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ENERGY AND ENVIRONMENT UPDATE

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Energy and Climate Debate

The House and Senate returned from their two-week recess last week, resumed the budget battle in earnest, and advanced a transportation reauthorization one-step further.

Congressman Paul Ryan (R-WI) introduced his version of the fiscal year 2013 budget, a far cry from the budget request President Obama unveiled earlier this year. With appropriators on the two sides of the Capitol starting out more than \$15 billion apart, many hearings and debates on the issue lay between now and the election, but suffice it to say that the House will not approve appropriations bills above the Ryan budget levels before the lame duck session, and at the same time, the Senate will not go below levels agreed to late last year.

The House Appropriations Subcommittee on Energy and Water Development and Related Agencies approved by voice vote April 18, a \$32.1 billion energy and water appropriations bill for fiscal year 2013, paving the way for markup by the full committee, which is expected to occur this week. The measure would provide \$26.3 billion for the Department of Energy, a \$358 million reduction from current funding levels and \$1.8 billion below President Obama's request for 2013, and would reduce funding for the agency's renewable energy and energy efficiency programs while increasing funding for fossil fuel-related programs. Among the largest proposed cuts would be for the Office of Energy Efficiency and Renewable Energy, which would be funded at \$1.45 billion, \$374 million below enacted levels and \$886 million below the president's 2013 request. The draft would also cut funding for the Advanced Projects Research Agency—Energy, appropriating \$200 million for the program, \$75 million below current funding levels and \$150 million below the president's request. Chairman of the House Appropriations Committee Hal Rodgers (R-KY) says the package will be reviewed by the full committee on April 25. The Senate has yet to unveil its version of the legislation; however, Energy and Water Subcommittee Chairwoman Sen. Dianne Feinstein (D-CA) plans a markup of the bill on April 24, and Senate Appropriations Committee Chairman Daniel Inouye (D-HI) announced the full committee will mark-up shortly thereafter.

Essentially, Senate appropriators are looking at a plan that reflects relatively flat funding, while their House counterparts are writing bills with another round of cuts. With respect to energy and environmental issues, the House modus operandi appears to be "repeal and delay all regulation" and "all development is good," while the Senate attempts to prevail as a cooler-headed backstop to overeager congressional freshmen. The outlook however, for a "normal" appropriations process this year is bleak, with both houses and parties working with different budget targets. The Democratic Senate is determined to set spending

limits in-line with last summer's debt deal, while Republicans in the House are seeking even deeper cuts in some places, which President Obama has threatened to veto.

The House passed a short-term transportation bill, with energy and environment amendments of note. House leaders are using the short-term extension as a vehicle to go to conference with the Senate on a two-year, \$109 billion reauthorization (S. 1813) of federal transportation programs. The House and Senate are expected to appoint conferees this week. The House approved an amendment to the transportation bill April 18 that would delegate regulatory authority over coal ash to the states. Congressman David McKinley's (R-WV) amendment, the text of H.R. 2273, which passed the House last October, 267-144, is now included in a 90-day transportation bill extension and blocks the Environmental Protection Agency from regulating coal ash as a hazardous waste. The transportation bill also includes approval of the Keystone XL oil pipeline in defiance of a veto threat from President Obama. The Surface Transportation Extension Act (H.R. 4348), which further extends transportation funding from June through September 30, was approved 293-127.

In the meantime, the administration continues its clean and all of the above energy agenda, using pre-existing authority to push through a number of energy programs in the last several weeks, including some fairly moderate measures from the Environmental Protection Agency. As the president continues to face criticism over high gasoline prices, last week he laid out an administration strategy to reduce oil market manipulation, and called on Congress to pass measures designed to reduce the impact of speculation on the markets.

Congress

RE Tax Policies Hearing

The House Science, Space, and Technology Investigations and Oversight Subcommittee and Energy and Environment Subcommittee held a joint hearing April 19 to consider the impact of tax policies on the commercial application of renewable energy technology. The hearing focused primarily on the impact of the Section 1603 Treasury grant program and the general cost effectiveness of renewable energy tax incentives, with Republicans criticizing job creation and costs associated with the programs, and Democrats praising them.

