



ML Strategies Update

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Energy & Environment Update

ENERGY AND CLIMATE DEBATE

Congress has a full two week schedule prior to the Memorial Day recess, and defense programs, the Highway Trust Fund, and trade promotion authority are driving the agenda while energy and tax issues begin to ramp up in earnest.

As Senate Energy and Natural Resources Committee Chair Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA) plan to soon introduce their broad bipartisan energy package, they have told their colleagues to submit their legislation in anticipation of the larger package. With a May 7 committee-imposed deadline for bills to be considered for inclusion in the broad energy package, senators from both sides of the aisle introduced a large number of energy bills last week, led by Senator Murkowski, who introduced 17 measures herself. The Senate Energy and Natural Resources Committee held a hearing April 30 on 22 energy efficiency bills as panel leadership prepares to introduce a broad energy bill this summer. The hearing is the first of four that the committee will hold in the next month on the four titles of the energy package: efficiency, infrastructure, supply, and accountability. The next hearing is this Thursday on infrastructure issues, during which the committee will consider another 22 measures. The following week, the committee will consider 30 bills for potential inclusion under the supply title of the legislation, and the committee will hold a final hearing, on accountability and oversight, the first week of June. Once the hearings are complete, committee staff will form joint working groups to put together official bill language, and markups will follow soon thereafter. In the meantime, Senator Cantwell continues to lead the effort to address energy tax extenders by reinstating, extending, or making permanent a handful of expired clean energy tax credits, including potentially incorporating them into a broad energy bill via a tax title, for which there is historical precedence. Earlier this year, Senator Cantwell's staff considered how to build on what then-Senator Max Baucus proposed last Congress on a technology neutral or performance based energy tax policy. Two of the Senate Finance Committee Working Groups, the Business Income Tax Working Group, co-chaired by Senators John Thune (R-SD) and Senator Ben Cardin (D-MD), and the Community Development and Infrastructure Working Group, co-chaired by Senators Dean Heller (R-NV) and Michael Bennet (D-CO), are claiming jurisdiction over the energy portions of tax reform. With comprehensive tax reform increasingly unlikely before the 2016 election cycle, Senator Cantwell is focusing her efforts on the tax extender pieces, including the Production Tax Credit, the Investment Tax Credit, the Advanced Manufacturing Tax Credit, and other clean energy provisions. She has already offered an amendment a number of times this session to make the clean energy tax provisions permanent, and plans to continue to offer the language to any moving legislation.

The Senate Finance Committee posted April 29 nearly 1,500 public comment [submissions](#) to the tax reform working groups. The working groups have begun convening to present their progress reports, but negotiations are taking place behind closed doors. The groups are scheduled to report their final recommendations to Committee Chair Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) by May 25.

CONGRESS

FEMA Grant Eligibility

Seven Senate Environment and Public Works Committee Republicans sent a [letter](#) May 4 to Federal Emergency Management Agency Administrator Craig Fugate saying that state eligibility for disaster grants should not depend on the incorporation of climate change impacts into preparedness planning. The agency updated its policies in March to require states to consider the long-term impact of climate change in their disaster preparedness plans in order to be eligible for disaster mitigation grants, and the new agency grant eligibility guidelines go into effect next March.

MLP Legislation Forthcoming

Senator Chris Coons (D-DE) said May 5 that he will reintroduce this month legislation to extend a tax break reserved for the fossil fuel industry to renewable energy sources. The measure will be similar to the 2013 Master Limited Partnership Parity Act, and Senator Coons is optimistic that the language will be included in a tax negotiation or energy package this year.

DOD Energy

The House Armed Services Committee released a committee bill [report](#) May 5 finding that the National Defense Authorization Act (H.R. 1735) would restrict the military's ability to purchase and procure drop-in biofuels unless their cost is competitive with traditional fuel. The committee, which approved the measure April 30, also found that the legislation would require the department to obtain congressional authorization before entering into a contract to plan, design, refurbish, or construct a biofuels refinery and would exempt it from complying with the 2007 energy law that prohibits the Pentagon from using coal-to-liquid jet fuel, tar sands, and other unconventional fuels with higher life-cycle greenhouse gas emissions than traditional fuels.

