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ENERGY AND ENVIRONMENT UPDATE **January 22, 2012**

Energy and Climate Debate

After concluding the year with little talk about energy, Congress and the Administration have begun 2012 by moving energy issues back into the spotlight.

On January 18, President Obama denied a presidential permit for the proposed Keystone XL oil sands pipeline from Canada to Texas. Due to an agreement made during the end of the year payroll tax cut negotiations, the president faced a February 21 mandated deadline to make a decision on TransCanada Corporation's permit application to build a \$7 billion, 1,700 mile pipeline from the Alberta tar sands to Texas Gulf Coast refineries. During his announcement, which came earlier than many anticipated, President Obama said that his denial is not based on the merits of the pipeline itself, but on the arbitrary nature of the deadline proposed by congressional republicans. The company will file another application to keep the project going. The Administration announced November 10 that it planned to put off the decision until early 2013, but due to the mandate, the State Department, lead agency in the review process, advised President Obama to reject the permit. Subsequent to the announcement, the Administration submitted a report to Congress explaining that the project is not in the national interest because the 60 day deadline did not provide adequate time for the State Department to gain additional information and conduct the necessary analysis to make a final decision. Senate Republicans, angered with the decision, will likely try to attach Keystone-XL provisions to must-pass bills, like the payroll tax extension. Sen. John Hoeven (R-ND) and others are drafting a bill that would authorize segmented construction along most of the 1,700-mile route without crossing the border, skirting the issue of presidential approval until the pipeline is a reality on the ground.

The previous day, the President's Council on Jobs and Competitiveness presented the White House with a report urging President Obama to adopt an all-in approach to energy policy that includes providing greater access and streamlined permits to federal lands for domestic production of fossil and renewable fuels; making a stronger push for energy efficiency and vehicle fuel economy; and doubling or tripling government spending on research for new energy technologies through a Clean Energy Development Administration. The business group was organized last year to focus on job creation and competitiveness.

With the House's return last week, and the Senate returning January 23, congressional leaders are soon to begin debate over the payroll taxes/unemployment insurance/Doc Fix again, and though many believe that energy tax extenders may wait to move until the lame duck session, others are reigniting efforts to include them in the February debate. The Solar Energy Industries Association asked Congress last week

to include a package of tax extenders to payroll tax legislation (H.R. 3630), including the reinstatement of the 1603 Treasury Grant Program, and others, including some congressional officials, are hoping to extend the 48C Advanced Energy Manufacturing Program in the legislation. Additionally, shortly after the Senate returns, Energy and Natural Resources Chairman Jeff Bingaman (D-NM) is expected to release a proposal to create a Clean Energy Standard.

In other news, President Obama will deliver his State of the Union address on January 24, and will spend much of his time focusing on high-tech manufacturing and how the country's economy should be structured. His plan will involve specific proposals to boost workers' skills, promote clean energy, and make the country a friendly manufacturing base.

Congress

LNG Report Released

The Senate Energy and Natural Resources Committee held a hearing in November to gain a better understanding on the laws and regulations governing liquefied natural gas exports and how those exports might affect the domestic market. On January 19, Chairman Jeff Bingaman (D-NM) responded to the findings of a new Energy Information Administration report, Effect of Increased Natural Gas Exports on Domestic Energy Markets, saying that the impacts of exporting LNG can be different depending on the pace and volume of growth in exports.

Republican Letter Critical of EPA

In a January 19 letter to Environmental Protection Agency Administrator Lisa Jackson, Sen. James Inhofe (R-OK), ranking member of the Senate Environment and Public Works Committee, Sen. Jeff Sessions (R-AL), ranking member of the Subcommittee on Water and Wildlife, Rep. John Mica (R-FL), chairman of the House Transportation and Infrastructure Committee, and Bob Gibbs (R-OH), chairman of the Subcommittee on Water Resources and Environment, allege EPA has exhibited a "disturbing trend recently" of settling Clean Water Act cases in ways that expand its authority, and then citing those very cases as a means of justifying the expansion of the agency's authority.

Legislation Introduced

Representative Pete Olson (R-TX) introduced legislation (H.R. 3773) January 17 to amend the Renewable Fuel Program in the Clean Air Act to allow domestic alternative fuel to be used to satisfy a portion of the required applicable volume of renewable fuel. The Domestic Alternative Fuels Act would allow ethanol produced from natural gas and coal to be included under the Renewable Fuel Standard and compete with corn-based ethanol.

