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ENERGY AND ENVIRONMENT UPDATE

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Energy and Climate Debate

With the lame duck session in full swing, fiscal cliff negotiations are ongoing, but slow moving, and energy issues are stuck in the middle of the fight.

Though many are hopeful that the expiring wind production tax credit will be extended, Senator Chuck Grassley (R-IA) said November 28 that the fight now has more to do with saving the credit than with which version of the extension should prevail. Multiple versions of an extension are pending in Congress. Senator Grassley has proposed a stand-alone measure, the American Energy and Job Promotion Act (S. 2201), to extend the program for two years, while the Senate Finance Committee approved in August a tax extension measure, the Family and Business Tax Cut Certainty Act (S. 3521) to extend and expand the program. Legislation extending the credit has also been introduced in the House, but has not advanced.

The North American Association of Insulation Manufacturers sent letters to House and Senate leadership November 29 urging them to extend the 25C home retrofit credit and the 45L energy efficient new home credit as part of the tax extenders negotiation. Both credits expired at the end of 2011, but were included in the Finance Committee's August package.

Smart Growth America asked Congress November 19 to pass a tax incentive, Section 198, by the end of the year to encourage brownfields development. Extending the incentive through fiscal year 2013 would allow for greater expenditure in brownfields development and maintain existing momentum; the brownfields tax incentive was created as part of the Taxpayer Relief Act of 1997.

After receiving significant attention in the media a couple of weeks ago, policymakers continue to voice their opinion over whether a carbon tax has a place in the fiscal cliff negotiations. Senator Lisa Murkowski (R-AK) said November 28 that a carbon tax has little political momentum as this moment, while a group of more than 100 companies, including Shell and BP, signed the Carbon Price Communique November 20 encouraging Congress and the Administration to put a clear price on carbon emissions.

Senator David Vitter (R-LA) and Representative Mike Pompeo (R-KS) said November 29 that they plan to introduce a concurrent resolution this week stating that a carbon tax is not in the economic interest of the United States. Senate Majority Leader Harry Reid's (D-NV) office said that the resolution will not get a vote in the Senate.

As part of the Defense authorization negotiations, the Senate approved, 62-37, an amendment from Senator Mark Udall (D-CO) November 28 to the National Defense Authorization Act for Fiscal Year 2013 (S. 3254) that removed a provision that would have prohibited the Defense Department from producing or procuring biofuels if the cost exceeds the price of traditional fossil fuel. One of the Pentagon's energy goals includes having the Navy derive 50 percent of its total energy from alternative sources by 2020 and having the Air Force obtain half of the fuel it uses for domestic flights from alternative sources by 2016. The Senate also approved an amendment from Senator Kay Hagan (D-NC) to strike a provision that would prohibit the Pentagon from entering into a contract to plan, design, or construct a biofuel refinery unless specifically authorized by law. It is unclear when the bill will come to a vote on final passage.

House and Senate farm bill leaders joined Agriculture Secretary Tom Vilsack last week in a last ditch effort to put in place a new five-year plan before the end of this Congress, though it is quite likely that an agreement is not worked out until next year. The Farm Bill includes an energy title.

Congress

Tier 3 Standards Sought

Senator Kirsten Gillibrand was joined by 11 of her colleagues November 29 in sending a letter to President Obama calling on the Environmental Protection Agency to move forward with Tier 3 regulations to limit sulfur in gasoline.

Revenue Sharing Legislation Forthcoming

Senators Lisa Murkowski (R-AK) and Mary Landrieu (D-LA) signaled their support November 28 for using a portion of offshore drilling royalties for energy research as part of a broader revenue sharing proposal. Both senators hope to pursue revenue sharing legislation next year that funnels royalties to coastal states.

Murkowski Energy Plan

Senator Lisa Murkowski (R-AK) said November 28 that she plans to release her energy blueprint for the next Congress in January, after she has an opportunity to consult with new members of the Senate Energy and Natural Resources Committee. The plan will focus on making energy "abundant, affordable, clean, diverse, and secure."

Renewed Commitment to EE Legislation

Senators Rob Portman (R-OH) and Jeanne Shaheen (D-NH) said November 27 that they are preparing an aggressive push for their energy efficiency legislation in the next Congress. The two are meeting to map out a path forward for the measure, which includes increasing efficiency standards for buildings and appliances and a revolving loan fund to help improve manufacturing efficiency. They are also preparing to discuss the bill with some of their colleagues soon.

