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## **ENERGY AND ENVIRONMENT UPDATE**

### **March 25, 2013**

#### **ENERGY AND CLIMATE DEBATE**

On March 20, the Senate first amended and then by a vote of 73-26 passed H.R. 933, the continuing appropriations bill that will fund the Federal government through the end of Fiscal Year 2013. An amendment by Sen. Pat Toomey (R-PA) that sought to cut \$60 million from the Defense Department's Advanced Drop-In Biofuel Production Project was rejected by a vote of 40-59. The following day, the House of Representatives voted 318-109 to approve the bill, which the President is expected to sign before the current continuing resolution expires on March 27.

On March 21, the House of Representatives passed a budget resolution for Fiscal Year 2014 (H. Con. Res. 25) by a 221-207 vote. The vote fell almost entirely along party lines. The House budget blueprint calls for tax reform without raising any new revenues and purports to balance the budget by 2023 solely via spending cuts.

In the early hours of March 23, the Senate passed its version of a budget resolution for Fiscal Year 2014 (S. Con. Res. 8) by a 50-49 vote. That vote also fell almost entirely along party lines. The Senate budget blueprint calls for raising \$975 billion in new revenue over 10 years as part of a plan to both raise revenue and reduce spending in order to cut the deficit.

During debate on the Senate budget resolution a number of the nearly 500 filed amendments were debated. Since the budget resolution is non-binding and unlikely to be reconciled with the House version, the amendments were largely symbolic. However, they do offer some clue as to the sentiment of the full Senate, and one amendment, related to the Keystone XL pipeline, was significant in its symbolism given that it has been a controversial issue and was approved by more than 60 votes.

While approximately a dozen of the 500 filed amendments dealt with important energy and environmental issues, only two passed. The Senate by a vote of 62-37 gave its approval to an amendment sponsored by Sen. John Hoeven (R-ND) that would establish a deficit-neutral reserve fund to promote investment and job growth through the construction of the Keystone XL

pipeline. That vote followed an unsuccessful attempt by Senate Environment and Public Works Chairman Barbara Boxer (D-CA) to pass an amendment that would have required further analysis on the budgetary impacts of the proposed pipeline. The Boxer amendment failed 33-66.

The Senate accepted, on a voice vote, an amendment offered by Sen. Jeff Merkley (D-OR) to increase funding for the Department of Energy's Advanced Research Projects Agency-Energy (ARPA-E) by \$50 million over 10 years. ARPA-E did receive \$275 million in the current FY13 appropriations, but that amount was reduced by \$23 million as a result of sequestration.

The Senate rejected an amendment offered by Sen. Sheldon Whitehouse (D-RI) that would have ensured that any fee or carbon tax be refunded to the taxpayers. The amendment, defeated on a 41-58 vote, would have required revenues generated from a carbon fee or carbon tax to go to deficit reduction, reduced tax rates or cost savings.

The Senate also rejected an amendment offered by Sen. Roy Blunt (R-MO) that sought to prohibit Congress from enacting any fee or carbon tax. The amendment was defeated on a parliamentary procedure that would have required 60 votes for adoption.

The Senate also rejected an amendment offered by Sen. Dan Coats (R-IN) that would have required the president to grant exemptions to individual power plants from deadlines set by the Environmental Protection Agency (EPA) controlling mercury and air toxics. The vote on the Coats amendment was 46-53. Under EPA's mercury and air toxic standards, power plants are subject to a three-year compliance deadline, but states may grant an additional year.

Other amendments filed on the Senate budget resolution include the following:

- Sen. David Vitter (R-LA) amendment to block Environmental Protection Agency (EPA) regulations on greenhouse gas emissions until the federal government certified that China, India, and Russia have implemented similar rules.
- Sen. Joe Manchin (D-WV) amendment making it more difficult for the Senate to fund EPA implementation of carbon dioxide emission standards for new coal-fired power plants.
- Sen. James Inhofe (R-OK) amendment that would reduce funding for natural resources and environmental programs in order to prohibit EPA from issuing new regulations on greenhouse gas emissions.
- Sen. Michael Bennet (D-CO) amendment to promote energy conservation and clean energy.
- Sen. Lisa Murkowski (R-AK) amendment that would establish an advanced energy trust fund funded by new domestic energy production.
- Sen. Rand Paul (R-KY) amendment that would have increased highway infrastructure projects with funds from foreign assistance and Department of Energy loan guarantee programs.
- Sen. Bernie Sanders (I-VT) amendment that a fund to combat climate change by shifting funding from fossil fuels to energy efficiency and sustainable energy.

