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## **ENERGY AND ENVIRONMENT UPDATE**

### **March 18, 2012**

#### **Energy and Climate Debate**

Following an extended debate over a number of non-germane energy amendments, the Senate overwhelmingly approved March 14 a \$109 billion transportation bill that would fund road and transit projects for the next two years. The bipartisan 74-22 vote places added pressure on Speaker of the House John Boehner (R-OH) and House Republicans to either pass a measure of its own or take up the Senate-approved version before current highway funding expires March 31.

The legislation extends current levels indexed to inflation while also reforming the project review process and consolidating a few federal programs. The Speaker's preferred language is a five-year, \$260 billion package that would pay for infrastructure projects with revenue from new domestic oil and gas drilling; while House Republicans have been divided on the measure, it is possible that the House could move to the Senate bill soon.

Prior to the vote, the Senate moved through two amendments on the environmental reviews for infrastructure damaged by natural disasters, rejecting one from Senator Rand Paul (R-KY) that would have required federal agencies to hasten environmental reviews for damaged roads and bridges, and approving one from Senate Environment and Public Works Committee Chair Barbara Boxer (D-CA) expressing the sense of the Senate that federal agencies should hasten review in similar situations.

A manager's amendment agreed to the previous day approved to the Senate transportation bill language that would allow Energy Secretary Steven Chu to rearrange department money to fully fund the first half of a research, development, and deployment program for enrichment technology destined for a U.S. Enrichment Corporation facility in Ohio.

Other energy amendments fell short of the 60-vote threshold to move forward. The NAT GAS Amendment from Senatos. Robert Menendez (D-NJ) and Richard Burr (R-NC), which failed, would have expanded tax credits for natural gas fueled vehicles and for natural gas-related infrastructure such as fuel pumps. Sen. Pat Roberts (R-KS) saw his amendment to expand onshore and offshore drilling and approve the Keystone XL pipeline only received 41 votes. An amendment from Sen. Stabenow (D-MI) failed on a 49-49 vote and would have included an extension of renewable energy and biofuel tax supports, including the production tax credit, the Section 1603 Treasury Grant program and the 48C Advanced Energy Manufacturing Tax Credit. Sen. Jim Demint (R-SC) also saw his amendment repealing specialized energy tax credits fail to win inclusion.

During the debate, Senate Majority Leader Harry Reid (D-NV), Minority Leader Mitch McConnell (R-KY), and Finance Committee Chairman Max Baucus (D-MT) engaged in a colloquy agreeing that they should find a path forward for expired and expiring tax extender programs, while Republicans also called for a full examination to see which could be eliminated.

On Thursday, President Obama gave a major policy speech in which he announced that he is considering dipping into the strategic petroleum reserve (SPR), criticized attackers of renewable energy, and pointed out that more oil and gas is being produced in the United States today than when he took office. The president also touched on gas prices, saying that there is no "silver bullet" that will bring them down, and said that he expects a vote in Congress within a few weeks on ending oil subsidies. This week, the President will visit Nevada, Oklahoma, Ohio, and New Mexico to promote his energy policies. The tour begins with a speech in Cushing, OK, a major oil storage hub, followed by a visit to a Nevada solar company. Next, Obama will visit oil and gas production operations on federal land in Carlsbad, New Mexico, and will round out the trip with a speech at Ohio State University.

This week, the Senate will continue its work on a capital markets bill (JOBS Act, H.R. 3606) from the House, while House members consider health care legislation that would reform medical malpractice. Majority Leader Reid may also hold a cloture vote March 20 on an amendment from Senator Maria Cantwell (D-WA) that would reauthorize the charter of the Export-Import Bank for four years and raise its credit exposure cap to \$140 billion.

## **Congress**

### Oil Futures Legislation

Representative Peter DeFazio (D-OR) sent a letter March 6 to President Obama asking for support of his legislation that would reduce excessive speculation in energy markets by imposing a 0.01 percent tax on oil futures, options, and swaps transactions. The tax (the Taxing Speculators Out of the Oil Market Act, H.R. 2003), which would exempt commercial hedgers, would dissuade investors from excessive speculation, thus returning oil prices to a normal supply and demand price curve.