Streamlined Permitting

The Senate Homeland Security and Governmental Affairs Committee approved May 6 the Federal Permitting Improvement Act (S. 280), from Senators Rob Portman (R-OH) and Claire McCaskill (D-MO). The measure would reduce environmental permitting delays that have halted large energy and infrastructure projects, and is slated for floor action sometime after the Memorial Day recess. Passage of similar legislation (H.R. 348) is almost certain to occur in the House, which approved the measure last year.

Coal Ash Legislation

Senator John Hoeven (R-ND) said May 6 that he will push coal ash legislation this year. He may try to attach language on the management and disposal of coal ash to surface transportation legislation or the upcoming broad energy package from Senate Energy and Natural Resources Committee Chair Lisa Murkowski (R-AK) and Ranking Member Maria Cantwell (D-WA). He may also pursue moving the legislation through a standalone measure. The House passed Representative David McKinley's (R-WV) Improving Coal Combustion Residuals Regulation Act of 2015 (H.R. 1734) earlier this year, and Senators Hoeven and Joe Manchin (D-WV) are considering similar legislation.

Imperfect CPP

Senator Brian Schatz (D-HI) said May 7 that the Clean Power Plan is a legal but imperfect way to address climate change. Senator Schatz prefers a carbon fee instead, but acknowledges that it will take some time for that path to become politically palatable. Senators Schatz and Sheldon Whitehouse (D-RI) plan to introduce legislation in the next couple of months to levy a fee on companies for every ton of CO₂ emitted.

House Pipeline Permitting, Hydro Licensing, Grid Security

The House Energy and Commerce Committee unveiled draft legislation May 7 to expedite the federal permitting process for new natural gas pipelines and the licensing process for hydropower projects. The measures are components of a comprehensive energy bill the committee is putting together, which the Subcommittee on Energy and Power will consider during a May 13 hearing. The same day, the committee released a draft bill on energy reliability and security that intends to update the country's energy infrastructure, ensuring its security, resilience, and reliability; the subcommittee will consider that measure during a hearing May 19.

Long-Term Biofuel Rule Sought

Senators Dick Durbin (D-IL), Al Franken (D-MN), Amy Klobuchar (D-MN), Heidi Heitkamp (D-ND), Jeanne Shaheen

(D-NH), and Maria Cantwell (D-WA) urged during a press conference May 7 the Environmental Protection Agency to set long-term and ambitious renewable fuel requirements for biodiesel production through 2017.

CPP Biomass Moratorium

Senators Ed Markey (D-MA) and Elizabeth Warren (D-MA) sent a letter May 8 to Environmental Protection Agency Administrator Gina McCarthy urging the agency to impose a moratorium on the use of biomass as renewable energy in the Clean Power Plan. The Massachusetts senators contend that including the fuel could undermine the proposal's intended purpose of reducing power plant CO₂ emissions.

Crude Exports

Senator Lisa Murkowski (R-AK) will introduce legislation this week to ease the crude oil export ban. She has recently offered amendments to this end, but may also include the language as part of her broad energy package in the coming weeks.

CPP Legislation Forthcoming

Senator Shelley Moore Capito (R-WV) will introduce legislation this week on the Environmental Protection Agency's Clean Power Plan. She announced her intention to introduce language on the agency's greenhouse gas rules during a Senate Environment and Public Works Subcommittee on Clean Air and Nuclear Safety hearing May 5. The measure may mirror Representative Ed Whitfield's (R-KY) Ratepayer Protection Act, which allows governors to opt out of complying with the rule and which may move to the House floor soon.

Legislation Introduced

Senator Chris Coons (D-DE) introduced legislation (S. 1187) May 4 to improve management of the National Laboratories, enhance technology commercialization, and facilitate public-private partnerships.

Senator Bill Cassidy (R-LA) introduced legislation (S. 1196) May 5 to amend the Mineral Leasing Act to authorize the Secretary of the Interior to grant rights of ways on Federal land.

Senator Jeanne Shaheen (D-NH) introduced the Clean Distributed Energy Grid Integration Act (S. 1201) May 6 to advance the integration of clean distributed energy into electric grids.

Senator Jeanne Shaheen (D-NH) introduced legislation (S. 1202) May 6 to amend the Public Utility Regulatory Policies Act of 1978 to assist States in adopting updated interconnection procedures and tariff schedules and standards for supplemental, backup, and standby power fees for projects for combined heat and power technology and waste heat to power technology.