## CONGRESS

### Coal-Fired Plant Emissions

On March 14, Sen. Joe Manchin (D-WV), Sen. Joe Donnelly (D-IN), Sen. Heidi Heitkamp (D-ND), and Sen. Mary Landrieu (D-LA) sent a letter to the President requesting the Environmental Protection Agency (EPA) raise its greenhouse gas emission limits for new coal-fired power plants.

### **Existing Plant Emissions Options**

On March 18, at a forum hosted by Sen. Tom Carper (D-DE), panelists stated the Environmental Protection Agency (EPA) has several options to facilitate greenhouse gas regulations for existing power plants. These mechanisms include setting separate emissions limits based on fuel and boiler type, establishing state or regional emissions trading programs for existing power plants, and creating state-specific emissions limits.

### **Climate Change Symposium**

On March 18, Sen. Tom Carper (D-DE) hosted a climate change symposium that highlighted actions under the Clean Air Act. The briefing discussed ways that greenhouse gas regulations can reduce carbon pollution and protect the American economy. Panelists introduced proposals from the National Resources Defense Council and the Clean Air Task Force that limit CO<sub>2</sub> emissions while maintaining economic growth. An industry official highlighted the need for Congressional action and legal certainty regarding regulations.

### **Hold on McCarthy**

On March 18, Sen. Roy Blunt (R-MO) placed a hold on Environmental Protection Agency (EPA) Administrator nominee Gina McCarthy. The hold comes as a result of the EPA, the U.S. Army Corps of Engineers, and the U.S. Fish and Wildlife Service failing to update Sen. Blunt and Sen. Claire McCaskill (D-MO) on flood-control project progress by their self-imposed deadline of March 15.

### **CRS Coal Ash Report**

On March 19, the Congressional Research Service (CRS) reported on legislation introduced in the 112<sup>th</sup> Congress regarding the management of coal combustion residuals (CCRs). By not having the Environmental Protection Agency (EPA) play a formal role in state coal ash disposal programs, the bill would have dramatically changed the framework for state programs regulating waste, according to CRS. CRS released the updated report after congressional Republicans complained that the original December 2012 report on the bill had "implicit bias."

### **Natural Gas and Electric Utility Coordination**

On March 19, the House Energy and Commerce Subcommittee on Energy and Power held a hearing on the need for better coordination between the natural gas and electric utility industries. At the hearing, House Republicans expressed concern over environmental regulations which they said could lead to coal-fired power plants closing; the closures would place a burden on the natural gas industry, harming grid reliability.

### **LNG Terminal Applications**

On March 19, at a House Oversight and Government Reform subcommittee hearing, Department of Energy Acting Assistant Secretary for Fossil Energy Chris Smith stated the Department will approve liquefied natural gas (LNG) terminal applications on a case-by-case basis, factoring both economic and environmental issues.

### **Renewable Trade Case Uncertainty**

At a March 19 Senate Finance Trade Subcommittee hearing, Chairman Ron Wyden (D-OR) sought answers on the potential value of a global resolution mechanism to address uncertainty resulting from trade cases in renewable energy. Cases have been brought under U.S. and foreign trade remedy laws on the imports of solar cells and panels. Additional renewable energy actions are pending before the World Trade Organization (WTO).

### **Congressional Energy Meeting**

On March 19, Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) and Ranking Member Lisa Murkowski (R-AK) met with House Energy and Commerce Committee Chairman Fred Upton (R-MI), Energy and Power Subcommittee Chairman Ed Whitfield (R-KY), and committee member Rep. Peter Welch (D-VT). The members discussed measures on energy efficiency, hydropower, and natural gas that have the potential to make it through Congress.

### **Sulfur Gasoline Rule**

On March 19, Sen. Heidi Heitkamp (D-ND), Sen. Mary Landrieu (D-LA), Sen. Mark Begich (D-AK), and Sen. Joe Manchin (D-WV) sent a letter to the President asking the administration to delay a proposed Environmental Protection Agency (EPA) gasoline rule in order for an advanced notice of proposed rulemaking to be released. The rule, which would require a reduction of sulfur from 30 parts per million to 10 parts per million, is currently being reviewed by the Office of Management and Budget.

