
National Capital Area Chapter

United States Association for

Energy Economics

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news

Energy Policy Prospects in the New Congress

Presented by: Linda G. Stuntz

Former Deputy Secretary of Energy, and founding partner of the Washington, DC law firm of Stuntz, Davis, and Staffier, P.C.

Our Next Luncheon at the Library of Congress

WHEN: Noon, Friday, February 16, 2007

WHERE: 6th Floor, Madison Building—Montpelier Dining Room
Library of Congress (enter from Independence Ave)
1st Street & Independence Avenue, SE, Washington, DC

Linda Stuntz's law practice includes energy and environmental regulation. Additionally, she has served as a Member of the National Commission on Energy Policy from 2002-2005, and on the Council on Foreign Relations' task force, which released its report, "National Security Consequences of United States Oil Dependency," on October 12, 2006.

As Deputy Secretary of DOE, and in other senior positions at DOE from 1989 to 1993, Ms. Stuntz played a principal role in the development and enactment of the Energy Policy Act of 1992, and of the Clean Air Act Amendments of 1990. In addition, she worked on issues related to potential global climate change. In both her public and private work, she has addressed questions arising under the Natural Gas Act, the Natural Gas Policy Act, the Federal Power Act and the Interstate Commerce Act.

From 1981 to 1987, Ms. Stuntz was an Associate Minority Counsel and Minority Counsel to the House of Representatives Energy and Commerce Committee. Ms. Stuntz received a B.A. with honors in 1976 from Wittenberg University and her law degree, also with honors, in 1979 from Harvard.

Join us on Friday, February 16, at noon for networking with the lunch-line forming promptly at 12:25 and the presentation beginning at 1 pm so we are done by 2 pm.

COST: \$20.00 for members and their guests (\$5.00 for student members) and \$25.00 for non-members and their guests. Make checks payable to NCAC-USAAEE.

RSVP: By COB Wednesday, February 14 to Mark Lively by phone at (301) 428-3618 or email at mbelively@comcast.net. Cancellations will be billed.

News from the January 23, 2006 Annual Dinner

Seventy-eight members registered for the Annual Dinner on January 23 at the City Club at Franklin Square, to join in conversation both before and during dinner. We were fortunate to have as our guest and speaker the Honorable Philip Sharp, President of Resources for the Future, and to engage in questions with him after his remarks. Sharp, who also chaired the House Energy and Power Subcommittee of the Energy and Commerce Committee from 1987 to 1995 during his twenty-year tenure in Congress, is clearly most knowledgeable on energy issues. Many thanks to Ed Murphy for sponsoring our dinner at the Club, and to both Sara Banaszak and Mike Canes, who together planned and oversaw not only the excellent menu and wines, but all the associated time-consuming details. Many thanks as well to Mark Lively who takes our reservations, keeps us solvent, makes our nametags, and does all with his own special brand of aplomb and absolute accuracy. Credit to Poonpat Leesombatpiboon, our student rapporteur, is due as well, for the summary of Phil Sharp's remarks appearing below.

Mr. Sharp started his remarks by mentioning the calls from many voices to cut U.S. oil consumption and reduce the country's dependence on foreign oil. He noted that the oil companies have performed their jobs well in providing reliable supplies at steady prices for many years. Thus oil companies should be considered allies rather than enemies.

In reality, energy policy is a means to achieve several other societal goals, which are collective and complex. These include:

- 1) Economic growth: To foster economic prosperity, reliable oil supplies at reasonable costs must be ensured.
- 2) Environmental protection: Climate change, especially CO₂ emissions, is a critical issue of concern to the public.
- 3) Security: This goal is closely related to military actions and international negotiations. The dimension is broad and must be considered in terms of geopolitical issues.
- 4) Equity: The issue is mainly about who wins and who loses in society and how tax policies can be used to resolve or minimize these distributional problems.

Turning to natural gas, Mr. Sharp noted that gas supplies seem to be slightly better distributed around the world than oil supplies. Gas, however, is still not the solution for the long-term replacement of oil. Coal-to-liquids technology is a potential source of energy but it is not yet cost-effective. Moreover, the process generates greater carbon emissions than either natural gas or oil do, and thus is in conflict with our environmental goal.

Mr. Sharp stressed that the uncertainties are profound, and greatly affect millions of consumers, thousands of businesses and dozens of governments. For example, oil price forecasts have historically been wrong, as oil prices go up and down all the time. Moreover, the pace of technological advancement is also hard to predict. We sometimes under estimate and often times over estimate the speed of technological breakthroughs. The hybrid car which a decade ago was uncommon is a good

regionalism and politics. Altogether, these uncertainties make it rather difficult to craft rational energy policy.

Mr. Sharp also criticized the Energy Policy Act of 2005 as the greatest market intervention since the time of President Carter. Nonetheless, Mr. Sharp supported the idea of government intervention in a way that promotes the feasibility and commercialization of promising energy technologies rather than intervention for price control.

Upcoming Lunch Speaker, Always Third Friday at Library of Congress, 12:00

March 16 Dr. Michael S. Haigh, Associate Chief Economist in the Office of the Chief Economist of the U.S. Commodity Futures Trading Commission, speaking on “Hedge Funds and Herding – Recent Research in the Energy Futures Market.”

**Upcoming all-day Washington Energy Policy Conference, at SAIS, April 20
Details Forthcoming**

April 20 “Toward a Lower Carbon Energy Future: Technology, Economics and Policy”

The planning group for this conference is hard at work - more information on the program will follow

Publications/Speaking Call

In the September 2006 Newsletter, we included a list of recent publications and speeches authored/presented by members. We solicit your listings of accomplishments since that time, for inclusion in upcoming newsletters. Please send to crandallmm@yahoo.com.

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Dues page follows

2007 MEMBERSHIP RENEWAL/REGISTRATION FORM

National Capital Area Chapter U.S. Association for Energy Economics

Please check here for membership renewal.

Please check here for new membership registration.

Membership registration/renewal for the NCAC-USAEE is expected by the end of the preceding calendar year.

Please return your registration form and check to **Mark Lively** — NCAC-USAEE Treasurer at:
Utility Economic Engineers, 19012 High Point Dr., Gaithersburg, MD 20879.
Phone: 301-428-3618. Email: MbeLively@comcast.net

Full membership dues for 2007 are \$20.00 (students \$10.00). Please make checks payable to NCAC-USAEE.

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Please list topics or speakers you would be interested in:

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