Domestic Fuel Protection Hearing

During an April 19 hearing before the House Energy and Commerce Subcommittee on Environment and the Economy, fuel manufacturers and retailers expressed support for the Domestic Fuels Protection Act of 2012 (H.R. 4345). The legislation, introduced by Subcommittee Chairman John Shimkus (R-IL) on March 30, would extend liability protection to any party that sells fuels compliant with Environmental Protection regulations. Critics of the measure, on the other hand, argued that it would shift the costs of storage tank cleanups to consumers and exempt the ethanol industry from any liability.

Sea Level Rise Projection Maps Needed

Appearing before a Senate Energy and Natural Resources hearing on the impact of sea level rise on domestic energy and water infrastructure April 19, Adam Freed, deputy director for long-term planning and sustainability in New York City Mayor Michael Bloomberg's office, urged the Federal Emergency Management Agency to develop and provide detailed flood projection maps to help New York and other urban areas prepare for the impacts of sea level rise on infrastructure and real estate properties in the next century. Ben Strauss, chief operating officer and director of the program on sea level rise at Climate Central, said that sea levels in the United States are projected to rise between one and eight inches by 2030 and between four and 19 inches by 2050. He suggested a four-step federal approach for reducing risk and vulnerability: protect existing beaches that help prevent the impacts of storm surge, build artificial defenses where appropriate; halt construction in high risk areas; and consider a planned retreat from areas that cannot be effectively protected.

Farm Bill Unveiled

The Senate Agriculture Committee released a five-year Farm Bill draft April 20, with full committee consideration of the measure scheduled for April 25-26. Though the legislation largely mirrors the

proposal Senator Debbie Stabenow (D-MI) prepared for the Supercommittee last year, with \$1.2 billion in authorized energy programs subject to appropriations. Key energy highlights of the measure include \$150 million authorized for 9003 loan guarantees; \$20 million per year for the 9005 Bioenergy Program for Advanced Biofuels; \$20 million each year for the 9006 Rural Energy for America Program; \$750 million for the Biorefinery Assistance Program over 5 years; an expansion of the BioPreferred labelling program; and \$20 million annually for the Biomass Crop Assistance Program. However, the proposed bill does not provide mandatory funding for any Energy Title program. A mark-up is scheduled for April 23, beginning with a package of manager's amendments agreed to by Chairwoman Stabenow and Ranking Member Pat Roberts (R-KS). A House version of the bill has not yet been unveiled.

Health Benefits of Utility MACT

During an April 17 hearing before the Senate Environment and Public Works Subcommittee on Clean Air and Nuclear Safety, witnesses disagreed over whether the projected health benefits of the Environmental Protection Agency's mercury and air toxics standards for power plants outweigh the negative impacts of increased electricity prices under the rule. The hearing focused on the agency's Utility MACT, or MATS, rule; the mercury and air toxics standards for power plants were finalized in December. The agency estimates that the rule will reduce up to 90 percent of mercury emissions from coal-fired power plants, avoid 11,000 premature deaths annually, and save up to \$90 billion per year.

Environmental Regulation Delay Legislation

The House Energy and Commerce Subcommittee on Energy and Power approved two measures April 17 to examine the impact of Environmental Protection Agency regulations on gasoline prices and delay the agency from finalizing three environmental rules impacting gasoline production until then, and to link oil reserve withdrawals to more exploration on federal lands. Full committee action and approval by the House is anticipated soon, but neither bill is likely to see any movement in the Senate.

Utility MACT Analysis Requested

House Energy and Commerce Committee Republicans sent a letter April 20 to White House chief of staff Jacob Lew, complaining that the Environmental Protection Agency is ignoring their repeated requests for more information about the expected costs of the Utility MACT rule. The group, led by Chairman Fred Upton (R-MI), Chairman Emeritus Joe Barton (R-TX), Subcommittee on Energy and Power Chairman Ed Whitfield (R-KY), and Subcommittee on Environment and the Economy Chairman John Shimkus (R-IL) reiterated that while the administration has provided a characterization of net job gains and losses, they are looking for a more detailed account of anticipated costs associated with the Utility MACT rule, as well as the underlying analysis.

Inhofe Tier-3 Amendment Dropped from Postal Bill

On April 19, Sen. James Inhofe's (R-OK) amendment to the 21st Century Postal Service Act of 2012 (S. 1789) delaying Tier 3 standards for gasoline and light-duty vehicle sulfur emissions was ruled out of order to the bill. The Tier 3 standards, not yet unveiled, will alter the EPA's current Tier 2 rule, which limit gasoline sulfur content to 30 parts per million.