Senator Mazie Hirono (D-HI) introduced legislation (S. 1207) May 6 to direct the Secretary of Energy to establish a grant program under which the Secretary shall make grants to eligible partnerships to provide for the transformation of the electric grid by 2030.

Senator Ed Markey (D-MA) introduced legislation (S. 1208) May 6 to amend title 49 of the United States Code to require gas pipeline facilities to accelerate the repair, rehabilitation, and replacement of high-risk pipelines used in commerce.

Senator Ed Markey (D-MA) introduced legislation (S. 1209) May 6 to establish state revolving loan funds to repair or replace natural gas distribution pipelines.

Senator Shelley Moore Capito (R-WV) introduced legislation (S. 1210) May 6 to provide for the timely consideration of all licenses, permits, and approvals required under Federal law with respect to oil and gas production and distribution.

Senator Angus King (I-ME) introduced the Free Market Energy Act of 2015 (S. 1213) May 6 to amend the Public Utility Regulatory Policies Act of 1978 and the Federal Power Act to facilitate the free market for distributed energy resources.

Senator Lisa Murkowski (R-AK) introduced legislation (S. 1215) May 6 to amend the Methane Hydrate Research and Development Act of 2000 to provide for the development of methane hydrate as a commercially viable source of energy.

Senator Lisa Murkowski (R-AK) introduced legislation (S. 1218) May 6 to establish an interagency coordination committee or subcommittee with the leadership of the Departments of Energy and Interior, focused on the nexus

between energy and water production, use, and efficiency.

Senator Lisa Murkowski (R-AK) introduced legislation (S. 1221) May 6 to amend the Federal Power Act to require periodic reports on electricity reliability and reliability impact statements for rules impacting the reliable operation of the bulk-power system.

Senator Lisa Murkowski (R-AK) introduced legislation (S. 1227) May 6 to require the Secretary of Energy to develop an implementation strategy to promote the development of hybrid micro-grid systems for isolated communities.

Senator John Hoeven (R-ND) introduced legislation ([S. 1228](#)) May 6 to require the approval for the construction, connection, operation, or maintenance of oil or natural gas pipelines or electric transmission facilities at the national boundary of the United States for the import or export of oil, natural gas, or electricity to or from Canada or Mexico.

Senator Ron Wyden (D-OR) introduced legislation (S. 1232) May 6 to amend the Energy Independence and Security Act of 2007 to modify provisions relating to smart grid modernization.

Senator Ron Wyden (D-OR) introduced legislation (S. 1233) May 6 to amend the Public Utility Regulatory Policies Act of 1978 to expand the electric rate-setting authority of states.

Senator Angus King (I-ME) introduced legislation (S. 1237) May 6 to amend the Natural Gas Act to limit the authority of the Secretary of Energy to approve certain proposals relating to export activities of liquefied natural gas terminals.

Senator Joe Donnelly (D-IN) introduced legislation ([S. 1239](#)) May 7 to amend the Clean Air Act with respect to the ethanol waiver for the Reid vapor pressure limitations under the Act.

Senator Maria Cantwell (D-W) introduced legislation (S. 1241) May 7 to provide for the modernization, security, and resiliency of the electric grid and to require the Secretary of Energy carry out programs for research, development, demonstration, and information sharing for cybersecurity for the energy sector.

Senator Angus King (I-ME) introduced legislation ([S. 1242](#)) May 7 to amend the Natural Gas Act to require the Federal Energy Regulatory Commission to consider regional constraints in natural gas supply and whether a proposed LNG terminal would benefit regional consumers of natural gas before approving or disapproving an application for the LNG terminal.

Senator Maria Cantwell (D-WA) introduced legislation (S. 1243) May 7 to facilitate modernizing the electric grid.

Senator Debbie Stabenow (D-MI) introduced legislation (S. 1246) May 7 to amend the Internal Revenue Code of 1986 to revise the definition of municipal solid waste for purposes of the renewable electricity production credit.

Senator Al Franken (D-MN) introduced legislation (S. 1256) May 7 to require the Secretary of Energy to establish an energy storage research program, loan program, and technical assistance and grant program.