Particulate Rule Estimates Requested

Representatives Fred Upton (R-MI), Ed Whitfield (R-KY), and Joe Barton (R-TX) sent a letter November 16 to Environmental Protection Agency Administrator Lisa Jackson asking her to provide by November 29 an updated cost estimate for the particulates rule that does not include cross-state reductions. The agency is preparing a regulatory impact analysis for the final particulate matter rule that will be publicly available after December 14.

GRID Act Passage Urged

Representative Ed Markey sent a letter November 20 to House energy and Commerce Chairman Fred Upton (R-MI) urging him to take immediate action to pass the GRID Act, legislation they co-sponsored last Congress that aims to boost the domestic electric grid against cyber attacks and physical vulnerabilities or threats.

Opposition to EPA Demand Response Revisions

Senators Frank Lautenberg (D-NJ), Joe Lieberman (I-CT), Sheldon Whitehouse (D-RI), Kirsten Gillibrand (D-NY), Ben Cardin (D-MD), and Bob Menendez (D-NJ) encouraged the Environmental Protection

Agency in a November 27 letter to revise a proposed rule that would allow stationary engines that generate electricity to run without emissions controls for 100 hours per year. The group charged that the engines, operating under demand-response circumstances, would undermine a program that is intended to encourage energy efficiency and smart grid management. They did not specify what an appropriate number of hours would be. The agency published a proposed rule June 7 to allow backup, reciprocating internal combustion engines to operate for up to 100 hours during emergency and electricity peak-use periods without being subject to emissions limits.

Corker to Leave ENR

Senator Bob Corker (R-TN) will leave his spot on the Energy and Natural Resources Committee. With the departure of Senate Foreign Relations Committee Ranking Member Dick Lugar (R-IN), Senator Corker becomes the top Republican on the Committee, though there are rumors going around that Senator Marco Rubio (R-FL) may try to bypass him for the position.

Carbon Tax Emails Sought

Senator David Vitter (R-LA) sent a letter November 20 to Treasury Secretary Timothy Geithner accusing the agency of withholding thousands of pages of emails that could be related to the department's involvement with carbon tax issues. The Competitive Enterprise Institute is seeking the emails under the Freedom of Information Act.

Legislation Introduced

House Science Committee Chairman Ralph Hall (R-TX) introduced the Tapping America's Energy Potential through Research and Development Act (H.R. 6603) November 27 to authorize \$111 million for the Department of Energy to conduct research and development on unconventional oil and natural gas resources and to find ways to reduce the volume of water used in the exploration processes.

Representative David McKinley (R-WV) introduced a concurrent resolution (H.Con. Res. 142) November 30 expressing the opposition of Congress to Federal efforts to establish a carbon tax on fuels for electricity and transportation.

Administration

American Airlines Protected from EU Emissions

President Obama signed into law the European Union Emissions Trading Scheme Prohibition Act (S. 1956) November 27 to prohibit U.S. airlines from participating in the European Union's Emissions Trading System for greenhouse gas emissions. The International Civil Aviation Organization is working to reach a global solution for reducing aviation emission.

Department of Agriculture

Biobased Chemicals Market

Lux Research recently released a report suggesting that the Department of Agriculture would expand the biobased chemicals market if it fulfills its pledge to certify intermediates through its BioPreferred program. The report, *Bridging the Divide Between Demands and BioBased Materials*, finds that the certification program provides reliable measurements of biobased content, allowing sellers to best communicate with buyers.

Department of Commerce

Smart Grid MOU

National Institute of Standards and Technology Director Patrick Gallagher will sign a Memorandum of Understanding December 4 between the Smart Grid Interoperability Panel 2.0 and the institute to formalize their ongoing relationship.

Department of Defense

Green Procurement Requirements

The Department of Defense recently released a Defense Procurement and Acquisition Policy directive, laying out fiscal year 2012 reporting requirements aimed at showing progress in meeting the agency's goal of having 95 percent of contract actions meet requirements for supply and use of green and sustainable products and services. Executive Order 13,514, issued in October 2009, set forth the requirements. The memo reiterates the sustainable procurement goal and directs the Army, Navy, Air Force, and Defense Logistics Agency to review a sample of 100 contract actions valued at more than \$3,000 to determine if they include requirements for sustainable products and services.