Legislation Introduced

House Republicans introduced a quartet of bills April 18 that will receive a hearing before the House Natural Resources Subcommittee on Energy and Mineral Resources. Together, the legislation would promote the planning, leasing, and permitting of minerals critical to energy, domestic manufacturing, and national security. Representative Scott Tipton (R-CO) introduced the Planning for American Energy Act of 2012 (H.R. 4381); Representative Mike Coffman (R-CO) introduced the Providing Leasing Certainty for American Energy Act of 2012 (H.R. 4382); Representative Doug Lamborn (D-CO) introduced the Streamlining Permitting of American Energy Act of 2012 (H.R. 4383); and Representative Mark Amodei (R-NV) introduced the National Strategic and Critical Minerals Production Act of 2012 (H.R. 4402).

Representative Dennis Ross (R-FL) introduced the Responsibility and Professionally Invigorating Development Act (H.R. 4377) April 18. The RAPID Act would establish new deadlines for environmental impacts statements and for granting or denying permits for potentially environmentally sensitive projects.

The House Judiciary Subcommittee on Courts, Commercial and Administrative Law will hold a hearing on the bill April 25.

Congressman Mike Pompeo (R-KS) introduced legislation (H.R. 4387) April 18 to allow for a reasonable compliance deadline for certain states subject to the Cross-State Air Pollution Rule. The legislation would delay for five years the Environmental Protection Agency's Cross-State Air Pollution Rule, which the agency finalized last July to replace the 2005 Clean Air Interstate Rule. The measures would give the states until January 1, 2017, to comply with the regulation. Senator Jerry Moran (R-KS) introduced companion legislation (S. 2300) in the Senate.

The same day, Senator Bob Casey (D-PA) introduced legislation (S. 2294) to provide for continued conservation efforts in the Chesapeake Bay watershed, increase production from animal waste, improve transparency of Federal restoration efforts, and expand agricultural opportunities to participate in state voluntary water quality credit trading programs.

Representative Bennie Thompson (D-MS) introduced legislation (H.R. 4468) April 19 to extend the authority to make grants for specified energy property in lieu of tax credits.

On April 19, Reps. Maurice Hinchey (D-NY), David Cicilline (D-RI), and Raul Grijalva (D-AZ) introduced the Energy Markets Emergency Act (H.R. 4457), which would give the Commodity Futures Trading Commission 14 days to exercise the emergency powers necessary to curb excessive speculation in energy markets. The bill is a companion to Sen. Bernie Sanders' (I-VT) S. 2222 introduced this March.

Upcoming Hearings

The Senate Agriculture Committee on April 25 will mark-up its version of the farm bill.

The Joint Economic Committee scheduled an April 26 hearing to address rising gas prices in the Northeast.

The House Natural Resources Subcommittee on Energy and Mineral Resources will hold an April 26 mark-up of several bills, including (H.R. 4381) directing the Secretary of the Interior to create an all-of-the-above energy strategy every four years; (H.R. 4382) to streamline the federal leasing process; and the Clean Energy Promotion Act (H.R. 2176).

The House Small Business Subcommittee on Agriculture, Energy, and Trade will hold an April 26 hearing on small business energy innovations.

The House Ways and Means Subcommittee on Select Revenue Measures will hold a hearing April 26 to review specific tax extenders programs. The hearing will evaluate how the various provisions measure against key metrics such as cost, effectiveness, and job creation, and will focus on measures that were extended at the end of 2010 or that expire at the end of this year.

The Senate Energy and Natural Resources Committee will hold a hearing the same day to examine weather-related electrical outages. Witnesses will include a representative from the Federal Energy Regulatory Commission; Patricia Hoffman, assistant secretary, Department of Energy's Office of Electricity and Energy Reliability; John Bilda, general manager, Norwich Public Utilities; and Thomas Getz, former chair, New Hampshire Public Utilities Commission. Immediately preceding the hearing, the committee will hold a business meeting to vote on four pending nominees: 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.

Senate Energy and Natural Resources Committee Chairman Jeff Bingaman announced April 19 that the committee will hold a hearing next month on his clean energy standard legislation (S. 2146).

