy** (companies have signaled plans to build more than 30 nuclear plants in the coming years); **wind energy** (85 percent of U.S. wind capacity (16,840 MW) have been installed since President Bush took office in January 2001), and **carbon sequestration** (DOE partnerships have preliminarily identified sequestration opportunities across the United States and estimate that they have the potential to store more than 600 billion metric tons of CO2, the equivalent of more than 200 years of emissions from energy sources in underground geologic formations across the U.S.).

- We look skeptically at any proposal that would impose huge additional costs to the consumers. Looking at the prices at the pump and home electricity bills, you can see consumers are already paying a significant price for their energy.

- The Administration is focused on approaches that advance technology needed to solve the global climate change problem and open global markets for clean technology depoloyment internationally.

- In the U.S. through the President's bold energy initiatives, we are implementing a combination of new market-based regulations, new government incentives, and new funding for technology research. Taken together, these landmark actions will prevent billions of metric tons of greenhouse gas emissions from entering the atmosphere in the decades to come.

Key Findings from EIA Analysis of S. 2191

S. 2191 significantly reduces projected GHG emissions compared to the Reference Case from the Annual Energy Outlook 2008 (AEO2008). Relative to the Reference Case, projected covered emissions in the S. 2191 cases, net of offsets, are 27 percent to 36 percent lower in 2020 and 45 percent to 56 percent lower in 2030 (Table ES2). The range each year reflects the different emissions compliance paths taken in each of the cases.

The electric power sector accounts for the vast majority of the emissions reductions, with new nuclear, renewable, and fossil plants with CCS serving as the key compliance technologies in most cases. In the S. 2191 cases the electric power sector is projected to account for between 82 percent and 87 percent of energy-related CO2 emissions reductions in 2020 and between 82 percent and 92 percent of such reductions in 2030. The reductions are achieved mainly through the deployment of new nuclear, renewable, and fossil plants with CCS. Many existing coal plants without CCS are projected to be retired early because retrofitting with CCS technology is generally impractical.

If new nuclear, renewable, and fossil plants with CCS are not developed and deployed in a timeframe consistent with the emissions reduction requirements, covered entities are projected to turn to increased natural gas use to offset reductions in coal generation, resulting in markedly higher delivered prices of natural gas. Natural gas generation falls below the Reference Case level in most of the S. 2191 cases, but in the S. 2191 High Cost, S. 2191 Limited Alternatives, and S. 2191 Limited Alternatives/No International Cases natural gas generation is between 8 percent and 82 percent above the Reference Case level in 2020 and between 21 percent and 142 percent above it in 2030. Total natural gas consumption in 2030 is 2.7 trillion cubic feet greater in the Limited Alternatives Case and 4.4 trillion cubic feet higher in the Limited Alternatives/No International Case than in the Reference Case. The combination of higher wellhead natural gas prices and higher allowance prices under these conditions doubles the estimated impact of S. 2191 on the delivered price of natural gas to electric generators and industrial users if international offsets remain available, and quadruples that impact if international offsets are also unavailable.

Emissions reductions in the residential, commercial, industrial, and transportation sectors are small relative to those in the electric power sector. The energy price increases resulting from the allowance program are generally not large enough in most of the S. 2191 cases to induce consumers to make large changes in their energy use. For example, motor gasoline prices in the cases are 22 to 49 cents per gallon (9 to 21 percent) higher than in the Reference Case in 2020 and 41 to 101 cents per gallon (17 to 41 percent) higher than in the Reference Case in 2030. In addition, since all cases include the 35-mile–per-gallon corporate average fuel economy (CAFE) standard recently enacted, many of the lowest cost vehicle efficiency options are adopted in all cases, including the Reference Case. Only in the S. 2191 Limited Alternatives and Limited Alternatives/No International Cases, which have the highest long-term allowance prices, do price-driven energy efficiency investments play a larger role.