Department of Energy

\$120 Million for Battery Hub

The Department of Energy selected November 30 Argonne National Laboratory to be the center of a \$120 million advanced battery research hub for electric vehicles, with satellite locations in Holland and Ann Arbor, Michigan. The hub will include a partnership between several national laboratories and universities, as well as Dow Chemical Company, Applied Materials, Johnson Controls, and the Clean Energy Trust. The hub will seek to produce batteries that are five times more powerful and five times cheaper than current batteries within five years.

\$11 Million for SSL

The Department of Energy announced up to \$11 million in new funding November 29 to support the research, development, and commercialization of solid-state lighting manufacturing technologies. The agency will select up to six projects that will help accelerate the development of high-quality light-emitting diode and organic light-emitting diode products that can significantly reduce energy costs for American families and businesses and ensure that the United States remains competitive.

\$452 Million for SMRs

The Department of Energy announced November 29 that it will help to finance the development of small modular reactors in a project that will be led by Babcock & Wilcox Co. in partnership with the Tennessee Valley Authority and Bechtel International. The agency is providing partial research and development funding, to the tune of \$452 million, to perfect small modular reactor technologies, enabling companies to apply for design certification and licensing with the Nuclear Regulatory Commission for next generation nuclear reactors. The department will invest up to half the total project cost through a five-year cost-sharing agreement, with the goal of helping B&W to obtain licensing and achieve commercial operations by 2022. The agency will conduct a second solicitation in the near future for an additional project to be partially funded by the research and development program.

Clean Cities

The Department of Energy's Clean Cities initiative announced November 19 20 projects to help states and local governments reduce red tape and develop infrastructure, training, and regional planning to help meet the demand for alternative fuel vehicles.

Solar Costs Declining

Lawrence Berkeley National Laboratory released a report November 27 finding that the average cost to install a new solar system was 11 to 14 percent lower than last year, depending on the size of the project. The report concluded that even with continued price declines, costs must decline further if the industry is to continue growing, especially as incentive programs begin to phase out.

\$10 Million for Solar

The Department of Energy announced November 19 a \$10 million investment in 10 small business-led projects to hasten solar energy innovation and reduce its installed cost. The SunShot Initiative funding will go to projects in Arizona, California, Massachusetts, New Hampshire, New Jersey, and Pennsylvania.

US-Canadian Energy Trade

The Energy Information Administration released a report November 26 finding that the United States and Canada share the world's most significant energy trade, exceeding \$100 billion in 2011, but that the bulk

of the resources move from Canada to the United States. Canadian crude made up about 25 percent of US oil imports last year, making the country the largest supplier of foreign oil to the US.

Department of Interior

RE Leasing Streamlined

The Department of Interior finalized a rule last week that will streamline the leasing approval process on tribal land to encourage increased commercial development like renewable energy projects. The final rule on Residential, Business, and Wind and Solar Resource Leases on Indian Land removes significant obstacles to wind and solar energy development on tribal lands, including lease approval delays and strict requirements for federal approval of projects.

Wind Energy Area Leases

The Department of Interior announced November 30 that it will offer for lease about 278,000 acres in two wind energy areas, one off the coast of Virginia and a second off the coasts of Massachusetts and Rhode Island. The proposed lease areas will accommodate 4 GW of wind energy generation, enough to power 1.4 million homes. The Rhode Island and Massachusetts wind energy area covers 164,750 acres and would be auctioned off as two leases, while the Virginia wind energy area covers 112,800 acres and would be auctioned as a single lease.

Department of Justice

LA Coal Settlement

The Justice Department of Environmental Protection Agency announced November 20 that Louisiana Generating, a unit of NRG Energy, has agreed to invest \$250 million in new pollution control equipment over the next three years at a coal fired power plant under a settlement to resolve alleged violations of the Clean Air Act. The company also agreed to pay a \$3.5 million civil fine and spend \$10.5 million on mitigation projects.