Representative Dennis Kucinich (D-OH) introduced legislation (H.R. 3784, the Gas Price Spike Act) January 18 to impose a windfall profit tax on oil and natural gas and use that money to provide an income tax credit for purchases of fuel-efficient vehicles and grants to reduce mass transit fares.

Upcoming Hearings

The House Energy and Commerce Committee will hold a hearing January 25 to consider President Obama's decision on the Keystone XL pipeline. The Department of State's point person on the issue, Assistant Secretary Kerri-Ann Jones, will testify, and the hearing will also consider legislation (H.R. 3548) that would shift responsibility for Keystone from the State Department to the Federal Energy Regulatory Commission.

On January 24, the House Science Subcommittee on Investigations & Oversight will hold a hearing on the Advanced Research Projects Agency-Energy, with testimony from Arun Majumdar, director of ARPA-E, and Gregory Friedman, the DOE's inspector general.

Administration

Climate Is Security Issue

Nancy Sutley, chairman of the White House Council on Environmental Quality, told the National Conference on Science, Policy, and the Environment January 18 that climate change is a major national security issue. She said that the federal government needs to do more to prepare communities to adapt and respond to its impacts, and cited recently released fuel economy standards as an area in which significant improvements will positively affect energy security and GHG reductions.

White House Emissions Report

On January 19, the White House released the National Acid Precipitation Assessment Program's report to Congress detailing how power plants have exceeded the acid rain program's emissions reduction targets, with sulfur dioxide and nitrogen oxide emissions being lower than expected and ecosystems recovering. The report did say, however, that additional cuts of sulfur dioxide and nitrogen oxides, the primary precursors to acid rain, would help ecosystems recover and acidification slow even more.

Department of Agriculture

Energy Site Launched

The Department of Agriculture launched a new website last week to provide efficient access to the agency's energy efficiency and renewable energy data. The site, www.usda.gov/energy, includes a map of federal energy investments, information on renewable energy, and a guide to available funding.

Alternative Fuel Goals Reachable

The Agriculture Department, in conjunction with the Boeing Company and Airlines for America, released a report January 18 finding that the Federal Aviation Administration's target for the U.S. aviation industry to use 1 billion gallons of alternative fuel per year by 2018 is achievable, but that more investment is needed. The report, *Agriculture and Aviation: Partners in Prosperity*, concluded that government efforts to date have not emphasized research, development, or commercialization of biofuels for aviation, compared to investments in fuels such as ethanol and biodiesel for other forms of transportation. The U.S. Air Force plans to convert half of its annual supply of petroleum based jet fuel to other fuels by 2016, and the Navy has announced a goal of supplying 50 percent of its total energy consumption from alternative sources by 2020.

Department of Commerce

Wind Investigations Initiated

Following a petition from a coalition of wind tower manufacturers that alleged unfair pricing, the Department of Commerce announced January 19 that it is initiating investigations into utility-scale wind towers in China and Vietnam. The International Trade Administration is initiating antidumping investigations into utility-scale wind turbine towers from the two countries, as well as a countervailing duty investigation into towers from China. Additionally, the International Trade Commission will make preliminary injury determinations around February 13, and if it determines that there is reasonable indication that imports from the two nations are materially injuring, or threatening material injury to, the domestic market, the investigations will continue.

Department of Energy

Heating and AC Equipment Standards

The Department of Energy published a rule January 17 amending conservation standards for several classes of commercial heating, air conditioning, and water heating equipment to incorporate recently updated standards developed by the American Society of Heating, Refrigerating, and Air Conditioning Engineers. The agency intends to adopt as part of its regulations revisions to the voluntary ASHRAE Standard 90.1 for small, large, and very large water cooled and evaporatively cooled commercial package air conditioners, variable refrigerant flow water source heat pumps less than 17,000 Btus.

\$10 Million for University SunShot

Energy Secretary Steven Chu announced January 19 two opportunities that will engage innovative scientists from the nation's top universities to drive transformational research in solar energy as part of

the SunShot Initiative. To advance utility scale solar energy technologies, the agency will award up to \$10 million over five years to support the development of more efficient heat transfer fluids to reduce the cost of energy from concentrating solar power systems. The announcement opens the second round of SunShot Initiative postdoctoral research awards for applied research at universities, national laboratories, and other research facilities.