On March 20, eleven Democratic House of Representatives members sent a letter on the Environmental Protection Agency (EPA) proposed gasoline rule to National Economic Council Director Gene Sperling and Office of Management and Budget Acting Director Jeffrey Zients. The members requested that the rule, which would reduce sulfur in gasoline from 30 parts per million to 10 parts per million, have an advanced notice of proposed rulemaking.

### **Potential Jewell Nomination Delay**

On March 19, Sen. James Inhofe (D-OK) indicated a potential delay in the nomination of Sally Jewell for Interior Secretary due to environmental concerns under the jurisdiction of the Interior Department. Sen. Inhofe indicated to Minority Leader Mitch McConnell that he will not support the nomination of Jewell until issues regarding the American burying beetle and the lesser prairie chicken are remedied.

### **Jewell Nomination Reported**

On March 21, the Senate Energy and Natural Resources Committee approved Interior Secretary-nominee Sally Jewell by a vote of 19-3. The full Senate will consider the nomination after returning from recess on April 5.

### **Hydropower Development**

On March 20 the House Natural Resources Committee approved legislation to encourage hydropower development at facilities of the Bureau of Reclamation. H.R. 678, the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act, would provide exemptions to certain conduit projects from National Environmental Policy Act requirements. The bill, sponsored by Rep. Scott Tipton (R-CO), cleared the committee by a 17-12 vote.

### **Energy Tax Reform**

On March 21, Senate Energy and Natural Resources Chairman and Senate Finance Committee member Ron Wyden (D-OR) announced he was examining broad energy tax reform policy that would make the tax code more equal for energy sources. In the 112<sup>th</sup> Congress, Sen. Wyden introduced a tax reform bill (S. 727) with Sen. Dan Coats (R-IN) and a bill to increase the investment tax credit to \$40 million for storage systems and to \$1 million for businesses and homes onsite storage projects (S. 1845).

### **Wyden Committed To Smart Grid**

On March 21, Senate Energy and Natural Resources Committee Chairman Ron Wyden (D-OR) vowed to work with several federal agencies to support the build-out of a smart grid system. Speaking at a forum sponsored by the Edison Electric Institute, Wyden said the federal government needs to be a better partner to utility efforts to improve the efficiency of the electrical grid.

### **Natural Gas Exports Legislation**

On March 22, Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) said he has begun work on legislation addressing hydraulic fracturing oversight and restrictions on natural gas exports. He is planning to hold a series of meetings with stakeholders--including environmental groups, other Senators, producers, and state regulators--in May. Committee Ranking Member Lisa Murkowski (R-AK) is expected to oppose legislation restricting exports.

### **Wyden RIN Letter**

On March 22, Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) sent a letter to the Environmental Protection Agency (EPA) requesting data to explain volatility in the market for renewable identification numbers (RINs). He asked the EPA to provide data on market volatility, irregular trading, deficits and surpluses in RINs carried over from the previous year, as well as production and consumption of biofuels in the U.S.

### **Federal Helium Supply Legislation**

On March 22, Senate Energy and Natural Resources Chairman Ron Wyden (D-OR) and Ranking Member Lisa Murkowski (R-AK) released a draft of their proposed legislation, the Helium Stewardship Act of 2013, which would allow helium-dependent industries such as manufacturing and medicine to access the Federal Helium Reserve through the end of September 2014. The bill would set up a yearly auction selling 10 percent of the reserve per year beginning in FY2015. The Senators are seeking comment on the bill before it is introduced later in the spring.

### **Bills Introduced**

- On March 18, Rep. Vicky Hartzler (R-MO) and five of her Republican colleagues introduced H.R. 1235, the Leave Our Lakes Alone Act. The bill would allow states to exempt hydroelectric lake shoreline projects from Federal Energy Regulatory Commission (FERC) regulations not related to power.
- On March 20, Senate Energy and Natural Resources Ranking Member Lisa Murkowski (R-AK) along with Sen. Mary Landrieu (D-LA), Sen. Mark Begich (D-AK), and Sen. Heidi Heitkamp (D-ND) introduced S. 630, the Fixing America's Inequities with Revenues (FAIR) Act. The bipartisan bill would apply oil and gas revenue sharing to all coastal states and allocate a portion of the funds for clean energy development, as well as make renewable energy eligible in revenue sharing, including on federal lands.
- On March 21, Rep. Markwayne Mullin (R-OK) introduced H.R. 1375, a bill to facilitate the development of wind energy on federal lands.
- On the same day, Rep. Scott Tipton (R-CO) introduced H.R. 1394, a bill directing the Secretary of the Interior to establish goals for an all-of-the-above energy production plan strategy for onshore federal lands on a four year basis.
- On the same day, Rep. Rob Wittman (R-VA) and Rep. Doc Hastings (R-WA) introduced H.R. 1398, a bill to loosen regulations on the siting and placement of offshore wind meteorological site testing and monitoring. Wittman introduced a similar bill in the 112<sup>th</sup> Congress that was reported by the House Natural Resources Committee.