Administration

Methyl Bromide Regs

The White House completed its review April 17 of an Environmental Protection Agency rule that would authorize some uses of methyl bromide in 2012. The regulation would allow uses for the 2012 critical use exemption from the phaseout of the ozone-depleting substance and authorize the amount of the substance that may be produced, imported, or supplied from inventory in those uses in 2012. The gas is used to control pests on certain plants and cured meats. The agency submitted the final rule to the Office of Management and Budget on January 20.

Biobased Product Reporting

The Obama administration issued a final rule April 18 that requires government contractors to report to the White House Office of Management and Budget on their purchases of biobased products under service and construction contracts. The rule, required under the Food, Conservation, and Energy Act of 2008, amends federal purchasing regulations to require contractors to report annually the types and dollar value of Agriculture Department-designated biobased products purchased during the preceding fiscal year of a contract. The rule goes into effect May 18, with a first reporting deadline of October 31.

UN Chief Calls for Obama Attendance at Rio+20

On April 20, UN Secretary General Ban Ki-moon called President Obama's attendance at this June's U.N. Conference on Sustainable Development, also known as Rio+20, "crucial", with no official response from President Obama. Carlos Pascual, the State Department's special envoy and coordinator for international energy affairs, slated to attend Rio+20 says that given global budget constraints, meeting some of the conference's goals will be difficult, and endorsed policy incentives designed to draw more private capital into global energy development. On the same day, the Center for Global Development released *Energizing Rio+20: How the United States Can Promote Sustainable Energy for All at the 2012 Earth Summit*, calling on the United States to link large investors to specific, capital-starved sustainable energy projects around the world.

Department of Energy

\$5 Million for Hydropower

The Department of Energy announced April 17 up to \$5 million this year to assess opportunities to increase power production at up to 40 existing hydropower facilities across the country. Through the competitive opportunity, the agency will work with hydropower professionals to conduct standardized assessments to identify opportunities to increase generation and value at hydropower plants, potentially helping to accelerate the deployment of upgrades at existing facilities.

Hydropower Potential

The Department of Energy released April 17 a renewable energy resources assessment detailing the potential to develop electric power generation at existing dams across the country that are not currently equipped to produce power. The report, *An Assessment of Energy Potential at Non-Powered Dams in the United States*, estimates that without building a new dam, the available resources at more than 54,000 sites, if fully developed, could provide an electrical generating capacity of more than 12 GW. Roughly 2,500 dams currently provide 78 GW of conventional hydropower and 22 GW of pumped-storage hydropower.

Water to Account for 15 Percent Electricity by 2030

Speaking at the National Hydropower Association's annual conference April 16, Jose Zayas, program manager of the Department of Energy's wind and water power program, said that the agency is seeking to obtain 15 percent of the country's electricity from conventional hydropower and other water-powered sources by 2030. He also said that the department hopes to double conventional hydropower capacity to 156 GW; about 6 percent of the country's electricity currently comes from hydropower generation.

Department of Interior

Offshore Wind Safety

Under the sponsorship of the National Academies and the Department of Interior's Bureau of Safety and Environmental Enforcement April 17, the Offshore Wind Farm Worker Safety Committee suggested that instead of pursuing detailed standards of worker safety on offshore wind turbine projects, federal regulators could require developers to submit thorough safety management system plans and allow audits and inspections of how the programs are carried out. The committee must recommend by the end of this year how the federal government should oversee worker safety and health at wind turbine projects in federal offshore waters.

Environmental Protection Agency

Fracking Standards

The Environmental Protection Agency finalized its first air pollution standards for hydraulic fracking April 17, at the same time announcing that they will not require industry to use key pollution control equipment until 2015. The agency aims to ensure that reduced emissions completion equipment is widely available before requiring its use to capture excess gas at wells, thereby reducing emissions of volatile organic compounds, methane, and air toxics by 95 percent. Some pollution reductions are required in about 60 days. The rule affects 11,400 fractured and 1,400 re-fractured wells as well as storage tanks and other equipment.

Ethanol Waiver Lawsuit

The U.S. Court of Appeals for the District of Columbia Circuit questioned industry groups during oral argument April 17 to explain how they were harmed by Environmental Protection Agency waivers allowing gasoline to contain up to 15 percent ethanol, and whether they had standing to bring the challenges. Several industry groups representing petroleum producers and suppliers, engine and automobile manufacturers, and food producers petitioned the court to overturn the waivers, which the agency partially granted under the Clean Air Act, allowing E15 to be used in model year 2001 and newer vehicles in response to requests from ethanol producers.