Tidal and Wave Energy Reports

The Department of Energy released two reports January 18 concluding that tidal and wave energy, along with traditional hydropower, could generate 15 percent of domestic electricity by 2030 if resource potential is fully developed. According to *Mapping and Assessment of the United States Ocean Wave Energy Resource* and *Assessment of Energy Production Potential from Tidal Streams in the United States*, untapped wave and tidal energy could total as much as 1,420 TWh annually, almost a third of current consumption; much of that potential lies along the East and West coasts. Currently, 6 percent of U.S. power comes from hydroelectric sources.

\$44 Million for Uranium Enrichment

Energy Secretary Chu pledged \$44 million January 17 to support continued operations at a troubled uranium enrichment plant in Ohio that failed to receive a \$2 billion federal loan guarantee. Secretary Chu told House Energy and Power Subcommittee Chairman Ed Whitfield (R-KY) in a January 13 letter that the agency will assume \$44 million in liability while working with Congress to support the U.S. Enrichment Corporation's \$5 billion American Centrifuge Plant in Piketon, Ohio.

SBIR and SBTT Deadline

The application deadline is looming – January 31 -- for phase I funding for the Department of Energy's Small Business Innovation Research and Small Business Technology Transfer awards, which help small businesses develop technologies with a strong potential for commercialization and job creation. The SBIR and STTR programs allow federal agencies with large research and development budgets to set aside a fraction of their funding for competitions among small businesses only.

\$3 Million for Superior Energy Performance

The Department of Energy announced January 19 that it would award up to \$3 million to administer the agency's Superior Energy Performance Program to help American manufacturers continually increase the energy efficiency of their domestic facilities, boost their global competitiveness, and create jobs. When launched later this year, the voluntary program will provide a transparent, step-by-step certification process to help industrial and commercial facilities implement and validate improvements in their energy performance and reduce their energy costs.

CCS Power Purchase Agreement

Under the Clean Coal Power Initiative, the Energy Department announced January 17 the first power purchase agreement in the US by a utility for electricity from a commercial-scale coal-fired power plant with carbon capture technology. CPS Energy of San Antonio will purchase 200 MW of power from the Texas Clean Energy Project. The facility will be capable of capturing 90 percent of the carbon dioxide it produces, along with 99 percent of sulfur dioxide, 90 percent of its nitrogen oxides, and 99 percent of its mercury emissions. The agency is providing \$450 million in funding from its Clean Coal Power Initiative with \$211 million from Recovery Act funds.

Nuke FOA

The Department of Energy began soliciting input from industry January 20 in advance of a full Federal Opportunity Announcement that would help fund first-of-its-kind engineering and design certification and licensing through a cost-shared partnership. The full announcement will fund up to two small modular reactor designs and aims to deploy the reactors by 2022; input is sought by February 17.

Department of Interior

Adaptation Plan Released

The Department of Interior released a draft plan last week on climate change adaptation for fish, wildlife, and plants, including goals on reducing climate change vulnerability and strategies availability to the energy and transportation industries to help species adapt. Public comments can be submitted through March 5.

Department of Transportation

\$77 Million for UTCs

The Department of Transportation announced January 17 that 22 University Transportation Centers will receive \$77 million to advance research and education programs that address critical national transportation challenges. Each grant is for \$3.5 million, and the UTCs, all consortia, must provide matching non-federal funds.

Volt Investigation Concluded

The National Highway Traffic Safety Administration closed its safety defect investigation into the potential risk of fire in Chevy Volts January 20. The agency's investigation concluded that no discernible defect trend exists and that the vehicle modifications recently developed by General Motors reduce the potential for battery intrusion resulting from side impacts.

Environmental Protection Agency

Utility MACT Won't Harm Reliability

The Congressional Research Service announced January 9 that the Environmental Protection Agency's mercury and toxics rule for power plants will not harm electricity reliability. The report, *EPA's Utility MACT: Will the Lights Go Out?*, predicted that the rule will lead to the retirement of some coal-fired electricity generating units that cannot meet the new standards, but they will be in areas with substantial reserve margins, which is the difference between generating capacity and projected peak electric demand, and though the cost of electricity will rise because of the rule, it will be within the normal range fluctuation.