- On March 22, Sen. Bob Casey (D-PA) introduced S. 656. A bill to promote the domestic development and deployment of natural gas and clean energy technologies.

## **Upcoming Hearings**

The House and Senate are both out of session for a two-week recess.

## **ADMINISTRATION**

### **Proposal Not to Include Off-Limits Offshore Areas for Drilling**

On March 19, Deputy Assistant to the President for Energy and Climate Change Heather Zichal said during a Securing America's Future Energy (SAFE) forum that the administration does not plan to expand offshore drilling to current off-limits areas. The option of opening up these areas is not part of the administration's Energy Security Trust Fund, a \$2 billion proposal to use revenues from drilling to support advanced vehicle technology research.

### **ExIm Chairman and President Re-Nominated**

On March 21, President Obama nominated current Export-Import Bank Chairman and President Fred Hochberg to a second term. If confirmed by the Senate, Hochberg's second term would end January 20, 2017.

### **NRC Chair Re-Nominated**

On March 21, President Obama nominated current Nuclear Regulatory Commission (NRC) Chairwoman Allison Macfarlane for a full term. She has been finishing previous Chairman Gregory Jaczko's term since he resigned in the summer of 2012; that term ends in June.

### **PCAST Sends Report Urging President to Address Climate Change**

On March 22, the President's Council of Advisors on Science and Technology (PCAST) sent a letter advising President Obama to take new action to address climate change. The report recommended six recommendations for addressing climate change. Ernest Moniz, PCAST member and Energy Secretary nominee, did not have his name appear on the report.

## **DEPARTMENT OF ENERGY**

### **Advanced Tech Vehicles Manufacturing Loan Guarantee Program**

On March 15, the Government Accountability Office (GAO) released a report stating that the Department of Energy will likely not use all of the \$16.6 billion remaining in the Advanced Technology Vehicles Manufacturing (AVTM) loan guarantee program. The program is for manufacturers of fuel efficient vehicles and their components. While the Department is still accepting applications, there are no applications under "active" consideration. However, that excess authority cannot be transferred to other loan programs that have active applications.

### **National Research Council Alternative Fuels and Vehicles Report**

On March 18, the National Research Council released "Transitions to Alternative Vehicles and Fuels," a report sponsored by the Department of Energy as part of the Department's assessment of advanced light-duty vehicles and alternative fuels ability to meet petroleum use and greenhouse gas reduction. The report states that in order to meet the 80 percent reduction goals by 2020, strong national policies are needed to further technological advances and fuel economy standards need to be higher.

### **Energy Efficient Lighting Design Competition Winners Announced**

On March 20, the Department of Energy announced at the LEDucation 7 conference the winners of the Next Generation Luminaires Design competition. The competition, which has been held for the past five years, supports energy-efficient light-emitting diode (LED) commercial fixtures; this technology has the potential to save \$30 billion a year in U.S. energy costs by 2030. The “best-in-class” winners for the three different indoor lighting area categories were Juno Lighting Group from Des Plaines, Illinois; Digital Lumens from Boston, Massachusetts; and Acuity Brands/Lithonia Lighting from Conyers, Georgia.

### **BTO Peer Review Meeting Announced**

The Department of Energy’s Building Technologies Office (BTO) will host a programmatic peer review meeting Tuesday, April 2 through Thursday, April 4 allowing stakeholders to learn about the office’s research, development, demonstration, and deployment strategies and projects.

### **CHP Energy Infrastructure Webinar Announced**

The Department of Energy will host a webinar Wednesday, April 3 on combined heat and power (CHP). Entitled “CHP: Enabling Resilient Energy Infrastructure,” the webinar will focus on how CHP can support critical infrastructure while making energy more cost-effective, energy-effective, reliable, and environmentally friendly.