West Coast Coal Exports

The Environmental Protection Agency sent a letter recently to the U.S. Army Corps of Engineers' Portland, Oregon, district office, calling on the corps to conduct a cumulative environmental analysis of exporting large quantities of coal as it reviews an Ambre Energy North America application for a permit to build a facility on the Columbia River. An Ambre subsidiary at the Port of Morrow would off-load trains hauling coal from Power River Basin pits in Montana and Wyoming and load it onto barges bound for a new terminal near the mouth of the river. Additionally, the letter urges the corps to consider the impact of five similar proposed projects.

Utility MACT Lawsuits

Thirty petitioners, including 24 states as well as industry and environmental groups, filed lawsuits in the U.S. Court of Appeals for the District of Columbia Circuit before the April 16 deadline to challenge the Environmental Protection Agency's mercury and air toxics standards for power plants. The agency published the Utility MACT rule February 16, requiring electrical utilities to use maximum achievable control technology to address emissions.

Tailoring Rule Streamline Options

The Environmental Protection Agency's Tailoring Rule Permit Streamlining Workgroup of the Clean Air Act Advisory Committee will convene April 24 to discuss options to streamline the greenhouse gas permitting process and update the full committee the following day. The group is expected to advise the agency on implementing programs like plant-wide applicability limits, synthetic minor permits for greenhouse gases.

Ozone Rule Challenges Resume

The American Lung Association and New York are leading a number of states and advocacy groups in resuming their legal arguments challenging ozone standards set in 2008 as being too weak. On April 17, nearly four years after the initial suits were filed, the U.S. Court of Appeals for the District of Columbia Circuit received opening briefs from challengers of the 2008 national ambient air quality standards ozone,

claiming that the Environmental Protection Agency should have based the standards on the findings of its independent science advisers. At the same time, industry groups and other states contend that the agency cannot justify increasing its standards because health risks have not increased since 1997.

Targeted Medical Waste Emissions Plan

On April 23, the Environmental Protection Agency will publish proposed emissions guidelines for 53 specific hospital, medical, and infectious waste incinerators in 21 states that currently have no such guidelines in place. The targets of the plan are identical to EPA's October 2009 emissions guidelines and are intended to reduce mercury by 89%, hydrogen chloride by 85%, lead by 74%, and dioxins and furans by 68% at the as-yet unregulated facilities. The agency will accept comments through June 7.

EPA Shortens Coal Ash Hazard List

The Environmental Protection Agency shortened its list of "high hazard" coal ash impoundment sites to 45 impoundments at 27 different sites, after removing four Tennessee Valley Authority impoundments at four separate sites. The sites were removed from the list after site assessments, and some targeted construction to improve safety in one case.

States

NE Keystone Law

Nebraska Governor Dave Heineman (R) signed legislation (L.B. 1161) April 17 that will allow the state's Department of Environmental Quality to continue a route evaluation for TransCanada Corporation's proposed Keystone XL Pipeline. The measure amends legislation passed during a 2011 special session that established an expedited review process for proposed routes within the state, now allowing the agency to review proposed routes without being required to work under a memorandum of understanding with the State Department. The following day, TransCanada Corp. submitted a new routing proposal to the agency, thus allowing the company to submit a new permit request to the State Department once Governor Heineman signs off on the new route.

NY Budget

New York Governor Andrew Cuomo (D) recently signed the state's budget bill (S.B. 6259), extending, among other things, the sunset date on alternative fuel incentives from this September, to September 1, 2014. Incentives include clean energy enterprises eligibility for empire zone benefits; alternative fuel tax exemption and refund for E85, B20 biodiesel, and compressed natural gas or hydrogen fuel; petroleum business tax exemption and reimbursement; and sales tax exemption for E85, CNG, and hydrogen fuel. The bill also extended the sunset date on the biofuel production credit from January 1, 2013, to January 1, 2020.