Heavy Duty Diesel Case Dismissed

The U.S. District Court for the District of Columbia dismissed a lawsuit January 17 in which Navistar Inc. sought to force the Environmental Protection Agency to recall certain model year 2010 heavy-duty diesel engines. Navistar contended that 2010 selective catalyst reduction engines, which its competitors use, do not comply with N2O emissions standards, but the court granted the agency's motion for summary judgment on the basis that Navistar failed to state a claim for relief.

Fuel Standards Supported with Contingencies

During a field hearing January 17, automakers told the Environmental Protection Agency and the Department of Transportation's National Highway Traffic Safety Administration that proposed new standards for fuel efficiency and GHG emissions for cars built between 2017 and 2025 will benefit the environment and allow the car industry to plan, as long as the government allows some flexibility on its targets. The proposed rule, released last December, would require cars and light trucks to meet rules for corporate average fuel economy and GHG emissions that translate into an average fleet standard of 54.5 mpg by 2025, and automakers are requesting a midterm review of the standards after a few years as well as consideration of a series of smaller check-ins.

CSAPR Litigation Expedited

The U.S. Court of Appeals for the District of Columbia Circuit ordered an expedited briefing schedule January 18 to litigate issues over the Cross-State Air Pollution Rule. Petitioners' first briefs are due February 9, and final briefs are due March 16, clearing the way for oral arguments in April. The schedule is faster than either the agency or industry and state petitioners had proposed. The court had previously stayed the rule, which targets power plant pollution that crosses state lines, and last week's order found that petitioners can move to lift the stay if they want to expand the briefing format and schedule.

No Boiler Notification Requirement Enforcement

On January 18, the Environmental Protection Agency announced that it will not enforce administrative notification requirements called for in March rules setting emissions standards for boilers and incinerators. The EPA decision comes after the U.S. District Court for the District of Columbia vacated EPA's decision to stay the boiler and incinerator standards.

Fracking Comment Period Extended

On January 20, the Environmental Protection Agency announced the extension of the public comment period, to March 12 from January 27, on a December 8 draft report identifying a probable link between groundwater contamination and hydraulic fracturing in Pavillion, WY. In a January 10 letter, Encana asked that EPA designate the Pavillion report a "highly influential scientific assessment," demanding the "highest level of integrity and scrutiny," and a letter making the same request was received from eight U.S. senators, including Sen. James Inhofe (R-OK), ranking member of the Senate Committee on Environment and Public Works, and Lisa Murkowski (R-AK), ranking member of the Senate Committee on Energy and Natural Resources.

EPA Air Quality Standards to be Finalized in June

On January 17, the Environmental Protection Agency told the U.S. Court of Appeals for the District of Columbia Circuit it would propose revised air quality standards for particulate matter by June 2012 with a finalized version by June 2013, asking for more time to complete its own internal review. EPA's filing was in response to petitions from advocacy groups and a coalition of 10 states last November asking the court to set a schedule.

EPA to Test Groundwater in Pennsylvania

On January 20, Environmental Protection Agency Administrator Lisa Jackson announced that, under the authority of the Comprehensive Environmental Response, Compensation, and Liability Act, the agency will begin water sampling at 60 homes in and around Dimock, PA, where concerns over fracking-related groundwater contamination concerns have emerged. Jackson said that authority in this area ultimately rests with Pennsylvania, but that residents petitioned the agency to act after an anemic state-level response. Oil and gas activities are historically exempt from federal Safe Drinking Water Act enforcement, but CERCLA negates that exemption when releases, or threatened releases, of hazardous substances pose a threat to the environment or public health.

Federal Energy Regulatory Commission

SC Request Denied

The Federal Energy Regulatory Commission rejected a request January 19 by South Carolina utility regulators to form a state-federal board that would be tasked with assessing the impacts of new and proposed environmental regulations on electric reliability. FERC Chairman Jon Wellinghoff announced that there are other options available to regulators whose states will be impacted by new Environmental Protection Agency clean air and water regulations. The commission issued an order concluding that the Federal Power Act's authorization of joint state-federal boards was intended to settle rate disputes, mergers, and other procedural matters, but not the impacts of environmental rules.

Fish and Wildlife Service

Report Advocates Climate Adaptation Strategy

On January 20, the Fish and Wildlife Service released the draft report *National Fish, Wildlife, and Plants Climate Adaptation Strategy: Public Review Draft*, arguing that the United States needs to identify and preserve vulnerable habitats in danger of being negatively affected by climate change by taking measures at the federal, state, and tribal level to mitigate that impact. The Fish and Wildlife Service are accepting comments on the draft plan through March 5.