## **ENVIRONMENTAL PROTECTION AGENCY**

### **Residential Wood Heaters Source Performance Standards**

On March 15, the Environmental Protection Agency (EPA) announced it would propose revisions to new residential wood heaters new source performance standards later this year. The rules, designed to reduce particulate matter pollution, would amend emissions limits from 1988 and would create performance standards for other types of wood-burning appliances.

### **New Power Plants Standards by Source**

On March 15, power companies pushed the Environmental Protection Agency (EPA) to reconsider its new power plant carbon dioxide performance standards, originally released in April 2012. Industry called on EPA to include emissions limits based on fuel type, particularly distinguishing between coal and natural gas sources as well as between base load and cycling units. The proposed standards are the first instance of performance standards placing all fuel sources in a single category. Environmental groups, hoping the rule will translate into regulating existing power plants, warn that reissuing the proposal would create delays.

### **NAM Suit**

On March 15, the National Association of Manufacturers (NAM) filed suit against the Environmental Protection Agency (EPA) in the U.S. Court of Appeals for the District of Columbia Circuit, urging the fine particulate matter air quality standards return to the previous level of 15 micrograms per cubic meter from the current 12 micrograms per cubic meter. Seven California counties are expected not to meet the standard by 2020.

### **Fine Particulate Suit**

On March 18, the Utility Air Regulatory Group, the PM NAAQS Coalition, and the U.S. Chamber of Commerce sued the Environmental Protection Agency (EPA) in the U.S. Court of Appeals for the District of Columbia Circuit over fine particulate matter air quality standards. On the same day, the U.S. Chamber of Commerce, the Utility Air Regulatory Group (UARG), and seven other organizations petitioned the EPA to reconsider the new standard of 12 micrograms per cubic meter rule.

### **RFS Public Hearing**

On March 19, the Environmental Protection Agency (EPA) held a public hearing where small biodiesel producers complained the proposed renewable fuel standard voluntary verification program for RINs would place undue burdens on their businesses. EPA is currently soliciting comments on its proposed Quality Assurance Plans.

### **Antimicrobial Biocides in Fracking Fluid**

On March 19, Environmental Protection Agency (EPA) Deputy Director of the Antimicrobials Division in the Office of Pesticide Programs Jennifer McClain said antimicrobial pesticides used as biocides in oil and gas production, including in hydraulic fracturing, must be registered under the Federal Insecticide, Fungicide, and Rodenticide Act.

### **Ethanol Nearing Blend Wall**

On March 22, the petroleum refinery industry called on the Environmental Protection Agency (EPA) to reduce that amount of ethanol that must be blended into the gasoline supply in 2013 and 2014 to avoid hitting the blend wall. EPA's proposed renewable fuel standard (RFS) for 2013 would require refiners to blend 16.6 million gallons of renewable fuels, including 14 million gallons of cellulosic ethanol.

### **Flex-Fuel Vehicle Weighting Factor**

On March 22, the Environmental Protection Agency (EPA) began receiving comments on a proposed weighting factor to be used by car manufacturers to figure out how much flexible-fuel vehicles can contribute to the fleet's greenhouse gas emissions. The notice instructs manufacturers to assume these vehicles would use conventional gasoline 80 percent of their life and to calculate the greenhouse gas emissions starting in model year 2016. Manufacturers could alternatively submit real world data on flex-fuel vehicles to be used to create the weighting factor.

### **Lake Michigan Ferry Agreement**

On March 22, the Environmental Protection Agency (EPA) reached an agreement with the operators of the last coal-fired ferry on the Great Lakes, Lake Michigan Carferry Inc., to stop discharging coal ash into Lake Michigan by the end of 2014. The operator agreed to develop an ash retention system to capture the coal ash rather than convert the vessel to run on natural gas.

## **INTERIOR DEPARTMENT**

### **Hydraulic Fracturing on Public Land Regulations**

On March 18, Interior Secretary nominee Sally Jewell explained in her written response to questions from her March 7 Senate Energy and Natural Resources Committee confirmation hearing that she wished to work with both states and industry on creating rules for regulating hydraulic fracturing on public lands. The Bureau of Land Management (BLM) sent proposed regulations to the White House in January; the proposal consisted of rules for drilling on federal land, including for hydraulic fracturing.

