



# Memorandum

To: Ken Lay  
From: Tom White  
Subject: Rob Bradley Writings

Department: Executive

Date: 6/8/98

---

Ken,

Sorry to bother you with this. See the attached pieces. Rob is obviously not a fan of renewables or the global warning issue. Unfortunately, he works for a company that is.

Thanks!

*Rob -  
your response, please.  
Tom.  
Ken  
6/13/98*

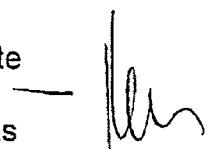


Enron Wind Corp.

---

# MEMORANDUM

---

**DATE:** June 3, 1998  
**TO:** Tom White  
**FROM:** Ken Karas   
**SUBJECT:** ROB BRADLEY

---

Tom,

Our buddy Bradley strikes again! Attached find an article that appeared in a *U.S.A. Today* monthly magazine in May, and an exchange between John Palmisano and Rob regarding climate change. I think Palmisano is taking care of himself okay, but the real problem here is Bradley has some really clear views on the world that don't comport with what we are trying to accomplish and he seems unable to muzzle himself. Maybe this article was written before Ken's chat with him, too.

I hate to burden you with this, as I am used to fighting my own battles, cleaning up my own messes, etc. However, I am sensitive to the chain of command. Please let me know how you would like this to be handled.

---

G:\WPDOCS\WHITE\060398 R Bradley.wpd



122 C St., NW, Fourth Floor  
Washington, D.C. 20001  
(202) 383-2500 Fax (202) 383-2505

## FAX TRANSMITTAL

TO: Mr. Ken Karas, Chairman & CEO, Enron Wind Corp. FAX: (805) 822-1169

FROM: Michelle Montague, Communications Coordinator

DATE: June 3, 1998

PAGE(S) 4 (including cover sheet)

Please respond by calling:

main line: 202-383-2500

fax #: 202-383-2505

**202-383-2508**

MESSAGE:

Mr. Karas,

Randy asked that I forward to you any press clippings we receive written by Mr. Robert Bradley. Attached you will find his latest article that appeared in a USA TODAY monthly magazine.

If you have any further questions regarding this clip or any of Mr. Bradley's other articles, please feel free to contact me at the bolded number above. Thank you.

Sincerely,

*Michelle Montague*  
Michelle Montague

*AWEA, formed in 1974, is the national trade association of the U.S. wind energy industry. The association's membership of more than 700 includes turbine manufacturers, wind project developers, utilities, academicians, and interested individuals from 49 states. More information on wind energy is available at the AWEA web site: <http://www.econet.org/awea>, or email: [windmail@awea.org](mailto:windmail@awea.org)*

**ECOLOGY**

USA TODAY  
VALLEY STREAM,  
MONTHLY 25¢  
MAY 1998



BURRELLE'S  
-6943

# Dirty Secrets of RENEWABLE ENERGY

*Despite its purported  
advantages, the  
technology has proved to  
be uneconomical and  
more damaging to  
environmentalists, a  
threat to the population.*

by Robert L. Bradley Jr.

ONE of the centerpiece of the environmentalist agenda long has been the regulation of fossil-fuel consumption. Although anti-pollution controls are the accepted short-term solution to a number of the environmental problems posed by fossil fuels, many people believe that the long-term answer is gradual replacement with other, less environmentally threatening fuel sources. That philosophy perhaps can be described best as coo-energy planning, the belief that

*Mr. Bradley is president, Institute for Energy Research, Houston, Tex.; an adjunct scholar of the Cato Institute; and author of Oil, Gas, and Government; The U.S. Experience.*

government intervention in the energy economy is necessary to maximize environmental protection and, in the end, the nation's economic vitality.

Renewable energy—power generated from the nearly infinite elements of nature such as sunshine, wind, the movement of water, the internal heat of the Earth, and the combustion of replenishable crops—is widely popular with the public and governmental officials. The prime reason is because it is thought to be an inexhaustible and environmentally benign source of power, particularly compared with the environmentally problematic alternative of reliance on fossil fuels and nuclear power. Yet, all renewable energy

sources are not created equal. Some are more economically and environmentally viable than others. The list of renewable fuels that once were promising, but now are being questioned on economic or environmental grounds, or both, is growing.