Personnel

President Obama announced January 17 that Jeffrey Zients, deputy director for management and the country's first federal chief performance officer at the Office of Management and Budget, will again serve

as acting director of OMB. Current OMB Director Jack Lew will step down at the end of the month to succeed Bill Daley as chief of staff to the president.

The White House also withdrew Rebecca Wodder's nomination to be Assistant Secretary for Fish, Wildlife, and Parks. Wodder will remain at the Department of the Interior working in various conservation programs.

State

CA Battery Standards

The California Energy Commission adopted efficiency standards for battery chargers January 12, which since then have been drawing opposition from the electronics industry. The standards will reduce by 40 percent the amount of power used by the battery chargers for a wide range of consumer goods beginning next February, but the Association of Home Appliance Manufacturers, the Consumer Electronics Association, and the Power Tool Institute have said that the rules duplicate standards currently being developed by the Department of Energy, which are expected to become effective in the summer of 2014.

Wind Turbines Don't Impact Sleep

A panel of independent experts convened by the Massachusetts Departments of Environmental Protection and Public Health released a report January 17 finding no evidence that exposure to wind turbines is linked to sleep disruption or other mood disorders. Comments will be accepted until March 19.

CA State of the State

During his State of the State address last week, California Governor Jerry Brown (D) called on state leaders to, among other things, stimulate jobs, build renewable energy, reduce pollution and GHGs, and launch the country's only high-speed rail system. He touted the state's leadership on green jobs, efficient buildings, and environmentally sound technologies, and said that the state needs to continue to demand cleaner structures, cars, machines, and electric devices.

FL Counties' Climate Plan

Four south Florida counties, Monroe, Broward, Miami-Dade, and Palm Beach, created an alliance recently to prepare their communities for the impacts of climate change. The Southeast Florida Regional Climate Compact met last month to discuss a bipartisan Climate Action Plan to shore up the region's water supplies, transportation networks, buildings, and infrastructure.

CA Efficiency Financing Plan

The California Public Utilities Commission floated a proposal January 17 that would allow residents to borrow from a private lender, retrofit their businesses or homes, and then repay the loan over time through a line on their electric bills. The state will consider the new financing tool, which has been attempted in other states but has not achieved the mass scale that advocates had hoped for, as it attempts to meet stiff energy efficiency goals.

CA and Tribal Agreement

Southern California regulators and the Cabazon Band of Mission Indians announced a tentative pact January 18 to allow the California Air District to enforce local clean air laws at waste facilities operating on tribal property in the Coachella Valley. The agreement is part of a broader effort by federal, state, local, and tribal agencies to ensure that Western Environmental Inc., a soil-recycling facility, and related companies operating on the 640 acre Cabazon Resource Recovery Park, comply with environmental laws.

NJ Fracking Ban

On January 17, New Jersey Gov. Chris Christie signed legislation (S. 2576) imposing a one-year moratorium on fracking operations used during natural gas exploration and production while state regulators continue air and water quality assessments. However, the measure is largely symbolic, as there is no significant shale play in New Jersey.

MI Battery Tax Law Changes Take Effect

On January 1, Michigan's SB 855A took effect, requiring taxpayers taking the large battery facility credit create more jobs than in previous years, and by allowing unitary business units to file separate returns for the plug-in traction battery pack credit, integrative cell manufacturing facility credit, and various other Michigan Economic Growth Authority (MEGA) credits. The bill also expands the number of eligible facilities.

VT Nuclear Plant Remains Open

On January 19, the U.S. District Court for the District of Vermont issued a permanent injunction sought by Entergy Corp., ruling that a Vermont state permit law was preempted by the federal Atomic Energy Act. The decision will allow Entergy's aging Vermont Yankee power plant to remain open, and separately denies the state the right to condition the plant's operation on power being sold at below-market rates. More than half of Vermont Yankee's power remains in state and the plant's capacity is one-third of the state's energy needs.

International

India's Green Telecom

India's federal telecommunications regulator announced January 13 that it has issued directives to mobile service providers to disclose the carbon footprints of their networks twice a year and ensure that at least 50 percent of all mobile telecom towers in rural areas and at least 20 percent in urban areas are powered by a mix of renewable and grid-connected power by 2015. The target will increase to 75 percent in rural areas and 33 percent in urban areas by 2020. All telecom products, equipments, and services would have a Green Passport based on energy consumption ratings by 2015, and efforts would be made to green the entire network.