### DOE Loan Guarantee Auditor Testifies

On March 13, Herb Allison, author of *The Report of the Independent Consultant's Review with Respect to the Department of Energy Loan and Loan Guarantee Portfolio* testified before the Senate Energy and Natural Resources Committee on shortcomings and potential fixes to the loan guarantee program. The report had several recommendations for administrative changes, such as overhauling the risk analysis system and clarifying the program's specific goals and priorities. Sen. Ron Wyden suggested legislative fixes in addition to the report's proposed administrative changes and ranking Republican Sen. Lisa Murkowski lamented the slow pace of disbursement.

### Bass-Matheson Support Letter

Last week, more than twelve business entities, among them United Technologies, Siemens and the U.S. Chamber of Commerce, sent a letter to House Energy and Commerce Energy & Power Subcommittee Chairman Ed Whitfield (R-KY) requesting a hearing "as soon as possible" on the "Smart Energy Act" (H.R. 4017) introduced by Rep. Charles Bass and Jim Matheson (R-UT). The bill has four co-sponsors, Reps. Peter Welch (D-VT), John Barrow (D-GA), Robert Dold (R-IL) and Michael Fitzpatrick (R-PA) and would encourage energy efficiency upgrades through tax incentives and mandate efficiency upgrades to federal data centers, among other things.

### 1603 Questioned

Representatives Fred Upton (R-MI) and Cliff Stearns (R-FL) sent letters to Energy Secretary Steven Chu and Treasury Secretary Timothy Geithner March 15 questioning the administration's fiscal year 2013 budget request to extend the expired 1603 Treasury Grants program, saying reports from the Congressional Research Service have raised doubts about the program. The congressmen also indicated that they are concerned that as of December, roughly \$3.37 billion in grants had been awarded to nine

companies, and asked the secretaries to provide specific initial cost estimates for the program, a list of all grant recipients, and information about job creation.

#### NRC Reappointment

Senator Jeff Sessions (R-AL) threatened March 15 to shut down the Senate unless President Obama reappoints Kristine Svinicki to the Nuclear Regulatory Commission before her term expires June 30. Under commission rules, she will have to leave the commission on the last day of her term unless she is renominated by the president and confirmed by the Senate to a second term. Her departure would leave a commission ratio of three Democrats and one Republican.

#### Legislation Introduced

Senators Mark Udall (D-CO), Michael Bennet (D-CO), and Chuck Grassley (R-IA) proposed the American Energy and Job Promotion Act (S. 2201) March 15 to maintain the production tax credit for renewable energy until January 1, 2015. The wind credit is slated to expire at the end of 2012.

#### Upcoming Hearings

The Senate Environment and Public Works Subcommittee on Clean Air and Nuclear Safety Standards will meet March 20 to hold an oversight hearing to review the Environmental Protection Agency's mercury and air toxics standards for power plants; Assistant Administrator for Air and Radiation Gina McCarthy will testify.

The same day, the House Energy and Commerce Subcommittee on Energy and Power will hold a hearing on the American energy initiative, focusing on the future of energy technology with an emphasis on Canadian oil sands.

The Senate Energy and Natural Resources Committee will meet that day to examine the nominations of Adam Sieminski to be administrator of the Energy Information Administration, Marcilynn Burke to be an assistant secretary of the interior, and Anthony Clark and John Norris to be members of the Federal Energy Regulatory Commission.

The House Oversight and Government Reform Committee will hold an oversight hearing of the Department of Energy's stimulus spending the same day.

The Senate Environment and Public Works Committee will hold a hearing March 22 on the fiscal 2013 budget request for the Environmental Protection Agency. Administrator Lisa Jackson will testify.

### **Administration**

#### Energy Blueprint Progress Report

Administration officials from six Federal agencies presented to President Obama March 12 a progress report showcasing the Administration's achievements in the areas of increasing American energy independence, expanding domestic oil and gas production, setting new fuel economy standards, improving energy efficiency in one million homes, doubling renewable energy generation, developing advanced alternative fuels, and supporting cutting-edge research. The report, *The Blueprint for a Secure Energy Future: Progress Report*, reflects the president's commitment over the past three years to an all of the above approach to energy policy, finding that the country has imported one million fewer barrels of oil per day, a reduction of 10 percent.

