



**To: Leadership Group Participants**

**October 3, 2005**

**Subject: Energy Efficiency Action Plan**

Dear Participant:

Thank you for joining leading utilities, state agencies, energy consumers, the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) as a member of the Leadership Group that will develop and advance a national Energy Efficiency Action Plan. As an important energy market participant, you know that today we face a number of challenges in securing affordable, reliable, secure and clean energy to meet our nation's growing energy demand. Your leadership is necessary to help us meet this challenge.

Energy efficiency is a critically underutilized resource in the nation's energy portfolio. Those states and utilities that have made significant investments in energy efficiency have lowered the growth for energy demand and moderated their energy costs. However, many hurdles remain that block broader investments in cost-effective energy efficiency. That is why we have agreed to chair the Energy Efficiency Action Plan. It is our hope that with the help of leading organizations like yours, we will identify and overcome these hurdles.

Through this Action Plan, we intend to identify the major barriers currently limiting greater investment by utilities in energy efficiency. We will develop a series of business cases that will demonstrate the value and contributions of energy efficiency and explain how to remove these barriers (including regulatory and market challenges). These business cases, along with descriptions of leading energy efficiency programs, will build upon practices already in place across the country. We ask for your help to identify the key barriers and document workable solutions and superior programs. Our goal is to use the resulting ideas and products, beginning in 2006, to spark an aggressive new national commitment to energy efficiency.

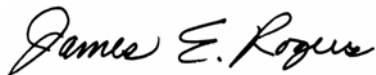
We are undertaking this effort with the assistance of the U.S. Environmental Protection Agency and the U.S. Department of Energy. The agencies will provide the resources necessary to support this process. We have enclosed a one-page summary that outlines the responsibilities of Leadership Group members, along with additional detail on the resources that EPA and DOE are providing. If you have questions for our EPA and DOE

partners about this effort, please contact Tom Kerr of EPA at [kerr.tom@epa.gov](mailto:kerr.tom@epa.gov), tel. 202/343-9003, or Larry Mansueti of DOE at [lawrence.mansueti@hq.doe.gov](mailto:lawrence.mansueti@hq.doe.gov), tel. 202/586-2588. For logistical issues, please contact Brad Spear of Energetics at [bspear@energetics.com](mailto:bspear@energetics.com), tel. 410/953-6265.

Our next step is to convene as a Leadership Group and agree to a work plan. We are considering November or early December for the first meeting in Washington, DC. At this meeting, we will decide on the Group's priorities, responsibilities and timing. You will receive a notice within the next week with a list of possible meeting dates; we will attempt to accommodate as many Leadership Group members as possible when scheduling this meeting. We strongly encourage you to attend this first Leadership Group meeting. Two weeks prior to the meeting, you will receive additional background materials and information.

Again, thank you for joining us as we develop a dynamic Energy Efficiency Action Plan for the nation. We look forward to working with you over the coming year on this important effort.

Sincerely,



James E. Rogers, Chairman & CEO  
Cinergy Corporation



Diane Munns, Member, Iowa Utilities Board  
President, National Association of Regulatory  
Utility Commissioners