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Enron Wind Corp.

MEMORANDUM

DATE: July 15, 1997

TO: Bob Kelly

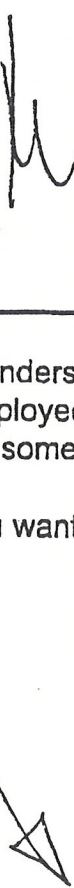
FROM: Ken Karas *[Signature]*

SUBJECT: ROBERT BRADLEY

Please refer to the attached. As I understand it, Robert Bradley writes speeches for Key Lay. I'm not sure if he's an employee or a consultant. He recently wrote a paper for the Cato Institute. Attached are some quotes of which are in the attachment.

Let me know if there is anything you want to do.

cc: Hap Boyd



Ken Karas -

I've asked Rob for a copy of his paper. I'll give you a copy. I ~~can't~~ want to see the whole context.

Rob

Joe Dickey, Chief Operating Officer, Tennessee Valley
Knoxville, Tennessee, and David Ratcliffe, Senior Vice
President, Southern Company, on behalf of TVA Watch, Atlanta.

www.publicpolicy.org/~neps/studies/renew/renew.html):

* "Improved new-generation renewable capacity is, on average,
twice as expensive as new capacity from the most economical
fossil-fuel alternative and triple the cost of surplus electricity."
("Executive Summary")

"A rough estimate of electric subsidies for renewables and
conservation over the last 20 years is between \$30 billion and \$50
billion... This represents the largest government peacetime energy
expenditure in U.S. history." ("Executive Summary")

"... the total cost of wind power was really around 6-7 cents per
kwh when the production tax-credit and other more subtle cost
items are factored in... approximately double the cost of new gas-
fired electricity generation." ("Problems of Wind Power")

"Remote wind sites often result in construction of additional
transmission lines, estimated to cost as much as \$300,000-\$1
million per mile." ("Problems of Wind Power")

"A wind farm requires as much as 85 times more space than a
conventional gas-fired power plant... Wide spacing (a 50 megawatt
farm can require anywhere between two and 25 square miles) is
necessary to avoid wake effects between towers." ("Problems of
Wind Power")

"... the future of all the central solar generators is in doubt. They
are expensive to build, their very scale escalates financial risks...
and their massive height (in excess of 200 meters) may attract
opposition." (Quoted from a Worldwatch Institute study in "Solar:
The Smaller the Better")

"The major environmental cost of photovoltaic solar concerns
toxic chemical pollution (arsenic, gallium and cadmium) and
energy consumption associated with the large scale manufacture of
photovoltaic panels. The installation phase has distinct environ-
mental consequences given the large land masses required for solar
farms - some five to 10 acres per megawatt of installed capacity."
("Solar: The Smaller the Better")

"Although biomass is a renewable resource, much of it is used in
ways that are neither renewable nor sustainable. In many parts of
the world, firewood is in increasingly short supply... As a result of
poor agricultural practices, soils in the United States Corn Belt...
are being eroded 18 times faster than they are being formed."
(Quoted from Christopher Flavin and Nicholas Lenssen of the
Worldwatch Institute, "Biomass: The Air Emission Renewable")

"Geothermal... [has] heavy requirements for cooling water (as
much as 100,000 gallons per megawatt per day), hydrogen sulfide
emissions, and waste disposal issues with dissolved solids and
even toxic waste." ("Geothermal: The Nonrenewable Renewable")

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TO: HAP BOYD

ROBT. BRADLEY
IS STILL AT IT!
THIS GUY WORKS FOR
ENRON?

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n markets in

... speech to the National Energy Research Organization (NERO)
yesterday.

He still envisions open markets creating a wealth of jobs, but
right now "most of those jobs are on K Street," he said in reference
to Washington's hub of lobbyists and large law firms.

The Telecom Act of 1996 is one of Bliley's favorite topics
and he compared the slow steps telecom is making toward opening
up local phone markets as signs of progress. That same type of
progress can happen in electricity markets, Bliley thinks.

With more than 800 applications in nationwide for local
service providers and 1,800 new jobs created already this year in
wireless communications, telecom is progressing nicely down the
road to competition.

But Bliley thinks his committee was too quick in moving the
bill to the floor once it unveiled a compromise, and he doesn't want
to see the same thing happen with electricity.

"We rushed telecom through our committee too fast and we
don't want to see that happen to electricity," Bliley said. "That's
the purpose of Chairman Schaefer's hearings. We want to hear
from everybody."

And for those who dislike renewables here's some data

Natural gas producers are chilly to renewable fuels and would
really like to forget Zond. Thus when political economist Robert
Bradley Jr writes a book about the evils of renewable fuels, the
Natural Gas Supply Assn takes notice.

We don't know whether Bradley's claims are correct but they
certainly are amusing.

How about this one: "A rough estimate of electric subsidies
for renewables and conservation over the last 20 years is between
\$30 billion and \$50 billion... the largest government peacetime
energy expenditure in US history." That's from the executive
summary.

Here are some others NGSA put on its webpage (<http://>)