#### GHG Reporting Guidance

The White House Council on Environmental Quality issued revised draft guidance March 12 for federal agencies to measure and report greenhouse gas emissions. The draft guidance proposes revisions to October 2010 guidelines, which established government-wide requirements for calculating and reporting emissions. The new draft clarifies guidance on how agencies should account for purchases of renewable energy and Renewable Energy Certificates as well as requirements for agencies hosting third-party operated renewable energy projects on federal land and includes guidance for voluntarily reporting emissions. Public comments will be accepted through April 11.

#### Raw Materials Dispute Settlement Proceedings

The US, the European Union, and Japan jointly initiated World Trade Organization dispute settlement proceedings March 13 against Chinese export restrictions on rare earths and two metals used as key components in a range of high-tech industrial and consumer goods. The three complainants will be free to request the establishment of a WTO dispute panel to rule on the claims if the issue cannot be settled through consultation over the next 60 days. China accounts for 97 percent of the world production of these rare earths. The US, EU, and Mexico secured a favorable WTO ruling January 30 condemning China's export duties and quotas on eight raw materials used as inputs in the steel, aluminum, and chemical industries, and the measures at issue in the new proceedings are similar.

#### Countervailing Duty Bill Signed

On March 13, President Obama signed H.R. 4105, granting authority to impose countervailing duties (CVDs) on nonmarket economies to the Commerce Department. The legislation targets Vietnam and China, and had the express intent of overturning the U.S. Court of Appeals for the Federal Circuit's December 2011 decision denying Commerce the authority. The bill saves 24 countervailing duty orders against China and Vietnam, as pending investigations continue.

### **Department of Commerce**

#### CVD Delays

The Department of Commerce announced March 9 that it is postponing its preliminary decision in the countervailing duty investigation on utility-scale wind towers from China because it has determined that the investigation is more complicated than initially determined. The preliminary determination, originally due not later than March 23, is now postponed until May 29. The agency announced the previous day that it had delayed a decision on antidumping duties for Chinese solar-cell imports following three postponements in its separate decision on countervailing duties. Though the preliminary ruling was scheduled for March 27, it will not be made on May 16. The department's International Trade Administration is expected to issue a preliminary countervailing duty determination March 20. The Center for American Progress issued a position paper March 15 contending that while it is possible that the department could issue 100 percent tariffs, Chinese manufactures could respond by moving production to the United States or other overseas markets.

### **Department of Defense**

#### Operational Energy Strategy

The Defense Department unveiled an Operational Energy Strategy Plan March 9, establishing seven targets for the agency to reduce its energy consumption, develop alternative energy sources, and better address energy concerns during its planning and acquisition process. The first target is to measure the agency's baseline energy consumption by having each agency report its usage to the Defense Operational Energy Board by the second quarter of fiscal year 2012; the plan also requires the military to address energy considerations in their planning simulations and during the acquisitions process. The baseline includes 2011 actual consumption and 2012-2017 projected consumption, and each Combatant Command will have to report its efficiency efforts by the third quarter of 2012.

### **Department of Energy**

#### Tax Equity Partnerships

Energy Secretary Steven Chu met with senior business executives at a summit March 13 to discuss the use of tax equity partnerships to finance renewable energy projects. The meeting, Maximizing Incentives from Renewable Generation: Best Practices and Financial Opportunities from Renewable Energy Tax Credits, was attended by a wide cross sector of businesses.

#### \$2 Million for Hydrogen Fueling

The Department of Energy announced March 13 up to \$2 million to collect data from hydrogen fueling stations and demonstrate innovations in hydrogen infrastructure technologies. By collecting data from

advanced hydrogen fueling stations, the agency will track the performance and technical progress of innovative refueling systems and find ways to lower costs and improve operation. As part of a two-year initiative, the agency will make up to \$2 million available in fiscal year 2012; the department plans to make an additional request for \$2.2 million next year. Responses are due May 11.

#### Multifamily Housing Energy Upgrades

On March 12, the Department of Energy invited manufacturers of energy efficient products, public housing authorities, industry stakeholders involved in the development, finance, and maintenance of multifamily properties, and others in the performance industry to review and comment on Standard Work Specifications for Multifamily Energy Upgrades. Developed under the agency's Guidelines for Home Energy Professionals project, the specifications are voluntary guidelines that outline minimum requirements for high-quality energy upgrades in multifamily homes; the review period will remain open through May 4.