Wind power currently is the environmentalists' favorite source of renewable energy and is thought to be the most likely to replace fossil fuel in the generation of electricity in the 21st century. Hydropower has lost favor with environmentalists because of the damage it has done to river habitats and freshwater fish populations. Solar power, at least when relied on for central-station or grid power generation, has infrastructure that is very en-

6/3/98

Ken -  
Rob Bradley is at it again. His memo to  
John Palmisano is on page 3 and this is John's  
response.

7dap

Author: John Palmisano at CORP\_1\_PO  
Date: 6/3/98 9:07 AM  
Priority: Normal  
Receipt Requested

TO: Terence H Thorn at EGLI\_PO, Jeffrey Keeler, Michael F Terraso at OTS-1\_PO,  
Bruce N Stram at EES, James O'Neill, Daniel Reck at ECT, Brian Tierney at ECT,  
George McClellan at ECT, Lynda Clemmons at ECT, Hap Boyd at ZOND\_PO, Margaret Carson,  
Chris Holmes at ECT, Rob Bradley

Subject: Re[2]: Climate Change/work with me to make Enron rich

Rob:

I am writing in response to your response of 6/2/98.

1st.

What I sent out, and will continue to send out, was a collection of articles relevant to the general climate change issue. These articles were gleaned from newspaper articles, articles in periodical, etc.

I inserted my opinion in these articles and clearly marked my opinions as "note"s. I neither support nor reject so-called scientific observations.

2nd

You offered a series of observations regarding hurricanes, weather in England, and inferences about the insurance industries interest in climate change. There is a UN-insurance industry meeting in Cologne next week and perhaps the presentations will be generally available. Don't argue with me, argue with them.

3rd I have NO interest in fighting the insurance industry on this issue. I have NO interest in fighting you on this issue.

I have no interest in fighting the governments of Russia, China, India, Brazil, US, UK, etc. on this issue. However, I will assert that it is NOT in Enron's PR interest to do so. It is not in Enron's commercial interest to do so. It is not in Enron's interest as a corporate citizen in any of our markets to do so.

We did not invent this issue. My job is to shape this issue and our response so we minimize costs and maximize revenues while fulfilling our other obligations.

The air credit traders are to enhance revenues. Compliance assurance people meet regulatory obligations. Public relations people communicate our good deed-doing. Etc. etc.

I hardly care if there is a conspiracy of scientists whose only goal is to feed, in perpetuity, at the US EPA research-food-trough or if the climate change debate and the IPCC is controlled by a Masonic-Papist-Zionist-Illuminatti cabal with Henry Kissinger puppet-stringing them. What I do care about is that this is an issue that many smart, well-meaning and honest people believe is real and some smart and honest people think is not real. Almost all governments think it is real, all environmental groups think it is real, it is affecting the energy and environmental business, it is affecting millions of dollars of investments made by Enron. Finally,

I believe this is an issue that has, in all of its ramifications, political and economic traction.

You ended your note to me with a "lets keep up the dialogue". We are not having a dialogue and we are not having a debate. I want to make money for Enron as a result of this issue. There should be no debate about this matter.

I shall not take a position of advocacy on the science, one way or the other, since that is outside of my areas of expertise. I shall continue to advance policies that advance Enron's interest (revenues maximization, cost minimization, being responsible to the governments of countries within whose borders we work, and assisting others in Enron fulfill environmental and corp. citizenry obligations).

I confess that I do not know what you are trying to achieve in this internal "debate" or "dialogue" and do not know with whom this debate or dialogue is taking place.

This note is NOT intended to belittle your passion for the science. I do not belittle your enthusiasm for an intellectual scuffle. I do not minimize your sincere interest in good public policy. Yet what are you trying to achieve (?) and how does your objective help Enron move more natural gas, more wind-power, more environmental services such as those being pursued by Chris Holmes, more solar, more brokered greenhouse gas credits, etc.

From an Enron International perspective, this issue, which we did not invent, makes us look better vis-à-vis our competitors, helps build better relationships with governments and NGOs, and can enhance revenues in EI markets.

As your friend, as some one who truly respects your intelligence and energy, what are you trying to achieve and what are the implications? I know exactly what I am trying to achieve, how to measure it, and what it means to Enron in terms of influences on revenues, costs, relationships, and image.