CA RE Policies Attract Investment

Next 10 released a report April 18 finding that California's renewable energy and climate policies are attracting billions of dollars in private investment in clean technologies, helping to grow the state's economy, and reducing its per capita greenhouse gas emissions. The report, *The 2012 California Green Innovation Index*, is the fourth edition of the group's effort to track the economic impacts of state policies to curb emissions, and it also finds that the state leads the nation in patents registered for battery technology, water, and solar and energy infrastructure. The report also concluded that the policies have provided certainty that attracts investors, with development of utility-scale solar installations increasing the state's capacity to 29 percent of the nation's total in 2011, and wind capacity grew 44 percent from 2009 to 2010.

CA Light Rail OK'd

A three-justice panel of the Court of Appeals for the Second Appellate District in California ruled last week that the authority building a light rail line connecting downtown Los Angeles with Santa Monica, the Board of the Exposition Metro Line Construction Authority, did not violate the California Environmental Quality Act when it analyzed the impact of the project on traffic, air quality, and greenhouse gas emissions using as baseline conditions projected for 2030.

MA RE Incentives

The Massachusetts Senate unanimously passed a bill (S.B. 2214) April 5 that aims to curb rising energy costs and expand renewable energy development. The measure would alter existing requirements and incentives under the Green Communities Act and other areas of state energy law, primarily impacting the long-term contracting requirements of electric distribution companies for the purchase of renewable energy, the net metering eligibility and tax treatment of energy generation facilities, and the treatment of hydroelectric and anaerobic digestion technologies under existing programs.

Sacramento Area Infrastructure Package

On April 19, the Sacramento Area Council of Governments adopted the \$35.2 billion Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), containing provisions promoting urban redevelopment plans, the construction of more efficient transit options and bike pathways. The plan covers six county areas and will cut, from 2005 levels, per capita greenhouse gas emissions from passenger cars 10% by 2020 – exceeding California Air Resource Board's targets.

International

\$10 Billion Australian Clean Energy Agency

Australia's Treasurer Wayne Swan said April 17 that the government plans to establish a clean energy funding body with 10.3 billion in concessional finance. The Clean Energy Finance Corporation is a key component, along with a national carbon price scheme that begins this summer, of the clean energy package Parliament approved last year. The CEFC has enough support in both houses to ensure passage of the legislation, which will be introduced before the end of June.

UK Fracking

An independent panel recommended to the Department for Energy and Climate Change April 17 that shale gas drilling operations may resume in the United Kingdom as long as precautionary operational procedures are taken to reduce the risk of earthquakes. The report examined two earthquakes in April and May last year near fracking operations at the Preese Hall well in northern England, and found that to mitigate future risks, a company should inject smaller volumes of water and chemicals to allow for an immediate flowback so it can monitor results prior to the main injection.

Swiss Emissions

Switzerland reported April 17 a 3.4 percent increase in greenhouse gas emissions for 2010 based on the reporting methodology established under the United Nation's Kyoto Protocol. The increase of 1.8 MMT CO₂e is primarily due to the use of heating fuel during the unusually cold winter months that year. Despite the jump, given the milder 2011 temperatures, it is believed that the nation will achieve its Kyoto target of reducing emissions by 8 percent from 1990 levels for 2008-2012.

Climate Fund Hosts Compete

Christiana Figueres, executive secretary of the United Nations Framework Convention on Climate Change, said April 17 that Mexico, South Korea, Switzerland, Germany, Poland, and the Republic of Namibia are vying to host an international Green Climate Fund that would raise \$100 billion a year for developing nations beginning in 2020. The United States and other industrialized nations pledged at the last Conference of Parties over \$100 billion a year starting in 2020 from public and private sources to go to developing nations that are particularly vulnerable to rising sea levels and other climate impacts.

Japan Carbon Trading Consolidation

At a joint meeting of Japan's Ministry of Energy and Ministry of Economy, Trade, and Industry April 16, the two agencies identified a number of ways to consolidate its two domestic carbon trading programs in an attempt to encourage businesses to more actively trade CO₂ credits as the country works to reduce emissions. The two programs, the domestic carbon credit system and the Japan Verified Emission Reduction program, were begun in the fall of 2008; consolidation would begin next year, as the two current programs are both scheduled to expire at the end of next March.

Emissions Trading Agreement

The International Emissions Trading Association issued April 17 a master agreement that will aid development of cap and trade systems around the world and make it easier for them to link together. The association published variant contracts for trading in credits under the Kyoto Protocol and by Australia's and California's cap and trade schemes; the master agreement was the first standard agreement to be prepared in line with the legal requirements of the third phase of the European Union Emissions Trading System, which begins next year and runs through 2020.