Total coal consumption is significantly reduced. Despite the addition of as much as 64 gigawatts of new coal capacity with CCS through 2030 in one case, total coal consumption in 2030 ranges between 62 percent and 89 percent below the Reference Case level in the S. 2191 cases (Figure ES1). The increased use of coal at these new facilities with CCS is not large enough to offset the reduction that occurs because of the retirement and reduced utilization of existing coal plants. It is possible that the continued addition of coal plants with CCS post-2030 could lead to resurgence in coal use, but these plants will continue to face competition from other low-emission technologies. To offset the reduction in coal use, the power industry is projected to increase its use of nuclear power, renewable fuels, and natural gas.

GHG allowance prices are sensitive to the cost and availability of low-carbon generating technologies and emissions offsets. Estimated allowance prices in the S. 2191 cases range from $30 to $76 per metric ton CO2-equivalent in 2020 and from $61 to $156 per metric ton CO2-equivalent in 2030 (Figure ES2). The highest prices in the first 5 years of the cap-and-trade program occur when international offsets are not assumed to be available. The highest prices in the long term occur when it is assumed that key low-emissions technologies including nuclear, fossil with CCS, and various renewables are not developed and deployed in a timeframe consistent with the emissions reduction requirements and international offsets are limited by cost or regulation.

S. 2191 increases energy prices and energy bills for consumers. Relative to the Reference Case, the price of using coal for power generation, including the cost of holding allowances, is between 161 percent and 413 percent higher in 2020 and between 305 percent and 804 percent higher in 2030 in the S. 2191 cases. The price of electricity is between 5 percent and 27 percent higher in 2020 and between 11 percent and 64 percent higher in 2030 in the S. 2191 cases. Under S. 2191, average annual household energy bills, excluding transportation costs, are between $30 and $325 higher in 2020 and $76 to $723 higher in 2030.

S. 2191 increases the cost of using energy, which reduces real economic output, reduces purchasing power, and lowers aggregate demand for goods and services. The result is that projected real gross domestic product (GDP) generally falls relative to the Reference Case. Adverse economic impacts generally increase over time as higher cost emissions abatement options are required as emissions caps become more stringent while population and economic activity levels continue to grow. Total discounted GDP losses over the 2009 to 2030 time period range from $444 billion (-0.2 percent) to $1,308 billion (-0.6 percent) across the S. 2191 cases (Table ES3). Similarly, the cumulative discounted losses for personal consumption range from $546 billion (-0.2 percent) to $1,425 billion (-0.6 percent). GDP losses in 2030, the last year explicitly modeled in this analysis, range from $27 billion to $163 billion (-0.1 to -0.8 percent) while consumption losses in that year range from $58 billion to $149 billion (-0.4 to -1.1 percent). Economic impacts are largest when it is assumed that key low-emissions technologies including nuclear, fossil with CCS, and various renewables are not developed and deployed in a timeframe consistent with the emissions reduction requirements and international offsets are not available.

S. 2191 impacts industrial activity, including manufacturing, to greater extent than it affects the overall economy. Industrial shipments in 2030, excluding services, are reduced by $233 billion to $589 billion (-2.9 to -7.4 percent), with the largest impacts occurring in the Limited Alternatives/No International Case.

Significant revenue will be generated through Federal allowance auctions and allowance sales by State governments and other non-emitters given free allowances. By 2030, approximately 84 percent of the total allowances allocated are auctioned directly by the Federal government or given to parties including State governments and the U.S. Department of Agriculture that are expected to sell them to covered entities. The total revenue from these auctions and sales ranges from $113 to $290 billion in 2020 and from $326 to $853 billion in 2030.

TALKING POINTS: SMART GRID

- A Smart Grid is a transmission and distribution network modernized with the latest digital and information technologies for enhanced operational monitoring, control, and intelligence.