We should be aggressively using the "accelerated climate change" issue to advance our products and services. If it was up to me, I would love to harness your energies into securing more revenues for Enron that will flow from programs to mitigate "real" or "perceived" climate change impacts.

ROB: Work with me to get JI and the CDM in place, work with me to get support for "early crediting", work with me to reach out to all political stripes to advance Enron's self interest, build better relationships with all of our host governments, and develop internal systems for Enron to manage our PR and commercial response.

Rob, I am just a simple business person, not a atmospheric chemist. I understand statistics, operations research, economics, systems analysis, and simulations modeling (and I am willing to talk, debate, and discuss these matters vis-à-vis climate change). More importantly, I understand how to make a buck and that is what, I think, we are all about (within reason).

I will be in Houston on or around June 24th. Lets lunch or meet to discuss how you and I can work together to make a boat-load of money for Enron, make Ken Lay and Enron heros, build better relations with the Russian government and Brazilian government and Chinese government through this issue, work with relevant stakeholders to minimize or

cost, maximize revenues, and fulfill our "manifest destiny."

I am sending this note, which is essentially private, to all those you copied in to your response because I do not believe that I am the only one confused.

Your friend.....John P.

---

Reply Separator

---

Subject: Re: Climate Change Info.  
Author: Rob Bradley at CORP 1 PO  
Date: 6/2/98 6:23 PM

Reply to J. Palmisano on coal/oil vs. insurance industries perceptions of climate change.

The frequency and severity of hurricanes and other natural disasters, as well as major rains and droughts, is fairly objective information, and there isn't that much evidence of abnormality in recent decades.

Hurricanes, for example, had their worst decade in the 1940s, although financial claims were much less because there was much less property to insure, particularly along the coastlines. Insurance claims have been high in the last decades because of more property and higher valued property much more than worse weather. Let's compare our facts on this one.

You mentioned England in the last 20 years having abnormal weather. The 1995 IPCC Report (vol. 1, p. 153) mentions that precip in England since the 1970s is "the largest sustained anomaly on record." The report then goes on to describe other regions around the world that were normal or above or below normal. Overall precip has been slightly up since the 1970s--a good thing. (Warmer and wetter is better than colder and drier, manmade or natural.) We are all going to turn into weather hypochondriacs if we dwell on the abnormalities and not look at the big picture.

Global warming/climate change is the big picture. The science cannot get into country-by-country and year-by-year results--except for the major observation that the world's warming this century has been concentrated in the coldest air masses in the coldest times of the year--which makes the warming rather benign. I'm not making this up--the "decreasing diurnal temperature range" is spelled out in the IPCC-1995 report, pp. 27, 144-45. Our summers in populated areas aren't getting warmer, the Siberian nights in January are!!

Global warming has turned into a giant rent seeking game, and the insurance industry is desperate to become more profitable in the face of higher claims and profitability problems. The global warming scare is a great device for them to "talk up" rates--and get governments to raise rates where regulated because "it's not our fault" and "it's just going to get worse." So what's new in the business world?

Back to your note about England's situation over the last 20 years. It was about twenty years ago that 30 years of a global cooling came to a close. Before then we had a MAJOR warming, which was really great since we were coming out of a "little ice age" from the 1400s to the mid-1800s or so. How can GHG concentrations square with this

temperature record? We should have had much less warming in the first half of the century and a lot more after 1940 when GHGs emissions and concentrations grew. That old thing called natural variability, which has been changing climate for tens of thousands of years before the "carbon crowd" came along, is still at work today and will be tomorrow.

The more I've studied the issue, the more questions I have with the case some have made about apocalyptic man-made climate change. The Pew Center says the science is settled--but is it? I think CO2's effects on negative climate change is very overrated, which leaves the wonderful greening effects of CO2 on plant biomass and crop yields. As Mr. Global Warming James Hansen recently concluded in a paper which I will distribute to everyone, the GHG buildup is one-half of what everyone thought, partly because the earth's soil, plants, and oceans are sucking it up, which means that the earth is greening just like we learned about CO2 in grade school. On that point the science is settled--the higher the CO2 level, the greener the earth, other things the same. On the "other things the same," we have much more to learn.

Let's keep up the dialogue.