### **Geothermal Resources Management**

On March 20, the Department of the Interior Inspector General released a report entitled "Bureau of Land Management's Geothermal Resources Management." The report found that the Department's management of geothermal resources on federal lands is hindered by inconsistent inspections and outdated operational orders. The report also identified issues with inspector quality and training.

### **BLM Oil Shale Rule**

On March 22, the Bureau of Land Management released its final proposed rule for oil shale and tar sands management on Western federal lands. The proposed rule would maintain a strong focus on research and development of new technologies that could lead to commercial leases.

## **NUCLEAR REGULATORY COMMISSION**

### **Delay on Post-Fukushima Reform**

On March 19, the Nuclear Regulatory Commission (NRC) announced it would delay the proposal to require radiation filtering systems in order to use the formal rulemaking process rather than issuing an immediate order. The action, part of the Commission's post-Fukushima reform, would affect 31 nuclear power plants in the U.S. The final rule is expected to be released by March 2017.

## **FEDERAL ENERGY REGULATORY COMMISSION**

### **FERC Commissioner Dismisses Limiting LNG Exports Arguments**

On March 19, Federal Energy Regulatory Commission (FERC) Commissioner Tony Clark, speaking at the EnergyBiz Leadership Forum, expressed opposition to the idea that liquid natural gas (LNG) exports should be limited because unrestricted exports could cause a rise in domestic gas prices.

### **FERC Releases RTO and Bilateral Markets Orders**

On March 21, the Federal Energy Regulatory Commission (FERC) released three orders approving compliance filings on regulations to build electric transmission lines. The first two decisions surrounded regional transmission organizations (RTOs), involved PJM Interconnection and Midwest Independent Transmission System (MISO), and were both approved by a vote of 3-2. The two votes against were cast by the two Republicans on FERC who said the Commission was imposing conditions. The third decision, which involved WestConnect and bilateral markets, was unanimously approved.

## **DEPARTMENT OF TRANSPORTATION**

### **NHSTA Sound Proposed Rule**

On March 15, the Alliance of Automobile Manufacturers and Global Automakers jointly released a statement expressing support for the National Highway Traffic Safety Administration (NHSTA) proposed rule to require electric and hybrid vehicles to emit sound when operating at a low-speed.

## **DEPARTMENT OF STATE**

### **Greening Diplomacy Initiative Fact Sheet**

On March 20, the State Department released a Greening Diplomacy Initiative (GDI) fact sheet highlighting recent accomplishments by the Department to meet the President's energy, waste, and water reduction goals set up in Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance. Those successes include reducing domestic building greenhouse gas emissions by 34 percent from 2008 levels and reaching \$18 million in energy savings performance contracts (ESPCs) since 2009.

## **INTERNATIONAL**

### **Japan Kyoto Protocol Commitment**

On March 15, the Japanese Cabinet approved revisions to the Law on the Promotion of Global Warming to consider nitrogen trifluoride as a greenhouse gas, to call for the identification of greenhouse gas reduction targets, and to identify best practices for businesses. The changes come just before the expiration of Japan's Kyoto Protocol commitment on March 31. Japan decided not to join a second commitment to the protocol because other countries, such as China and India, were not participating.

### **European Emission Targets**

On March 18, the European Environment Agency (EEA) stated that several nations exceeded the European Union's (EU) National Emissions Ceiling Directive's air pollutant limits in 2011. Under the NEC Directive, limits are placed on ammonia, nitrogen oxides, sulfur dioxide, and volatile organic compounds on a country-by-country basis. The countries believed to have exceeded the ceilings are Austria, Belgium, Finland, France, Germany, Ireland, Luxembourg, and Spain. The European Commission is already considering bringing infringement proceedings against 12 countries that exceeded the 2010 limits.

### **European Waste Management**

On March 19, the European Commission pushed for a focus on recycling rather than incineration as means to meet the Commission's proposal to phase out landfills by 2020. The proposal is found in the European Union's (EU) draft Seventh Environment Action Program, currently being reviewed by the EU Council.

### **European Cadmium Phase Out**

On March 20, the European Parliament Environment Committee supported the European Commission's March 2012 proposal on phasing out cadmium from cordless power tool batteries by a vote of 51-0 with one abstention. The proposal would go into effect for new products in 2015.