Environmental Protection Agency

Paper Mill Emissions Factors Revisions Sought

The American Forest & Paper Association and American Wood Council sued the Environmental Protection Agency in the U.S. Court of Appeals for the District of Columbia Circuit November 16, contending that the agency's emissions factors for its greenhouse gas reporting requirements for paper mills and biomass-fired boilers exceed overstate actual emissions and should be revised. The group argues that a recent study showing that emissions factors exceed actual emissions is grounds for revising the 2009 mandatory reporting rule.

Agency Follows Court's Decision on CSAPR

In a November 19 memo to the Environmental Protection Agency's regional offices, assistant administrator for air and radiation Gina McCarthy said that the agency will review state air pollution plans to ensure that they can meet emissions reduction goals even though they may no longer be able to rely on significant reductions in emissions of SO₂ and NO_x under the Cross-State Air Pollution Rule. A federal appeals court vacated the cross-state rule in August, leaving in place the 2005 Clean Air Interstate Rule, and the agency will act in accordance with the decision while it appeals the ruling.

Investigation of Renewable Fuel Credit Trading Program

The Environmental Protection Agency inspector general released a memo November 20 announcing that it will begin preliminary research to examine the agency's role in managing the Renewable Fuel Credit Trading Program. The program, created under the Renewable Fuel Standard, in which renewable fuel produced or imported is assigned a Renewable Identification Number, has been plagued by fraud. The American Petroleum Institute, which earlier called for program reform, said November 27 that it will seek to repeal the renewable fuel standard entirely, while the Biotechnology Industry Organization opposes the institute's efforts to dismantle the program.

Mobile Emissions Caps Sought

The New York University Law School's Institute for Policy Integrity announced November 27 its plans to sue the Environmental Protection Agency for failure to limit transportation emissions. Mobile emissions account for 36 percent of total domestic emissions.

Coal Ash Recycling Stalled

The American Coal Ash Association released its annual use survey November 27, concluding that uncertainty about how the Environmental Protection Agency will regulate coal ash is stalling the growth of reusing the material. The association charges that the agency's potential regulation of coal ash as hazardous waste is preventing otherwise interested parties from using material in a host of applications; the agency said in October that it needs at least another year to complete its final rulemaking, but industry groups are hopeful that the Senate will act on related legislation during the lame duck session.

Coal Ash Regulation Sought

Headwaters Resources Inc. and Boral Material Technologies as well as environmental advocates filed separate briefs in opposition November 20 in the U.S. Court condemning the Environmental Protection Agency's lack of progress on revising coal ash regulations and asking the court to set timetables for the agency to complete the rulemaking. The agency and intervening defendants are scheduled to file replies to the briefs in opposition by December 13.

AAA Opposes E15

AAA announced last week that E15 could damage car engines and void warranties. The organization suggested that the Environmental Protection Agency conduct additional tests before it adopts the standard more widely. AAA claims that less than 5 percent of cars currently in use are approved by automakers to use E15.

Guidance on Vehicle Emissions and Energy Consumption Models

The Environmental Protection Agency recently released guidance on the appropriate use of its models to estimate GHG emissions or energy consumption for vehicles in a state or metropolitan area. The guidance, which was developed in collaboration with the Department of Transportation, applies to the use of the Motor Vehicle Emissions Simulator.

Federal Energy Regulatory Commission

Clark's Goals

Speaking at the Energy Bar Association's mid-year conference November 29, Tony Clark, the newest member of the Federal Energy Regulatory Commission, said that he plans to focus on two goals during his tenure: expanding energy infrastructure and ensuring manipulation-free energy markets. Mr. Clark is a former chairman of the North Dakota Public Service Commission, where he served for 12 years.

Federal Trade Commission

Ethanol Market Unconcentrated

The Federal Trade Commission's Bureau of Competition and Economics released a report recently finding that there are 154 firms in the United States either producing ethanol or likely to be in production over the next 12 to 18 months. The eighth annual report, as required by the Energy Policy Act of 2005, concludes that the ethanol market remains unconcentrated.

General Accountability Office

Coal Retirements Forthcoming

The Government Accountability Office released a report November 28 finding that power plants that account for 15 to 18 percent of the coal's coal-fired electric generating capacity are expected to be retired by 2020. The report, *Significant Changes Are Expected in Coal-Fueled Generation, but Coal is Likely to Remain a Key Fuel Source*, concluded that coal plants will be retiring in part because fracking operations have lowered natural gas prices and because Environmental Protection Agency air regulations will

require the installation of pollution controls. The retiring plants are older, smaller, and dirtier than those that will not be retired.

