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CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

March 28, 2012

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585

Dear Secretary Chu:

We write to follow up on your testimony before the Energy and Power Subcommittee of the Committee on Energy and Commerce on March 8, 2012, and to request additional information regarding the Environmental Protection Agency's (EPA) power sector rules.

During the hearing Chairman Whitfield asked you about DOE's role in assuring electric reliability, particularly in connection with the anticipated impact of EPA's Utility MACT rule. You testified that, when asked, DOE provided technical information to EPA concerning the "reliability of transmission distribution of energy". We write to ask about the technical information provided and about the role of DOE in the development of EPA's power sector rules.

Accordingly, and pursuant to Rule X and XI of the U.S. House of Representatives, please find attached to this letter questions and document requests as well as instructions relating to the requests for documents. Please provide the written responses and documents requested by no later than April 16, 2012.

Should you have any questions, please contact Patrick Carrier of the Committee staff at (202) 225-2927.

Sincerely,



Fred Upton
Chairman



Ed Whitfield
Chairman
Subcommittee on Energy and Power



Joe Barton
Chairman Emeritus

cc: The Honorable Henry A. Waxman
Ranking Member, Committee on Energy and Commerce

The Honorable Bobby L. Rush
Ranking Member, Subcommittee on Energy and Power

Attachments

INFORMATION AND DOCUMENT REQUESTS

1. In your March 8, 2012, testimony, you were asked about DOE involvement in the development of the EPA Utility MACT rule. In your response, you stated that DOE was involved only “to the extent that when asked to provide technical information on . . . potential impacts having to do with the reliability of transmission distribution of energy, we provided that technical information to the EPA.”
 - a. What specific technical information was DOE asked to provide?
 - b. Who asked for this information, and when?
 - c. What specific technical information did DOE provide to EPA?
2. In response to a subsequent question regarding the impacts of the Utility MACT rule on electricity prices and reliability, you stated that DOE’s “role is in determining power distribution reliability.”
 - a. One of DOE’s statutory duties under the Department of Energy Organization Act of 1977 is to “promote the interests of consumers through the provision of an adequate and reliable supply of energy at the lowest reasonable cost.” Your testimony, however, suggests DOE’s role in the development of the EPA Utility MACT rule has been limited to reliability considerations only, not costs.
 - i. Did DOE analyze the cost impacts of the EPA Utility MACT rule on U.S. consumers? If yes, please provide any documents reflecting such analysis.
 - ii. What role does DOE play with respect to the development and implementation of federal regulations that could impact the price of energy paid by U.S. consumers?
3. With regard to the EPA Cross-State Air Pollution rule (CSAPR rule):
 - a. Was DOE consulted by EPA regarding the EPA CSAPR rule before it was issued? If yes, please describe all such consultations and DOE’s role, if any, in development of that rule.
 - b. Did DOE analyze the cost impacts of the EPA CSAPR rule on U.S. consumers? If yes, please provide any documents reflecting such analysis.
 - c. Did DOE analyze the potential impacts of the CSAPR rule on electric reliability before the rule was finalized in 2011? If yes, please provide documents reflecting such analysis.
4. Please provide a timeline for the development and completion of the Department of Energy December 2011 “Resource Adequacy Implications of Forthcoming EPA Air Quality Regulations” (hereinafter “DOE report”), including when DOE made the decision to produce such a report, the initial timelines for study and issuance, how long it took to complete the

study, and how much time was provided for internal and external review and incorporation of review comments prior to publication.

5. The DOE report states that “this analysis was commissioned by DOE’s Office of Policy and International Affairs.”
 - a. Why was this analysis commissioned by the DOE Office of Policy and International Affairs rather than the DOE Office of Electricity Delivery and Energy Reliability?
 - b. Please identify all DOE offices and contractors involved in preparation of the DOE report.
6. Please provide all documents relating to requests for work, technical direction and/or instructions to contractors relating to preparation of the DOE report and modeling.
7. Was the DOE report reviewed externally before its release? Please describe any external review process undertaken by DOE to validate the report’s assumptions or to verify the accuracy of the report’s results. Explain how the report addressed comments provided in the review process.
8. Did DOE consult or coordinate with the Federal Energy Regulatory Commission (FERC) in the preparation, development, completion, or publication of the DOE report?
 - a. In detailing interactions between DOE and FERC, please include the following:
 - i. Dates of meetings or conference calls between DOE and FERC; and,
 - ii. Summaries of meetings or calls between DOE and FERC.
9. Did DOE consult or coordinate with the North American Electric Reliability Corporation (NERC), or with any non-federal persons or entities, in the preparation, development, completion, or publication of the DOE report?
 - a. In detailing interactions between DOE and NERC, or with any non-federal persons or entities, please include the following:
 - i. Dates of meetings or conference calls between DOE and NERC, or with any non-federal persons or entities; and,
 - ii. Summaries of meetings or calls between DOE and NERC, or with any non-federal persons or entities.
10. Did DOE consult or coordinate with EPA with respect to the preparation, development, completion, or publication of the DOE report?
 - a. In detailing interactions between DOE and EPA, please include the following:
 - i. Dates of meetings or conference calls between DOE and EPA; and,

- ii. Summaries of meetings or calls between DOE and EPA.
11. The DOE report concludes that, under its Stringent Test Case, 29 gigawatts of coal capacity would be retired by 2015 as a result of the Utility MACT and CSAPR rules. In contrast, EPA's analysis concludes that less than 10 gigawatts are expected to retire as a result of the two rules. Can DOE explain the significant discrepancy between these two estimates?
 12. On March 10, 2011, the DOE Electricity Advisory Committee issued "Recommendations to Address Power Reliability Concerns Raised as a Result of Pending Environmental Regulations for Electric Generation Stations." These include recommendations for greater consultation between DOE, EPA and FERC, as well as improved planning in anticipation of unit replacements.
 - a. Has DOE implemented these recommendations?
 - b. If yes, please describe how DOE is implementing those recommendations. If not, please explain why not.