#### Electricity Generation Stats

The Energy Information Administration recently found that power generated by coal decreased last year, while wind power increased. Domestic coal's share of monthly power generation decreased to below 40 percent last November and December; the last time that occurred was March 1978. The agency attributes the decrease to the increasing competitiveness of natural gas and to the closing of 106 coal plants between January 2010 and February 2012. The forecast also finds that renewable energy will account for 33 percent of the overall growth in electricity generation from 2010 to 2035, with wind power increasing 28.1 percent between 2009 and 2010.

#### Conservation Standards Save Energy and Money

The American Council for an Energy-Efficient Economy and the Appliance Standards Awareness Project released a study March 8 concluding that existing national energy conservation standards for appliances, industrial equipment, and other products will save consumers and businesses \$1.1 trillion in energy costs by 2035. The report, *The Efficiency Boom: Cashing In on the Savings from Appliance Standards*, found that the Energy Department's mandatory savings -- which cover 55 categories -- will result in cumulative energy savings of more than 200 quad by 2035, double the amount of energy consumed annually by the whole country, and save 470 MMT CO<sub>2</sub>. The agency is scheduled to complete 11 new national standards by next January, and an additional 16 standards by 2015.

#### DOE Retrofit Webcast

On April 3, the Department of Energy will host a 60-minute live webcast discussing the Municipal Solid-State Street Lighting Consortium's Retrofit Financial Analysis Tool. Doug Elliott of Pacific Northwest National Laboratory will provide an analysis of how this tool can evaluate the savings and costs associated with converting street and roadway lighting to light emitting diode (LED) technologies.

#### Chu to Visit MA

This Monday, Secretary of Energy Stephen Chu will visit several clean technology and energy efficiency companies in Massachusetts as a guest of Sen. John Kerry (D-MA). Secretary Chu will visit both SunCatalytics in Cambridge, a solar company started at the Massachusetts Institute of Technology, as well as a clean energy conference at Boston's Museum of Science.

### **Environmental Protection Agency**

#### Cellulosic Requirements Challenged

The American Petroleum Institute filed a lawsuit in the U.S. Court of Appeals for the District of Columbia Circuit last week challenging the Environmental Protection Agency's renewable fuel standards for 2012, arguing that the requirements are unachievable. The institute contended that the agency's requirements for cellulosic biofuel -- 8.865 million gallons for 2012 -- are inappropriate because the fuel is not widely available.

#### Urban Growth Part of Sustainability

The Environmental Protection Agency announced March 12 that it is considering ways to encourage smart urban growth as part of its overall plan for incorporating sustainability into its operations. The agency recognizes that how and where communities are built impacts energy consumption, infrastructure, and economic efficiency for decades. The agency has been holding a series of listening sessions to get public input on recommendations made by the National Academy of Sciences for how the agency could incorporate sustainability into its operations.

#### Drinking Water Tests

The Environmental Protection Agency announced March 15 that the results of a recent well-water sampling at eleven homes in northeastern Pennsylvania where groundwater contamination was linked to natural gas drilling in 2009 did not show contamination levels that present a health concern. Water samples from six of the 11 homes showed the presence of sodium, methane, chromium, or bacteria, but within the safe range for drinking water. The agency will continue to provide water to those homes pending the results of additional sampling.

#### States Support Mercury Rule

Massachusetts, New York, and 12 other states and cities filed a motion in the U.S. Court of Appeals for the District of Columbia Circuit March 16 to intervene as respondents in litigation challenging the Environmental Protection Agency's mercury and air toxics standards for power plants. At the same time, 17 health and environmental advocacy groups lead by the Sierra Club, the American Lung Association, and the Natural Resources Defense Council filed a separate motion to intervene on the Agency's behalf. The agency published a final rule February 16 setting the mercury standards for utilities.

#### Contaminated Land for RE Projects

The Environmental Protection Agency recently announced that it has mapped about 11,000 contaminated land and mining sites that could be suitable for renewable energy projects. Most of the sites, under the RE-Powering America's Land initiative, are suitable for solar projects, and a few for wind energy as well. The initiative was launched in 2008, when the agency put an interactive mapping tool online for use by prospective site developers. Other potential sites include underused parking lots, rooftops, and abandoned parcels of land. The agency expects to soon release draft guidance on the best practices for solar energy on landfills. The agency is also working with the Energy Department's National Renewable energy Laboratory to analyze the feasibility of developing renewable energy projects at 26 current or formerly contaminated properties.