Chinese Air Quality Guidelines

China's Ministry of Environmental Protection recently announced plans to upgrade air quality guidelines and to have cities and provinces monitor fine particulate matter, and Hong Kong is now under pressure to follow suit. On January 9, it was reported that implementation would begin in 2016, and that Beijing, Tianjin, Shanghai, Guangzhou, and other municipalities would monitor PM-2.5 and release information to the public during the Chinese New Year; 113 cities across the country would monitor PM-2.5 by the end of 2013, and all cities above the county level would be required to monitor PM-2.5 by the end of 2015.

Sustainable EU Production and Consumption Needed

The European Commission released a consultation document January 11 calling on the European to adopt more ambitious and challenging policy plans to increase resource efficiency and reduce environmental harm. Specifically, the production and consumption of products should be made more sustainable; existing law on green public procurement should be strengthened; and clearer information should be provided about the environmental footprints of products and organizations.

Chinese GHG Trading Tested

China's National Development and Reform Commission announced January 13 that pilot carbon emissions trading programs will begin in seven geographical areas to determine which model will work best nationally. Beijing, Tianjin, Shanghai, Chongqing, Guangdong, Hubei, and Shenzhen will start hiring employees, arranging funding, and ironing out details for managing regional trading, with basic models established by the end of the year, and trading beginning by the end of 2013.

Abu Dhabi CCS Project

Masdar Carbon, one of the five business units of the Abu Dhabi national clean energy conglomerate, announced last week that it is moving ahead with a carbon capture and sequestration facility that will capture nearly 1 million MT CO₂ per year at the Emirates Steel complex at Mussafah. The facility, part of the collaboration between Masdar and the Abu Dhabi National Oil Company, is part of a program to explore joint projects between the two firms to reduce the carbon footprint of the emirate.

International Agency Cooperation

The International Energy Agency and the International Renewable Energy Agency sent of intent January 16 to expand their collaboration on renewable energy statistics, technology, and innovation. The two agencies will also increase cooperation at the secretariat level and in energy technology networks.

EU Airline Decision Unchanged

The European Commission sent a letter January 16 to U.S. Secretaries of State and Transportation asserting that it will not change its decision to include U.S. airlines in the European Union Emissions trading System. The U.S. may decide to charge European airlines to continue flights to the United States or bring a challenge at the International Civil Aviation Organization.

EU E-waste and Biocidal Revisions

The European Union Parliament endorsed January 19 updated electronic waste collection targets for EU countries and approved a revised system for authorizing biocidal products. The Council is expected to formally adopt the legislation, after which it can go into effect. The revisions would introduce progressively more ambitious targets for the collection and recycling of computers, cell phones, refrigerators, and other electrical and electronic equipment waste, and the biocides law would lighten approval processes for rat poisons, fungicides, and similar products.

Canadian-Chinese Trade Conflict

The Canadian Chamber of Commerce released a report January 18 finding that the government should negotiate sector-specific agreements with China aimed at eliminating restrictions that blocked increased Canadian access to Chinese markets. China is bound under the World Trade Organization to conform to trade norms, but while it has made progress in eliminating tariff and non-tariff barriers, concerns remain that China significantly understates remaining barriers, including ongoing subsidies to business and state-owned enterprises.

WTO Rules Public Can View Japanese-Canadian Dispute Hearing

On January 18, the World Trade Organization said the public can listen in on dispute panel proceedings between Japan and Canada over whether the domestic content requirements under Ontario's Feed-In Tariff (FIT) program violate WTO rules by requiring that wind and solar projects include a minimum amount of Ontario originated goods and services. On February 2-3, a three-member WTO panel will meet in Geneva to hear the first round of arguments from Japan and Canada, with the EU joining the case on the side of the Japanese government.

Draft European Commission Report Calls for Increased GHG Reductions

The European Commission is set to release an analysis arguing that the European Union should increase its 2020 goal for greenhouse gas emissions reductions. The Commission also will say that the price of carbon in Europe is not high enough because of a large surplus of EU Emissions Trading System (ETS) carbon allowances, negatively impacting the goal of cutting 1990 emissions levels by 20% by 2020. The Commission would like to see a baseline 30% reduction, supplemented with a 25% reduction achieved by continent-wide efficiency measures, and another 5% by investing in projects in developing countries. By 2010, European Union emissions had already fallen 14% from 1990 levels, and this analysis is part of an on-going attempt by the Commission to convince member nations that tougher targets are needed.