Nuclear Regulatory Commission

Vogtle Plant Case

Nine environmental and public interests groups seeking to require stronger safety standards for new nuclear power plants faced considerable skepticism from a three-judge panel in the U.S. Court of Appeals for the District of Columbia November 19 regarding the merit and timing of their petitions. The groups are opposed to a plan to build two additional reactors at a Georgia nuclear power plant, and are challenging the Nuclear Regulatory Commission's licensing process in the court.

Waste Storage Disposal Solution Sought

Allison Macfarlane, chair of the Nuclear Regulatory Commission, said November 25 that she hopes Congress and the Administration will find a solution for the temporary storage and permanent disposal of high-level radioactive waste. The commission will be working on the impact statement and waste confidence rule over the next 24 months and there may be some delays in licensing plants until then.

International

COP/MOP Begins

The 18th Conference of Parties to the 1992 United Nations Framework Convention on Climate Change and the 8th Meeting of the Parties to the 1997 Kyoto Protocol began their annual two weeks of climate talks in Doha, Qatar November 26, and international negotiators will grapple with what kind of actions will be required of industrialized and rapidly developing nations in a 2020 global climate agreement while also ensuring the extension of CO2 caps under the Kyoto protocol. Negotiators from 190 countries will participate in the summit through December 7. Jonathan Pershing, U.S. deputy special envoy for climate change, called November 26 on negotiators to resist any attempt to revisit the deal made last year in Durban that committed all countries to take actions to curb global warming. The European Parliament approved a resolution November 22 finding that the summit should adopt a decision identifying the mitigation gap between current emissions and safe levels.

G77 Requests Increased Climate Assistance

At international climate negotiations in Doha, Qatar, November 30, the G77, a group of 77 developing countries that are members of the United Nations, requested that wealthier countries commit to increasing the amount of financial assistance offered for climate change mitigation and adaptation efforts. The G77 proposed that developed countries raise \$60 billion a year for climate assistance starting next year, and that they increase the amount on offer to \$100 billion by 2020.

3 Approaches to U.N. Climate Talks

The Center for Climate and Energy Solutions released a report November 28 listing three approaches governments could take in the annual international climate negotiations. The first is to expand the basic architecture of the Kyoto Protocol of absolute, national emissions reduction targets and international accounting rules to include more countries; the second, to legalize the types of commitments made at the 2010 negotiations, in which countries decide on their own emissions targets and actions; or the third, to take a multifaceted approach in which countries choose among different tracks.

EU Environmental Goals

The European Commission published a proposal for a legislative decision November 29 finding that the European Union should commit to a shared understanding of the value of European Union environmental policy by endorsing a nine-point strategy that would run through 2020. The Seventh Environmental Action Program outlines how EU environmental policy would fit into the bloc's larger economic and social development goals, but does not outline specific legislation.

Global GHGs Up

The United Nations World Meteorological Organization released its annual Greenhouse Gas Bulletin November, finding that concentrations of atmospheric GHGs reached another record high in 2011, with growth in atmospheric CO₂ continuing to increase steadily. Concentrations of CH₄ and NO_x also increased last year.

UK CCS

The U.K. Carbon Capture and Storage Cost Reduction Task Force, a collaboration between the Department of Energy and Climate Change, the Crown Estate, and the U.K. CCS industry, released a report November 21 finding that electricity from large-scale gas and coal power plants equipped with carbon capture and storage could be cost-competitive with nuclear and renewable-generated electricity in the United Kingdom in a decade. The report, *The Potential for Reducing the Costs of CCS in the UK*, recommended investing in clusters of CO₂ storage sites, shared pipelines, and power plants with improved CCS technologies that should be available in the early 2020s; pursuing policies to reduce risk and encourage investors to fund CCS projects; and exploiting opportunities to use captured CO₂ for enhanced oil delivery.