#### Biomass Delay Contested

The Center for Biological Diversity, the Coastal Conservation League, the Conservation Law Foundation, the Dogwood Alliance, Georgia ForestWatch, the Natural Resources Council of Maine, the Natural Resources Defense Council, and Wild Virginia filed a brief in the U.S. Court of Appeals for the District of Columbia Circuit last week contending that that the Environmental Protection Agency's decision to postpone for three years greenhouse gas permitting for sources that burn biomass creates an "unjustified exemption," and that the agency lacks the statutory authority to defer for that time requirements that facilities burning biomass obtain emissions permits. The agency's brief is due May 14.

#### API Fracking Report

The American Petroleum Institute released a study March 15 finding that proposed Environmental Protection Agency regulations to control air pollution from oil and gas drilling involving fracking would significantly slow drilling, cut natural gas production, and reduce royalties to the federal government and private landowners as well as state tax revenues. The agency proposed rules July 2011 intended to reduce the escape of volatile organic compounds and methane from drilling sites. The report, *Estimate of Impacts of EPA Proposals to Reduce Air Emissions from Hydraulic Fracturing Operations*, emphasized that the equipment for capturing emissions during completions is unlikely to be as readily available as the agency assumed and the equipment would have to spend more time at each site than estimated.

#### **Government Accountability Office**

#### Loan Guarantee Program Review

The Government Accountability Office released a sixth report March 12 examining the Department of Energy's loan guarantee program. The report, *DOE Loan Guarantees: Further Actions Are Needed to Improve Tracking and Review of Applications*, concluded that the process the agency developed to conduct due diligence on loan guarantee applications equals or exceeds those used by private lenders, but that because the agency has not implemented a consolidated system for documenting and tracking its progress in reviewing applications currently fully implemented, the program may not readily access the information needed to effectively manage the program. The following day, the Senate Energy and Natural Resources Committee held an oversight hearing on the program, with Energy Secretary Steven Chu and independent inspector Herb Allison testifying. Mr. Allison wrote a separate assessing the program's investment methodology and internal controls. The two said that investments in projects tied to established utility companies are less risky than other projects.

#### Renewable Energy Initiatives

The Government Accountability Office released a report March 12 building an inventory of agencies' renewable energy initiatives. The report, *Renewable Energy: Federal Agencies Implement Hundreds of Initiatives*, tallies nearly 700 initiatives spread across 23 federal agencies and 130 subagencies, but makes no recommendations.

### **States**

#### NC Fracking

The North Carolina Department of Environment and Natural Resources released a report March 16 concluding that fracking can be conducted safely within the state as long as certain protections are in place. Such protections include collecting additional water and air quality data, limiting water withdrawals, and prohibiting the use of diesel fuel in fracking fluids. Enhanced well construction standards, setback requirements, and a particular regulatory program that includes stormwater and waste management are also needed prior to allowing exploration and extraction.

#### NM Electric Conversion

New Mexico enacted legislation (H.B. 116) February 29 to expand the compensating tax exemption and create new gross receipts tax deductions for electricity transmission. The measure, which takes effect this July, is intended to provide an incentive for Tres Amigas to build a \$1.5 billion electrical grid superstation in eastern New Mexico. The bill expands the compensation tax exemption for electricity to include transmission using voltage source conversion technology.

### **International**

#### India's UNFCCC Submission

Responding to a decision on enhanced action agreed to at the United Nations Framework Convention on Climate Change climate talks Durban last year, India submitted an opinion February 28 finding that developing countries should not have to boost their actions to mitigate climate change until 2015. The country also hopes to reintroduce the "common but differentiated responsibility" idea to the Durban platform; the principle recognizes that developed countries, as a result of more than 150 years of industrial activity, are primarily responsible for the current levels of greenhouse gas emissions already in the atmosphere, and that industrialized countries should bear most of the responsibility for tackling emissions through 2020.

#### Azerbaijan Renewable Deployment

In July 2012, Azerbaijan, as part of a complete regulatory energy framework overhaul, will unveil a new renewable energy strategy covering the eight years. The Agency for Alternative and Renewable Energy, steward of the plan, expects wind power to generate 500 MW of power by 2015, and 800 MW by 2020 with photovoltaic cells generating 350 MW and 600 MW in the same years. Renewable energy production now accounts for less than 8 percent of Azerbaijan's energy mix.