- The enhanced capabilities of a smart grid are aimed at greatly improving reliability, security, and efficiency of the electric grid, and at minimizing its environmental impact. It will create resiliency from applications in critical infrastructure protection, digital equipment applications, and constrained areas of the electric grid.

- Through the Office of Electricity Delivery and Energy Reliability, the Department is working to develop and deploy "next generation" technologies, tools, and techniques for electricity delivery systems, including smart devices to enhance the efficiency and reliability of our Nation's aging infrastructure.

- These smart grid technologies will enable consumers to be interactive users of the system and are designed to increase overall system efficiency, enable delivery of a richer and broader menu of services to customers at reasonable cost, and be more resilient in times of natural disasters, severe weather, and unplanned outages of major generation sources or transmission lines.

- To meet our nation's growing energy needs, we must continue to integrate emerging technologies and implement bold policies that ensure clean, affordable and reliable supplies of electricity to the American people.

- Title XIII of the Energy Independence and Security Act—signed by President Bush in December 2007—calls for the modernization of the nation's electricity transmission and distribution system to maintain a reliable and secure electricity infrastructure that can meet future demand growth and achieve Smart Grid functions, including: increased use of real-time and digital information; dynamic pricing and optimization of grid operations; integration of smart meters, appliances, and demand-side resources; cyber-security; and interoperability.

ONGOING INITIATIVES:

- DOE has formed a Federal Smart Grid Task Force—including the Federal Energy Regulatory Commission, National Institutes of Standards and Technology, National Energy Technology Laboratory, Environmental Protection Agency, and the departments of Homeland Security, Defense, and Agriculture—to coordinate Federal agency efforts.

- The Department has also initiated an Electricity Advisory Committee—including a Smart Grid subcommittee—comprised of some of the nation's top public and private sector leaders in electricity policy, planning and operations, to provide counsel to the Department on long-

range planning and priorities for the modernization of the Nation's electricity delivery infrastructure.

BACKGROUND

- The electric grid delivers electricity from points of generation to consumers, and the electricity delivery network functions via two primary systems: the transmission system and the distribution system. The transmission system delivers electricity from power plants to distribution substations, while the distribution system delivers electricity from distribution substations to consumers.

- The grid also encompasses myriads of local area networks that use distributed energy resources to serve local loads and/or to meet specific application requirements for remote power, village or district power, premium power, and critical loads protection.

Talking Points on OCS

Oil and Gas Resources on the OCS

For the Outer Continental Shelf (OCS), we have basically two sets of numbers that are relevant to the media coverage and debate: Known Reserves and Undiscovered Technically Recoverable Resources (UTRR).

Known Reserves are what we know to be there based upon actual discoveries. UTRR is an estimate, based upon available data, for what we think is there in addition to the Known Reserves.

For the OCS (total):

Known Reserves: **8.55 billion barrels of oil (Bbbl)** and 29.26 trillion cubic feet (tcf) of gas

UTRR: **85.88 Bbbl oil** and 419.88 tcf gas

For Areas Under Moratoria:

Known Reserves: **1.46 Bbbl oil** and 1.56 tcf gas (both off California).

We do not have Known Reserves in the other areas under Moratoria (Central/Eastern Gulf of Mexico and Atlantic).

UTRR: **17.84 Bbbl oil** and 76.47 tcf gas.

UTRR by Region (areas currently under moratoria):

Washington-Oregon: .40 (point 40) Bbbl oil and 2.28 tcf gas

Northern California: 2.08 Bbbl oil and 3.58 tcf gas

Central California: 2.31 Bbbl oil and 2.41 tcf gas

Southern California: 5.58 Bbbl oil and 9.75 tcf gas

Central / Eastern Gulf of Mexico: 3.65 Bbbl oil and 21.46 tcf gas

North, Mid and South Atlantic: 3.82 Bbbl oil and 36.99 tcf gas

- There has been no exploration in many of the areas under moratoria since the 1970's, so we really don't have an accurate picture of the resources there.