### **EU Crop-Based Biofuels Cap**

On March 21, the European Union's (EU) Council of Environment Ministers (CEM) met to discuss and EU proposal calling for a 5 percent limit on how much crop-based biofuels can be credited toward the EU's renewable energy goal of 10 percent of all transportation fuels by 2020. Members of CEM remain divided over whether the 5 percent cap should be included in an amendment to the so-called Indirect Land Use Criteria in the EU Fuel Quality Directive.

### **Baltic Sea Region Report**

On March 21, a newly released report, Climate Change Assessment for the Baltic Sea Region, was presented at the Baltic Sea Day International Environment Forum. The report predicts that sea surface temperature during the summer will increase 4 degrees Celsius (7.2 degrees Fahrenheit). The report also highlights the impact the temperature increase will have on Baltic Sea region clean-up efforts.

## **STATES**

### **Maryland Offshore Wind**

On March 18, the Maryland General Assembly sent H.B. 226, the Maryland Offshore Wind Energy Act of 2013, to Gov. Martin O'Malley's (D) for his signature. The bill would qualify offshore wind as a source under Maryland's renewable energy portfolio standard, requiring that utilities' supply a

certain percent of offshore wind energy set by the Public Service Commission on a yearly basis. Gov. O'Malley has already said he would sign the bill.

### **Pennsylvania Consumptive Water Use**

On March 20, Pennsylvania's Susquehanna River Basin Commission (SRBC), which regulates consumptive water in natural gas drilling, approved four oil and gas drilling projects. SRBC requires mitigation for environmental impacts related to the consumptive water used.

### **Wisconsin Coal Emissions**

On March 20, the Wisconsin Public Service Commission unanimously approved the proposal to upgrade the Weston Generating Station Unit 3 with a Regenerative Activated Coke Technology (ReACT) system; work will begin later this year, and the installation will be finished by 2015. This installation will be the first utility-approved retrofit of an existing coal-fired generating facility with a ReACT system.

### **New York Fracking Case**

On March 21, the New York State Supreme Court Appellate Division heard oral arguments for two cases questioning whether state law preempts local government law in banning hydraulic fracturing. Concurrently, the New York Departments of Environmental Conservation and Health are soon to release a decision on whether hydraulic fracturing can be permitted statewide.

## **MISCELLANEOUS**

### **Nike to Improve Textile Sustainability**

On March 18, Nike announced a partnership with Bluesign Technologies to provide its suppliers with screening tools to help them use more sustainable chemicals, detergents, and dyes in their textile manufacturing process. The company has roughly 800 factories across the globe.

### **Diesel Retrofits**

On March 18, the Manufacturers of Emission Controls Association (MECA), a trade association for emissions control companies, announced that its members sold fewer diesel retrofit devices in the past few years. The companies sold 16,262 devices in 2012, down from 20,177 devices the previous year. MECA links the decrease in sales to a decrease in funding under the Diesel Emissions Reduction Act; the Act provided \$49.9 million in FY2011 and \$29.9 million in FY2012.

### **Johnson & Johnson to Increase Sustainability**

On March 19, Johnson & Johnson Senior Director of Product Stewardship and Green Marketing Al Iannuzzi said during a GreenBiz webinar that the company wishes to increase its sustainability performance. The goal is to improve sustainability performance for 60 of the biggest brand products through the company's Earthwards program by 2015.

### **Renewable Fuels Mandate Study**

On March 20, a study by the American Petroleum Institute (API) in conjunction with NERA Economic Consulting was released, stating that the federal renewable fuels mandate could lead to a rise in the cost of producing gasoline by 30 percent by 2015. The study goes on to say the mandate might raise consumer gasoline prices, lower the country's gross domestic product (GDP) by \$770 billion, increase the cost of producing diesel by 300 percent, and decrease worker take-home pay by \$580 billion.

### **Third Party Fracking Certification**

On March 20, the Center for Sustainable Shale Development announced it will be distributing third-party certifications for shale natural gas performance standards later this year. The certification consists of 15 standards that protect the air, climate, and water.

### **Company Natural Resources Priorities**

On March 21, the Economics of Ecosystems and biodiversity for Business Coalition (TEEB) released their study “Organizational Change for Natural Capital Management: Strategy and Implementation” which examined natural capital management decisions in 26 companies. The study found that companies identify fresh water and renewable energy as the most important natural resources in the next three to five years.