



Northern
Energy
Corporation

Northeast Solar Energy Center

C O P Y

September 29, 1977

The Honorable Thomas P. O'Neill, Jr.
Speaker of the House
2231 Rayburn House Office Building
Washington, D.C. 20515

Dear Tip:

As you know, since May 10, 1977, Northern Energy Corporation has been working on the plan for the implementation of a Northeast Solar Energy Center, to complement the Solar Energy Research Institute, under a \$498,775 grant from the Energy Research and Development Administration (ERDA). The product of our effort, due 10 November 1977, will be a list of programs and a related management organization that we will recommend to the Department of Energy (DOE) for funding in an Implementation Phase.

Our planning effort has involved the Governors and their principal energy advisors of our nine state region, now consisting of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. In particular, the Governors were invited to nominate an individual to serve on our Board of Trustees and they have appointed members to our Regional Advisory Council and representatives to work with us in our planning effort. I have kept Paul Tsongas and his staff completely up to date on our activities, and his support throughout our program has been great.

Our final plan, to be submitted on November 10, therefore, will reflect the needs of the states of the Northeast region in the commercialization of solar energy. Further, it will provide a large stimulus to the creation of jobs, and the starting of a new solar energy industry that can help reduce our high dependence on oil, particularly foreign imports.

Our planning effort has been going well, and we have a total staff of eighteen full time employees plus a dozen expert consultants in energy. Since it will probably take the DOE a few months to review, approve and negotiate our Implementation Phase program, in response to a request by our cognizant ERDA project officers, we have just submitted a proposal to them for a Pre-Implementation Phase. Without this interim funding to cover the gap between Planning and Implementation, I will have to dismiss all of our personnel and consultants, close the doors and go out of business on 11 November. To allow this reservoir of skills to disperse would be a waste of the investment of both time and money already made by ERDA in this group.

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I am enclosing a copy of the Pre-Implementation proposal delivered to ERDA which covers the period 11 November 1977 to 28 February 1978 - three and two-thirds months. The proposal contains a list of thirteen projects which we believe should be started as soon as possible, and which will be contained in our November 10 submission for the full scale Implementation Phase. The total estimated cost for this phase is \$999,551, of which \$250,450 will go to the states for projects they will conduct as part of the Center's overall operations.

Although our project people at ERDA, Messrs. Don Kornreich and Raymond Fields are very receptive to our work continuing, the main question that they have is who in the new Department of Energy will take the ball and carry it on the question of our follow-on funding. As you may know, the new organization chart of the Department of Energy shows SERI reporting to the office of the Undersecretary, but there is no mention of the Regional Solar Energy Centers. Beyond that, no one has been designated as the Regional Center Program Manager reporting to the Undersecretary. To compound the problem, there is no budget item, to my knowledge, for funding the activities of the Regional Centers. In this set of circumstances, the projects in our Pre-Implementation proposal may have to compete with other solar energy projects for funding. With all of the pressures for funds, and with the biases that may exist in certain parts of the solar community within ERDA against the regional concept, the whole idea may collapse, or be given only token financial support. In view of the enthusiasm and support that has been built up for our Center in the Northeast, as well as that for similar centers in the other three regions, such an eventuality would be a disaster to the successful implementation of the President's energy program goals.

Related to this matter of appropriate funding for the Regional Centers, I am enclosing a copy of a letter I recently sent to Senator Humphrey, and a copy of his reply to me. I call your attention to the last paragraph of his letter, and, particularly, to the last sentence of that paragraph. There is little question that Senator Humphrey understands the situation, and has, as usual, eloquently stated the case. Moreover, it confirms our concerns about the future of the regional solar program.

It is my strong belief that the Regional Centers are vitally needed to help commercialize solar energy. It cannot be done in our region by SERI in Golden, Colorado whose mission and personnel are more research, development, analysis and planning oriented. The commercialization job must be done by a regional mechanism such as the one we now have in operation. In fact, although we have been coordinating our activities with SERI, it makes little sense for the regions to report to Golden for project approval and funding. The Regional Centers must report direct to DOE, at a high level, for these functions, so that our regional constituency knows that we have a direct line to the principal funding agency.

As a consequence of all of the above, it is my belief that some urgent action must be taken on this matter, so that Secretary Schlesinger can receive the right kind of inputs on how the Regional Centers can best serve the objectives of the Administration in the implementation of solar energy. As one suggestion, I would

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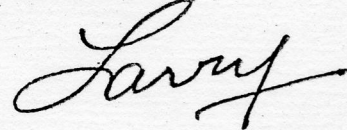
recommend that an individual be appointed right away as the Regional Center Program Officer in the office of the Undersecretary, with appropriate funding, to manage and fund the activities of the regions in this important effort. Without some mechanism of this type, the effort that has been started here, and in the other regions, will be severely hampered.

I stand ready to come to Washington at any time at your convenience to discuss this matter further. In the meantime, if you have any further questions, please let me know.

Your interest and support are appreciated.

Best personal regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence", written in dark ink.

Lawrence Levy
President

LL:jml
Enclosures