- We've seen an increase in the Gulf of Mexico estimates over the past couple of decades (from about 9 billion barrels of oil in 1987 to almost 45 billion barrels in 2006) as technology has improved allowing industry to explore in deeper water.

- Similarly, one might expect to see changes in the estimates for these areas as well.

Producing vs. Non-producing Leases

- The concept of requiring companies to simultaneously produce from all the Federal offshore leases they currently hold involves many false assumptions that ignore basic logic.

- Some people who are unfamiliar with energy issues assume that if an energy company purchases an oil lease there must be oil on it, the oil will be easily found, and oil production will begin immediately.

- Another common assumption is that oil companies can do whatever they want with the area leased.

- Such assumptions ignore reality. Once a company has obtained a lease, they must seek financing, conduct non-invasive exploration studies, sink test wells, build infrastructure, and then, frankly, hope for the best.

- The analogy is like saying every time you drop a hook in a lake, you're going to catch a fish - just because you purchased the license.

- The development activities undergo constant review and environmental assessment. Permits must be secured, inspections passed, regulations met.

- In oil and gas exploration, it is common to drill a well only after spending several years carefully analyzing complex geologic data in what appears to be a promising location in addition to the numerous environmental and regulatory reviews and evaluations that must be conducted by the Federal government.

- Once the well is drilled, you may find only a "dry hole." In the offshore deep water arena, that can happen about 80 percent of the time (4 out of 5 attempts). For example, there were 51 exploratory wells drilled off the U.S. Atlantic coast in the 1980's and none of them made an economically useful discovery.

- There is no direct correlation between acres leased for energy development and the actual development of energy. Nor is there any sort of guarantee that every leased area will produce oil.

- In fact, in the deep waters of the Gulf of Mexico, where we are having some of our best success in energy production, only one well out of five is considered economically viable.

- The investment needed to reach production in the Gulf of Mexico can range from $1 billion to $3 billion - even before production commences. That includes building the necessary infrastructure to support the well's operations, including expansive safety and environmental requirements.

- Companies incorporate the most advanced technology in their exploration and production work. Even so, less than one-third of all wells on the entire OCS prove to be economically viable.

- In fact, the elapsed time between DOI offering an area for lease and actually seeing production from that lease ranges up to 10 years because leases issued only run for limited terms. If a company has not made significant progress in producing oil or natural gas by then, the lease reverts and can be rented by the United States to another company.

Environmental Record

- In the 25 years that MMS has regulated the offshore oil and gas industry, our safety and environmental record has been exemplary.

- In fact, Hurricanes Katrina and Rita ripped through the Gulf of Mexico and over more than 3,000 of the approximately 4,000 oil and gas facilities (destroying or damaging more than 100 facilities) without any reports of oil reaching shore or harming birds or marine mammals.

- According to the National Academies of Science (2002), about 1,700 barrels of oil enters the ocean through naturally occurring seeps in the ocean floor - more than 150 times the amount spilled from OCS facilities.

- The last time an oil spill of the same magnitude as the natural seeps occurred from a pipeline was in the 1998-99 timeframe, and the last time a spill of that size occurred from a platform was 1973.

- DOI is committed to preventing oil spills, and we enforce extremely strict standards on industry to achieve that end.

- Should prevention fail, all operators are required to maintain (and demonstrate their ability to carry out) an Oil Spill Response Plan. No-notice drills to test their capabilities are conducted.

- The government has funded more than $800 million in environmental research to examine any potential impacts of oil and gas operations on the OCS.

- Before companies can begin any exploration or development activities, each phase of their proposed project has to be evaluated and approved by MMS. This includes environmental reviews under NEPA and in coordination with other

agencies such as the Fish and Wildlife Service and National Marine Fisheries Service.

RW TALKING POINTS

Yucca Mountain License Application

- The Yucca Mountain repository is critical to the nation's current and future energy and national security needs.