EU Shipping Emissions Regulations to be Released in 2012

On January 19, the European Union announced it will consider proposals on how to regulate international shipping's greenhouse gas emissions, and publish those standards by year-end. Experts believe the standards are likely to mirror the recent mandatory participation of all airlines operating in the EU in the Emissions Trading System (ETS). The standards are part of the goal of reducing continent-wide emissions 20% from 1990 levels by 2020.

IEA Efficiency Financing Report

On January 19, the International Energy Agency released *Joint Public-Private Approaches for Energy Efficiency Finance* to help governments reduce the public cost of energy-efficiency projects via partnerships with commercial banks and financial institutions in light of anemic public funding. Part of

IEA's "Policy Pathway" series, the 78-page report expands on the 25 energy-efficiency recommendations originally submitted to the 2008 Group of Eight Countries summit in Japan.

Chinese Emissions Data Opaque

On January 17, the Institute of Public and Environmental Affairs (IPE) and the Natural Resources Defense Council jointly released the third annual Pollution Information Transparency Index (PITI) finding that Chinese citizens have very poor access to pollution information, and that access is best in more developed regions. The report also found that only 19 of 113 cities studied met minimum standards for pollution data transparency. However, the report did show progress in cities' efforts to meet those standards.

Miscellaneous

Local RE Project Primer Released

The National Association of Local Government Environmental Professionals released a primer January 10 to help local governments determine the potential for developing renewable energy on brownfield and other contaminated sites. The report, *Cultivating Green Energy on Brownfields: A Nuts and Bolts Primer for Local Governments* provides a starting point for considering whether renewable energy facilities are feasible for such sites.

Shale Impact Analysis Defended

Three Cornell University professors released a report January 19 defending their conclusion that shale gas is worse than coal, oil, or conventional natural gas in terms of GHG emissions. The research team, which has taken considerable criticism since the April release of their earlier report, will advocate for tighter federal and state regulations on shale gas extraction.

Waste-to-Energy Plant Benefits

The Solid Waste Association of North America released a white paper January 8 finding that waste-to-energy facilities are reliable and provide economic benefits to communities. Although the sites usually require a significant capital investment financed through municipal revenue bonds, the association said that the facilities can generate revenue through the sale of renewable energy and recovery metals as well as via tipping fees.

Shale Gas Delays RE Market

The International Association for Energy Economics released a report January 19 concluding that the development of shale gas delays the market for low-emission technologies and renewable energy by up to two decades. The report, *The Influence of Shale Gas on U.S. Energy and Environmental Policy*, found that without regulatory policies like a renewable energy standard, there is little to no market for renewable energy technologies, and the natural gas revolution is changing the domestic energy outlook.

US Green Building Council Report on Job Creation Potential

On January 18, the U.S. Green Building Council released *Better Buildings Through Executive Action: Leveraging Existing Authorities to Promote Energy Efficiency and Sustainability in Multifamily, Residential, and Commercial Buildings*, which estimates that one million jobs could be created and \$130 billion per year saved if the Obama administration used its executive authority to promote green buildings. Use of the authority would require no Congressional appropriations or approval. The report's recommendations include: updating Section 179D of the tax code which covers deductions for energy-efficient commercial buildings; making information on tenant energy usage more easily available to landlords; creating energy efficiency programs under the Commerce Department's Economic Development Administration, and using Department of Defense procurement to act as a leader in green building.

Puerto Rican Waste to Energy Facility Challenged in Court

Activists supported by a local chapter of the Sierra Club filed a lawsuit against Puerto Rican authorities January 18 to block a \$50 million proposed waste-to-energy facility in Barceloneta on the grounds that an environmental impact study is inadequate. The group is asking the Court of Appeals of San Juan to

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invalidate the study before the Energy Affairs Administration of Puerto Rico can issue a final permit to Sunbeam Synergy Puerto Rico LLC. Sunbeam Synergy is a joint venture of Synergy Renewables LLC of Dallas and Sunbeam Energy Holdings Inc. of Falmouth, MA.