The Secretary of Energy
Washington, DC 20585

June 30, 2000

'00 JUL 5 PM4:20

MEMORANDUM FOR THE PRESIDENT

FROM: BILL RICHARDSON

SUBJECT: Recent Developments in Climate Change

I am writing to update you on the Department of Energy's recent climate change efforts. We have been actively pursuing our developing country strategy that includes persuading some governments to take on greenhouse gas emissions targets, establishing dialogues on climate change with "major emitters" and, most importantly, including environmental protection as a key component to all our discussions of energy development. Through these efforts, I am promoting your message that developing countries can move directly to cleaner, more efficient ways of meeting their energy needs. On the domestic front, our activities are based on the conviction that we can grow the economy and make real progress on climate change at the same time.

International Activities: I am pleased to report that the Government of Bolivia intends to take a binding greenhouse gas emissions target under the Kyoto Protocol. We plan to make a joint announcement in July. Bolivia is the first country to pledge to develop an emissions target since Kazakhstan and Argentina both took on targets at the end of 1998. Persuading developing countries to take on a target is an intensive process. Nevertheless, I believe that increasing the number of countries that have done so is an important element of demonstrating that the developing world is participating meaningfully in the Kyoto process.

As you know, I have targeted a number of countries including India, China and Mexico that have proven to be major "challenges" – large emitters that have voiced strong opposition to developing countries adopting emissions targets. In each case, we have made real progress. With India, I was pleased to sign a Clean Energy statement with Jaswant Singh as a precursor for the Energy and Environment agreement completed on your trip. I am hopeful that our cooperative activities under this program will not only contribute to cleaner energy production and use in India, but also to more cooperative, rather than confrontational, discussions of this issue.

DOE continues to engage the Peoples Republic of China in the area of energy efficiency and renewable energy through an active consultative mechanism and technical exchanges. These are important steps in sharing information and

Printed on recycled paper

technology that will lead to reductions in greenhouse gas emissions. Our activities with Mexico under the high level working group on sustainable energy that you established with President Zedillo have reduced Mexican resistance to discussions of how best to address the problems of climate change.

The Department of Energy continues to develop support from developing countries for clean energy and for the right to take on additional climate change commitments. I have hosted three regional conferences for Energy Ministers from the Americas, Africa, and APEC at which we unanimously endorsed clean energy statements that include language supporting such additional voluntary commitments. Bilaterally, DOE has signed climate change statements with South Africa, Mexico, Kyrgyzstan, Lithuania, Latvia, Estonia, and the Philippines.

My staff is also actively engaged in the international negotiations under the United Nations Framework Convention on Climate Change to complete the detailed development of the Kyoto Protocol. Our strategy continues to focus on creating a value for reducing greenhouse gas emissions and designing agreements that can work effectively at least cost.

Domestic Activities: I continue to push the Comprehensive Electricity Competition Act with Congress and at our many electricity reliability summits across the country. We have had some success with legislative markups scheduled in both houses of Congress, although it is unlikely that we will see restructuring legislation enacted this year.

In transportation, we reached some important milestones in the Partnership for a New Generation of Vehicles program, in which the Big Three automakers will begin marketing substantially more fuel-efficient vehicles within three or four years. While these vehicles will not be the 80 miles-per-gallon vehicles that are the ultimate goal for the program, they are likely to be well-received by consumers, and will set the stage for further advances in this area. We also have embarked on a parallel program to develop a high-mileage 21st century truck.

In power generation technologies, we recently announced the achievement of a 60 percent efficient natural gas-fired turbine--the power generation equivalent of a four-minute mile. These turbines will help us reduce the price of electricity to consumers while reducing greenhouse gas emissions and conventional pollutants.

Finally, through the Department's research efforts, we are advancing our understanding of climate change. For example, we are undertaking a carbon sequestration R&D program, which focuses on cost-effective concepts for capturing then reusing or storing carbon emissions.

While we have been successful in some areas in demonstrating that our approach to reducing emissions while supporting a thriving economy is the correct one, the congressional response to our budget request has been disappointing. The allocations our climate change programs have received are insufficient to maintain our current levels of activity, let alone support expansions that are warranted.

cc:
The Honorable Al Gore
Vice President