#### Rare Earths Dispute Moves to WTO

On March 13, The European Union, United States, and Japan requested dispute consultations from the World Trade Organization to address the issue of export restrictions and subsidies in China's rare earth metal industry. If the WTO has 60 days to resolve the dispute, at which point the three entities lodging complaints will ask for a formal dispute panel to rule on the claims. The complaints cover almost 100 tariff codes and many more actual products that rely on the global rare earth metal supply chain. China says it is open to talks, but cites environmental concerns in defense of the export bans.

#### Kyoto's Next Commitment Period Suggested by EU

On March 9, all of the European Union's member country environmental ministers, meeting at the EU Environment Council in Brussels, announced that the Kyoto Protocol's second commitment period should run from January 1, 2013 until December 31, 2020. The dates will be proposed to the Ad Hoc Working Group on the Kyoto Protocol, at its May 15-24 meeting in Bonn where the details of agreements made in December at the United Nations climate summit in Durban, South Africa will be negotiated further.

#### EU Emissions Reductions

The European Parliament voted, 398-132, with 104 abstentions, March 15 in favor of a resolution backing draft emission reduction milestones for the European Union through 2050. Poland blocked member state discussions of longer-term climate goals. The vote creates pressure to take additional emission reduction steps, as the roadmap would set nonbinding milestones of a 40 percent emission reduction by 2030 and a 60 percent reduction by 2040, leading to at least an 80 percent reduction by 2050.

#### New Global Framework Urged

32 experts from universities across the country called March 16 for a fundamental overhaul of the international environmental governance system to prevent potential disasters caused by crossing planetary tipping points. The March 16 *Science* article, "Navigating the Anthropocene: Improving Earth System Governance," advised seven reform measures, including upgrading the United Nations Environment Program to an agency and creating a high level Sustainable Development Council to implement and track sustainable development policies throughout the system.

#### NA Mercury Down

In an update of the Montreal-based trilateral agency's Tacking Stock online pollutant database, the Commission for Environmental Cooperation said March 15 that mercury emissions from the North American electricity sector fell 26 percent between 2006 and 2009. The database covers more than 500 pollutants and nearly 100 major industrial sectors that report to the pollutant release and transfer registers in North America – the Toxics Release Inventory in the United States, Canada's National Pollutant Release Inventory, and Mexico's Registro de Emisiones y Transferencia de Contaminantes.

#### African E-Waste

During a March 14-16 conference in Nairobi, United Nations Environment Program Executive Director Achim Steiner addressed the Pan-African Forum on E-Waste, saying that African countries should adopt robust national laws to curb the dumping of electronic waste and to monitor the flow of obsolete electronic products from other continents. Conference delegates agreed to encourage African countries to work closely with the Basel Convention on drafting laws to control dumping and to explore possibilities for green jobs in the e-waste sector.

#### India's Budget

India announced its annual budget for 2012-2013 March 16, including a few initiatives related to the environment and renewable energy. The only direct provision for a renewable energy sector includes an exemption from special countervailing duty for solar thermal plants and equipment. No provisions were announced for the solar PV or wind energy sectors, or on increasing the excise duty on diesel cars, which was expected. Parliament will vote on the budget proposals March 31; the new fiscal year begins April 1.

#### GLOBE Conference

Speakers at the GLOBE 2012 conference on business and the environment said March 15 that increased use of natural gas for public and commercial transportation improves providers' bottom lines and reduces greenhouse gas emissions. The fuel can be 35 to 40 percent cheaper, and thus could alter global



transportation systems. Natural gas supporters suggest that governments could lead the way by adopting helpful regulations and switching their fleets to natural gas, while others consider possibilities for natural gas ferries, tugs, trains, and mine vehicles. There are 11 million natural gas vehicles worldwide, but only a few in North America. During the same conference, DuPont Industrial Biosciences USA President Jim Collins said that his company is breaking ground on an Iowa plant to produce 27.5 million gallons of biofuel a year. He argued that biobutanol could become an important energy source in a lower-carbon economy.