- Scientific studies over the past 30 years and worldwide consensus have demonstrated that the best, safest long term option for dealing with spent nuclear fuel is geologic isolation.

- The Yucca Mountain site is one of the most studied pieces of real estate in the world.

- It was approved by the Congress and the President as the site for the nation's first permanent spent nuclear fuel and high-level radioactive waste geologic repository in 2002.

- The Department is on track to submit a high quality license application (LA) to the Nuclear Regulatory Commission (NRC) by June 2008.

- DOE is focused on providing stability, clarity and predictability in moving the Yucca Mountain project forward to enhance the nation's ability to manage and dispose of commercial spent nuclear fuel and Defense high-level radioactive waste.

- DOE has certified over 3.5 million documents (licensing support network-LSN) that will be included in its LA following independent, external assessments, several key engineering studies, and quality assurance reviews by DOE and several national laboratories.

Submitting the LA to the NRC will further encourage the expansion of nuclear power in the United States, a critical energy security and national security priority. In order to ensure that expansion, the Nation must have a repository for the disposal of spent nuclear fuel and high-level radioactive waste. Congress and the President already have decided that Yucca Mountain is the appropriate location for that repository, subject, of course, to licensing by the NRC.

Yucca Transportation Talking Points

- Yucca Mountain, Nevada is the most studied piece of real estate in the nation.

- Once Yucca Mountain is operational, it will provide a place to safely store – underground, far from any population center -- the more than 55,000 metric tons

of highly-radioactive waste currently held in more than 120 temporary sites in 39 states.

- The safe and secure transport of nuclear waste is a key component of DOE's plans for a geologic repository.

- If DOE receives a license from the NRC to build and operate a repository at Yucca Mountain it will begin shipping nuclear waste from commercial and government-owned sites to the repository

- The department must ship the waste according to strict federal regulations. The waste will be transported in heavily shielded casks certified by the NRC along approved transportation routes.

- NRC establishes design and performance standards for packages that carry materials with higher levels of radioactivity, all containers whose designs meet NRC certification requirements.

- For over 40 years now, approximately 3,000 shipments of spent nuclear fuel have been transported safely over America's highways, waterways, and railroads.

- The safety record speaks for itself; there have been no fatalities, injuries, or environmental damage caused by the radioactive nature of the cargo.

- The spent nuclear fuel is a SOLID, ceramic-like material. Not a liquid or gas.

- The spent fuel is carried in metal tubes and shipped dry in rugged containers. These containers are heavy, sealed, thick-walled; steel that are designed to keep the cargo from being released into the environment under both normal and accident conditions.

- DOE will meet or exceed all applicable standards set by DOT and NRC.

- Specially trained federal, state, or carrier inspectors perform equipment and radiological inspections before every shipment.

Other Key Points-

DOE's security program includes physical security systems like alarms, sensors, armed escorts, and tracking devices; information and cyber security; materials control and accounting; personnel security, training, and management; and emergency response capabilities.

DOE will coordinate in-transit operations, including tracking, security escorts, and communications. DOE will use a satellite tracking system similar to the TRANSCOM system currently used in other DOE transportation programs.

The federal government has its own experienced teams of emergency responders, and currently funds a number of emergency preparedness activities for state, tribal, and local responders. DOE has highly trained special response teams from eight regional offices available to assist state, tribal, and local safety officials.

States and tribes have and will continue to receive federal support specifically for training in preparation for DOE nuclear materials shipments. DOE will provide technical and financial assistance to states and tribes for training public safety officials in procedures for safe, routine transportation and emergency response situations.