Institutional Investors Request Government Climate Leadership

The European Institutional Investors Group on Climate Change, the North American Investor Network on Climate Risk, the Australia/New Zealand Investor Group on Climate Change, the Asia Investor Group on Climate change, the United Nations Environment Programme Finance Initiative, and the Principles for Responsible Investment Initiative asked leading industrialized nations November 20 to take ambitious action on climate change, including setting policies to drive low carbon investment.

7.2 Degrees Warmer by 2100 Predicted

The World Bank released a report November 18 finding that the world is on a path to warm by 7.2 degrees Fahrenheit by the end of the century without aggressive global action to reduce emissions. The report, *Turn Down the Heat: Why a 4°C Warmer World Must be Avoided*, concluded that such an increase could lead to extreme heat waves, decreased food supply, substantial sea level rise and coastal flooding, and other negative impacts.

Concerns of Thawing Permafrost

The United Nations Environment Program released a report November 27 finding that permafrost thawing may potentially accelerate the pace of climate change through 2100 and beyond by releasing significant amounts of CO₂ and CH₄ stored beneath the Earth's surface. The report, *Policy Implications of Warming Permafrost*, concluded that this could result in permafrost carbon feedback, as emissions released from the subsurface layer increase the globe's surface temperature, which then accelerates further thawing of the permafrost.

EU ETS Changes

The European Commission announced November 29 that a decision on a proposed change to the European Union's Emissions Trading System will at the earliest be made in mid 2013. The change could involve the postponement of carbon permit auctions from 2013-2015 to 2019-2020.

Swiss CO₂ Emissions Reduction Targets

The Swiss government approved November 30 a Carbon Dioxide Ordinance that requires country to reduce emissions 20 percent by 2020 when compared with 1990 levels. The ordinance prescribes that the GHG reduction burden be split among the buildings, transportation, and industrial sectors in proportion to each sectors' share of total emissions.

Indian Solar AD Investigation

India's Directorate-General of Anti-Dumping agency stated November 23 that it found evidence of dumping and has launched antidumping investigations against solar cells produced in or exported from China, Chinese Taipei, Malaysia and the United States. The investigation will likely be of consequence to U.S.-based solar cell manufacturers that supply solar cells to Indian firms that received financial support from the Overseas Private Investment Corporation and the Export-Import Bank. All types of solar cell

exports from the aforementioned countries that were received from January 1, 2011 to June 30, 2012 will be investigated.

States

MI RES Plans

Michigan Governor Rick Snyder (R) said November 28 that he wants to take the next year to have an open dialogue on renewable energy, waiting until 2015 before establishing new requirements for utilities' renewable energy purchases. The state requires that 10 percent of all energy come from renewable sources by 2015, and utilities are on track to meet the goal. A ballot initiative that would have amended the state constitution to require utilities to obtain 25 percent of their electricity from renewable sources by 2025 failed.

NY Fracking Lawsuit

Lenape Resources, a western New York oil and gas company, filed suit in the Supreme Court of the State of New York, County of Livingston, November 12 against Avon, New to overturn the town's prohibition against fracking. The company, seeking compensatory damages of \$50 million, alleges that the state law regulating oil and gas drilling preempts Avon from prohibiting the practice.

CA's First Cap and Trade Auction

California's largest GHG emitting businesses paid \$10.99/MT for the right to release carbon November 14, raising \$233 million for the state and its energy companies in its first ever carbon permit auction. The permit price was below market expectations despite strong demand from utility companies, manufacturers, and oil refineries. Brokers and analysts had predicted a clearing price between \$11.75 and \$12.50/MT. Compliance entities and financial institutions purchased all of the 23.1 million permits offered at the auction to cover 2013 emissions; the money will be given to the state's utility companies, which must use it to protect ratepayers. The auction is a critical step ahead of the cap and trade program's official January 1, 2013, start date. The state also auctioned 39.5 million permits that cover 2015 emissions, but only sold about 5.6 million of those allowances, which cleared at \$10/MT, the baseline price allowed under the program's rules. The \$55 million raised by the sale of those allowances will be deposited into the state's new Air Pollution Control Fund.

NY Fracking Regs Extension

The New York State Department of Environmental Conservation requested November 27 a 90-day extension to complete its fracking regulations to give the state health commissioner additional time to review the health impacts of the practice.

