



Condoleezza Rice's Energy Guy

GREGORY MANUEL FILLS NEW POST

BY MARTIN ROSENBERG

◆ ONE FLOOR UNDER U.S. Secretary of State Condoleezza Rice's top-level suite at the State Department sits a sparsely furnished office taken over by Gregory Manuel at the beginning of the year.

Manuel works with an intensity and focus that reflect his awareness that the challenges are immense and the Bush administration is entering its twilight years.

Few noticed when Rice last fall named Manuel her special energy adviser and international energy coordinator. She made the move amid rising concern about global warming and the dangers facing vital Mideast oil supplies.

The press release announcing Manuel's appointment said the new position is "at the critical nexus of energy, diplomacy and national security."

One month after he was named to the job, I met Manuel in La Jolla, Calif., at a conference on emerging technologies in Europe and the United States. I later arranged to meet with him in his Foggy Bottom office.

His appointment, he said, is an outgrowth of "the secretary's vision" and understanding of the growing impact of energy on foreign policy in numerous ways. Poor countries spend a larger share of their gross national product on energy than do rich countries, Manuel said. A handful of oil suppliers can use "the energy card for political gain ... at times, to the detriment of what Western powers would like to see happen," he said. And energy affects environmental and health issues.

The government's fresh approach to energy and foreign policy recently was clear when President Bush traveled to Brazil and called for increased ethanol production. A key objective, Manuel said, is "to deepen research and development cooperation between the United States and Brazil" and "to enlarge the marketplace for biofuels through uniform standards and codes."

Manuel described the transformative powers of his assignment. "We are reorganizing ourselves to face energy challenges in ways that never happened before and we're working across the U.S. government to bring to bear our resources, our vision, to meet ... challenge," Manuel said. "This is in part a consequence of higher oil prices, but it's also about a vision for the future that is about clean and affordable sources of energy."

Manuel said that a major shift is taking place in the federal government. "This is measured by ... our conversations across the department, with our

embassies, our ambassadors, people on the ground, our foreign assistance folks. This is the foreign policy apparatus of the United States beginning to reorient around energy issues. This is monumental. We're moving in that direction extremely quickly ... considering bureaucracies usually move at glacial paces."

I asked Manuel if he had a message for utility executives and senior managers, the readers of *EnergyBiz*. He said, "When utility companies are able to really commit to increasing sources of alternative energies ... then you begin to see a sea change happening. The scale effect happens when utility companies become comfortable with reliable sources of alternate energy supply. And we are beginning to see the emergence of that inflection point today. Certainly, that has happened in Europe and is beginning to happen in the United States."

On global warming, there is an "emerging consensus" among the Bush administration, Congress and the public, Manuel said. "The science behind climate change is unassailable," he said. "We need to address climate issues squarely, and if you look at everything that we're doing here ... geopolitical issues, economic issues and environmental and health issues all benefit by working on energy issues in a more focused and intelligent way."

Throughout the energy industry, there is support for Rice's decision to more directly address energy policy and its impact on the world.

Jeff Sterba, chairman, president and CEO of PNM Resources, said, "Energy is increasingly a strategic international issue that affects broader international policy issues." Barry Worthington, executive director of the U.S. Energy Association, said it was smart of Rice to develop a coordinated approach to "balancing energy, environmental, economic and security issues." Tom Kuhn, president of the Edison Electric Institute, said, "International cooperation is essential to achieving a secure and sustainable energy future, and Gregory Manuel has the right credentials to advance this goal."

Manuel worked at the National Security Council on energy and economic issues from 2001 to 2003. Earlier, he was an investment banker with J.P. Morgan, launched a startup and worked in venture capital. He has an MBA from Harvard Business School and majored in international relations at Stanford University, where he met Rice.

Manuel's background makes him seem like a man with a voracious appetite for accomplishing much, fast. He said he communicates at least once a week with Rice "by e-mail, phone, whatever."

Asked about his passion for his work, Manuel said, "I am more than passionate." ☒



Gregory Manuel
Courtesy of The Woodrow
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