Yucca Transportation Talking Points

- Yucca Mountain, Nevada is the most studied piece of real estate in the nation.
- Once Yucca Mountain is operational, it will provide a place to safely store – underground, far from any population center -- the more than 55,000 metric tons of highly-radioactive waste currently held in more than 120 temporary sites in 39 states.
- The safe and secure transport of nuclear waste is a key component of DOE's plans for a geologic repository.
- If DOE receives a license from the NRC to build and operate a repository at Yucca Mountain it will begin shipping nuclear waste from commercial and government-owned sites to the repository
- The department must ship the waste according to strict federal regulations. The waste will be transported in heavily shielded casks certified by the NRC along approved transportation routes.
- NRC establishes design and performance standards for packages that carry materials with higher levels of radioactivity, all containers whose designs meet NRC certification requirements.
- For over 40 years now, approximately 3,000 shipments of spent nuclear fuel have been transported safely over America's highways, waterways, and railroads.
- The safety record speaks for itself; there have been no fatalities, injuries, or environmental damage caused by the radioactive nature of the cargo.
- The spent nuclear fuel is a SOLID, ceramic-like material. Not a liquid or gas.
- The spent fuel is carried in metal tubes and shipped dry in rugged containers. These containers are heavy, sealed, thick-walled; steel that are designed to keep the cargo from being released into the environment under both normal and accident conditions.
- DOE will meet or exceed all applicable standards set by DOT and NRC.
- Specially trained federal, state, or carrier inspectors perform equipment and radiological inspections before every shipment.

Other Key Points-

DOE's security program includes physical security systems like alarms, sensors, armed escorts, and tracking devices; information and cyber security; materials control and accounting; personnel security, training, and management; and emergency response capabilities.

DOE will coordinate in-transit operations, including tracking, security escorts, and communications. DOE will use a satellite tracking system similar to the TRANSCOM system currently used in other DOE transportation programs.

The federal government has its own experienced teams of emergency responders, and currently funds a number of emergency preparedness activities for state, tribal, and local responders. DOE has highly trained special response teams from eight regional offices available to assist state, tribal, and local safety officials.

States and tribes have and will continue to receive federal support specifically for training in preparation for DOE nuclear materials shipments. DOE will provide technical and financial assistance to states and tribes for training public safety officials in procedures for safe, routine transportation and emergency response situations.

(16)

WINDFALL PROFIT TAX TALKING POINTS

- We are opposed to any windfall profits tax.
- The Secretary would encourage companies to use their profits to expand and build new refining capacity. This would have the affect of reducing the strain on supply and hopefully help moderate prices, in the long term.
- In addition, if a company, as part of being a good corporate citizen, chooses to donate money to charitable organizations, that would also be commendable. But that would be up to the individual company to decide.

TALKING POINTS:
INFRASTRUCTURE SECURITY

INFRASTRUCTURE SECURITY:

- The Department of Energy plays a primary role in the protection of critical energy assets to ensure our national energy security.

- Through our Infrastructure Security and Energy Restoration (ISER) Office, the Department uses its technical expertise to ensure the security, resiliency and survivability of key energy assets and critical energy infrastructure at home and abroad.

- Our infrastructure security activities are primarily focused on:
  - Analyzing infrastructure vulnerabilities and recommending preventive measures
  - Helping stakeholders prepare for and respond to energy emergencies, and minimizing the consequences of such emergencies
  - Conducting vulnerability assessments on key facilities, systems and networks.

INTERNATIONAL EFFORTS:

- It is critical to our national security, as well as that of our energy producing allies, that we improve the protection of critical energy infrastructure located both within and outside of the United States.

- For this reason, earlier this year the Department established an International team within ISER.

- The success of our international efforts will require close coordination with our interagency partners, industry, and international organizations.

EMERGENCY RESPONSE:

- DOE leads the national effort in maintaining continuous and reliable energy supplies for the Nation through preventive measures and recovery efforts.

- DOE plays an integral role in helping utilities restore their systems efficiently during time of disruption.

- The Department collects, evaluates, and shares information on energy system damage and its impacts in order to ensure we are well-prepared to respond quickly and reduce the disruptions from future emergencies or outages.