RGGI Auction Benefits

The Regional Greenhouse Gas Initiative released a report November 19 finding that proceeds from emissions allowance auctions already held will generate about \$1.3 billion in lifetime energy savings and avoid emissions of 12 million MT/CO₂. The report, *Regional Investment of RGGI CO₂ Allowance Proceeds, 2011*, concluded that clean energy and energy efficiency investments from the proceeds will offset the need for 27 million MWh of electric power and 27 million Btus of energy consumption.

CA Solar Sales Tax Exemption

The California State Board of Equalization issued a notice November 12 explaining that solar power facilities may qualify for partial sales tax and use tax exemptions for farm equipment and machinery. The partial exemption applies to sales and leases of farm equipment used at least 50 percent of the time in producing and harvesting agricultural products.

HI RE Tax Credit Altered

The Hawaii Department of Taxation released temporary regulations November 9 that change the way taxpayers calculate their renewable energy technologies tax credit for other solar energy systems, by basing the credit on the system's capacity for KW output. The temporary regulations require a single-family residential property system to have a five KW total output capacity; multifamily systems must have at least 0.360 KW output per unit per system; and commercial property systems, 1,000 KW.

TVA Mediation Ordered

The U.S. District Court for the Eastern District of Tennessee ordered November 20 the Tennessee Valley Authority and property owners and residents impacted by the 2008 coal ash sludge spill from the TVA facility in Kingston to engage in mediation in an effort to resolve or streamline pending litigation. The two must submit a joint proposal regarding a mediator selection within 30 days and attempt to reach an agreement over the issues within 120 days.

Revised NY Fracking Regs

The New York State Department of Environmental Conservation released revised fracking regulations November 29 after making several changes proposed by supporters and opponents of the drilling method. The revised rules retain prohibitions on fracking in the New York City and Syracuse watersheds, as well as within 500 feet of the state's 18 primary aquifers.

Miscellaneous

RFS Raises Chain Restaurant Prices

The National Council of Chain Restaurants released a report November 28 finding that the renewable fuel standard for ethanol has raised prices for chain restaurants by \$3.2 billion a year. The report, *Federal Ethanol Policies and Chain Restaurant Food Costs*, projected the economic impact of the RFS in 2015 based on two scenarios: one in which the standard increased corn prices by 27 percent, and one in which it increased corn prices by 4 percent.

State RES Opposition

The Heartland Institute and the American Legislative Exchange Council are working together on model legislation to undercut state-level renewable energy mandates around the country. The Electricity Freedom Act would repeal state standards requiring utilities to obtain a portion of their electricity from renewable power; 29 states and the District of Columbia have binding renewable standards.

Greener Electronics

Greenpeace released a guide recently urging electronics companies to increase their use of renewable energy sources in the manufacturing process. The report, *The Guide to Greener Electronics*, found that a large portion of electronic devices' carbon footprint stems from the manufacturing process.

Steel Recycling Up

The Steel Recycling Institute released a report November 15 finding that the recycling rate for steel increased 4 percent to 92 percent in 2011. Steelmaking furnaces used almost 10 million more net tons of steel scrap from 2010 to 2011, bringing the total recycled amount to a high of more than 85 million MT.

Integrated Reporting Better for Business

The International Integrated Reporting Council released a report November 12 finding that companies that combine sustainability and financial reports obtain better quality data collection and a deeper internal knowledge of the entire business. The report, *Understanding Transformation: Building the Business Case for Integrated Reporting*, concluded that integrated reporting also benefits analysts.

BPC Energy Suggestions

The Bipartisan Policy Center called on President Obama and Congress last week to establish the National Energy Strategy Council, which would coordinate U.S. energy policy across the federal bureaucracy. The council, chaired by the secretary of energy, would be tasked with conducting a quadrennial energy review, similar to the congressionally mandated process for Defense Department programs.

Algal Biofuel Viability

National Academy of Sciences researchers said November 27 that large-scale biofuel from algae production is possible with improvements in the fuel production process as well as in the strains of algae used.

Long-Distance Wind Projects

National Grid USA agreed November 27 to invest \$40 million in Clean Line Energy Partners LLC's proposal to develop four high-voltage, direct-current transmission lines that could transport thousands of MW from Midwest wind and solar facilities to cities and businesses across the country. The company is in the early stages of developing four long-distance transmission lines that will cost \$2-3 billion each to build.