China Carbon Intensity

China announced to the Major Economies Forum on Clean Energy and Climate last week that it will adopt a goal to reduce its carbon intensity 40 percent from 2005 levels by 2025. The announcement gives the nation five more years to reach the voluntary intensity reduction target it set for itself during the 2010 16th Conference of Parties in Cancun.

EU Allowance Review

The European Commission announced April 19 that it will review carbon permit auctioning rules before the end of the year to address the oversupply of allowances in the European Union's Emissions Trading System. The Commission awaits overdue lists from some EU countries of facilities that should continue to receive free allowances, but will soon amend the Auctioning Regulation to reduce the number of permits auctioned in the early years of the third phase of the trading system, which runs from 2013 through 2020.

EU Waste Reduction

The European Commission published a report April 16 concluding that countries that manage their waste most effectively use a combination of restrictions and taxes on landfill practices and waste incineration. The report, *Use of Economic Instruments and Waste Management Performances*, also found that successful programs also use schemes to make retailers and manufacturers take back obsolete products and incentives for consumers to reduce and sort their waste. A scenario in the report contended that the EU on average could reduce its landfill waste to about 29 percent by 2025, compared to 38 percent today.

Miscellaneous

CAFE Could Save \$68 Billion

The Natural Resources Defense Council released a report April 19 finding that more stringent fuel economy and greenhouse gas emissions standards for new passenger vehicles could save drivers \$68 billion per year in fuel costs by 2030. The report, *Relieving Pain at the Pump*, further illustrated that drivers in Texas, California, and Florida would experience the greatest savings as a result of the proposed corporate average fuel economy and greenhouse gas emissions standards. Citi Investment Research and Ceres issued a similar report April 4 that found that the requirements could increase profits for domestic vehicle manufacturers by 6.3 percent in 2020.

Utilities Should Invest in Clean Energy

Ceres released a report April 19 concluding that electric utilities preparing to invest an estimated \$2 trillion over the next 20 years should avoid spending on older technologies and instead focus on a diverse set of renewable energy and energy efficiency technologies. The report, *Practicing Risk-Aware Electricity Regulation: What Every State Regulator Needs to Know*, comes as utilities prepare for significant capital investment necessitated by aging plants and transmission infrastructure and environmental regulation.

Clean Energy Funding Declining

Brookings Institution, the World Resources Institute, and the Breakthrough Institute published a report April 18 warning that annual funding for clean energy technology could decline by 75 percent to \$11 billion in 2014, absent congressional action on expiring subsidies and other policies. The report, *Beyond Boom & Bust: Putting Clean Tech on a Path to Subsidy Independence*, said that a large portion of the funding decline can be attributed to the expiration of programs funded by the Recovery Act, but even non-Recovery Act funding is scheduled to decline by more than half, and federal clean technology spending is expected to be reduced at the same time that roughly 70 percent of all federal clean technology programs are scheduled to expire by the end of 2014.

eWaste Recycling Up

The Consumer Electronics Association unveiled a report April 16 finding that consumer electronics manufacturers and retailers reported recycling 460 million pounds of used electronics in 2011, a 53 percent increase from 2010. Ninety-six percent was recycled through third-party certified facilities; drop-off locations rose from 5,000 sites in 2010 to nearly 7,500 locations this April. The numbers were announced in a report from the eCycling Leadership Initiative, which aims to recycle 1 billion pounds of electronic waste annually by 2016.

EVs Cheaper, Cleaner

The Union of Concerned Scientists released a report April 16 concluding that electric vehicles are cheaper to charge and emit less CO₂ than gasoline vehicles, even in areas with coal-fired utilities. The report, *State of Charge: Electric Vehicles' Global Warming Emissions and Fuel-Cost Savings Across the United States*, shows that electric vehicle owners could save between \$700 and \$1,200 per year on fuel costs compared with owners of average new compact gasoline-powered vehicles.

Wind Capacity to Double

The Global Wind Energy Council published a report April 17 forecasting that total global wind power capacity would reach more than 493 GW by the end of 2016, more than double 2011 levels of 237 GW. The report, *Global Wind Report – Annual Market Update 2011*, predicts that wind power capacity in the United States would double, increasing from 53 GW to 103 GW by 2016.