#### Canadian Climate Goals

Canadian Environment Minister Peter Kent said March 15 said that although the nation has withdrawn from the Kyoto Protocol, it remains committed to the global effort to establish a broader agreement to counter climate change. At the GLOBE 2012 conference on business and the environment in Vancouver, he said that the country's plan is to frame its domestic strategy to reduce emissions by 17 percent over 2005 levels by 2020 via a sector by sector approach.

#### US and Canada Behind on Enviro Taxes

The Organization for Economic Cooperation and Development said March 15 that the United States and Canada lag behind many other countries in their use of environmental taxes to reduce pollution while raising government revenues. The comments were a part of the organization's release of its Environmental Outlook to 2050, which makes policy recommendations to help countries reduce emissions and other pollution with potentially harmful climate and health impacts. As of 2009, OECD countries were collecting almost \$700 billion from environmentally related taxes. The organization recommends a complementary measure approach, eliminating fossil fuel subsidies, increasing environmental taxes, improving toxic chemical knowledge, and creating stronger chemical regulations.

#### BC Clean Technology

British Columbia released a report March 14 contending that by incorporating clean technology in the nation's primary industries, it will help to grow its economy and enable it to export that technology. The report, *The British Columbia's Green Economy: Growing Green Jobs*, focused on six sectors: renewable energy, green building, clean transportation, water management, waste and pollution control, and land and resource management. The country's clean tech sector includes 20 companies, provides more than 8,400 jobs, and generates more than \$2.54 billion in revenue.

### **Miscellaneous**

#### Solar Power Increases

The Solar Energy Industries Association released a report March 14 finding that photovoltaic installations totaled 1,855 MW last year, a 109 percent jump from the amount installed in 2010. Due to lower part costs, greater efficiency, and general economic improvement that helped drop the price of PV by 20 percent last year, solar installed in 2011 accounts for about 47 percent of all current solar capacity in the United States. SEIA also points to the now-expired 1603 Treasury grant program, as a key factor in rising PV installations.

#### Tax Credits Encourage R&D

The Congressional Budget Office released a report March 6 concluding that federal tax credits and other support for renewable technologies and energy and energy efficiency have succeeded in advancing research and development that would otherwise not attract private investment, while the record is more mixed for helping to build large demonstration projects. The report, *Federal Financial Support for the Development and Production of Fuels and Energy Technologies*, determined that tax credits and other preferences received \$20.5 billion in federal support for energy development, while another \$3.5 billion went to Energy Department programs to support energy efficiency and renewable energy efforts through loans, loan guarantees, and other programs.

#### C2ES PEV Report

On March 13, the Center for Climate and Energy Solutions (C2ES), as part of the PEV Dialogue Group, released *An Action Plan to Integrate Plug-in Electric Vehicles With the U.S. Electrical Grid*, a report calling

for more regulatory certainty at the local and state level with the aim of expanding plug-in electric vehicles (PEVs) deployment. The group was organized by C2ES and consists of the Alliance of Automobile Manufacturers; the Department of Energy; the American Association of State Highway and Transportation Officials; the city of Raleigh, N.C.; U.S. Transportation Department; Edison Electric Institute; the Electric Power Research Institute; GE, GM; the NRDC; and the Washington state Department of Transportation. The C2E report did not call for cutting consumer costs, but instead recommends a regulatory framework that is compatible across all 50 states. This certainty, the report argues, will both accelerate investment in charging stations and infrastructure and simplify the deployment of home charging equipment.

#### GHG Protocol Draft

On March 12, the Greenhouse Gas Protocol, organized by the World Resources Institute (WRI) and the World Business Council for Sustainable Development, released voluntary draft guidance for the information and communications technology sectors on using standardized methodologies for measuring and reporting greenhouse gas emissions. The draft guidance also covers life-cycle and supply chain emissions, as well as technology services and the repair and maintenance of equipment. The next draft is expected in late April, with the final guidance coming in May.

#### Take-Back Programs

Speaking at the GLOBE 2012 conference on business and the environment March 15, Elizabeth Comere, director of environment and global affairs for Tetra Pak Inc. said that product take-back programs are becoming more popular in the United States. Local governments cannot achieve the goal of zero waste because they do not have the resources or capacity, found the California Product Stewardship Council. Thus, it is up to companies to build in a solution for recycling products. There are no state requirements for collecting and recycling cartons, so numerous companies established the Carton Council, which increases consumer access to household carton recycling; thirty-seven percent of American households have access to this type of recycling.