Senator Martin Heinrich (D-NM) introduced legislation (S. 1259) May 7 to establish a grant program to allow National Laboratories to provide vouchers to small business concerns to improve commercialization of technologies developed at National Laboratories and the technology-driven economic impact of commercialization in the regions in which National Laboratories are located.

Senator Mazie Hirono (D-HI) introduced legislation (S. 1263) May 7 to provide for the establishment of a Clean Energy Technology Manufacturing and Export Assistance Fund to assist United States businesses with exporting clean energy technology products and services.

Representative Renee Ellmers (R-NC) introduced legislation (H.R. 2245) May 8 to require the Federal Trade Commission to consider including Smart Grid capacity on Energy Guide labels for products.

Upcoming Hearings

The Senate Energy and Natural Resources Committee will hold a hearing May 12 on Senator Lisa Murkowski's (R-AK) critical minerals [legislation](#), the American Mineral Security Act of 2015 (S. 883).

The Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies will hold a hearing May 13 to discuss the Bureau of Land Management's fiscal year 2016 budget request.

The House Natural Resources Committee will hold an oversight hearing May 13 entitled "The Obama Administration's CEQ Recently Revised Draft Guidance for GHG Emissions and the Effects of Climate Change."

The House Energy and Commerce Subcommittee on Energy and Power will hold a hearing May 13 to consider discussion drafts of legislation addressing hydropower regulatory modernization and Federal Energy Regulatory Commission process coordination under the Natural Gas Act.

The Senate Energy and Natural Resources Committee will hold a [hearing](#) on energy infrastructure legislation May 14 at which it will address 22 measures under consideration for inclusion in Senator Lisa Murkowski's (R-AK) and Maria Cantwell's (D-WA) broad bipartisan energy package.

The House Natural Resources Subcommittee on Energy and Mineral Resources will hold a hearing May 14 to consider the Supporting Transparent Regulatory and Environmental Actions in Mining Act (STREAM Act, H.R. 1644).

The House Energy and Commerce Subcommittee on Environment and the Economy will hold a hearing May 15 to consider the status of nuclear waste management policy.

The Senate Energy and Natural Resources Committee will hold a [hearing](#) May 19 to consider measures under consideration for inclusion in Senator Lisa Murkowski's (R-AK) and Maria Cantwell's (D-WA) broad bipartisan energy package, specifically the supply title.

The Senate Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining will hold a [hearing](#) May 21 on several public lands bills.

The Senate Energy and Natural Resources Committee will hold a [hearing](#) June 4 to consider accountability and reform measures under consideration for inclusion in Senator Lisa Murkowski's (R-AK) and Maria Cantwell's (D-WA) broad bipartisan energy package.

ADMINISTRATION

Climate Infrastructure Roundtable

The White House hosted May 5 a climate infrastructure roundtable with 90 investors, local and state planning and transportation officials, policy experts, and representatives from the federal government and nonprofits to discuss how to better design infrastructure projects to be more resilient to climate change impacts. The event was part of President Obama's Build America Investment Initiative, and coincided with the administration's release of a Federal Guide to Infrastructure Planning and Design. The guide incorporates opportunities and programs from eight federal agencies, laying out a set of principles to inform state and local government, public and private utilities, and other planning efforts.

111(b) Regs at OMB

The White House Office of Management and Budget announced May 7 that it has begun reviewing the Environmental Protection Agency's final rules for greenhouse gas emissions from new power plants and from modified and reconstructed units, the 111(b) regulations. The agency plans to release the rules, along with the Clean Power Plan standards for existing plants, mid-summer.

DEPARTMENT OF COMMERCE

CO Crude Exports Letter

Colorado Governor John Hickenlooper (D) sent a [letter](#) April 30 to Commerce Secretary Penny Pritzker asking the Commerce Department to support a full legislative repeal of the crude oil export ban.

400 PPM

The National Oceanic and Atmospheric Administration [announced](#) May 6 that global atmospheric levels of CO₂ surpassed 400 ppm for the first time in March. While similar readings have occurred before, in the Arctic in 2012 and in Hawaii in 2013, this is the first time that global concentrations have averaged 400 ppm for an entire month since measurements began in the 1950s. Global concentrations averaged 400.83 ppm in March, and they are expected to stay about 400 ppm through May. Global CO₂ concentrations have risen more than 120 ppm since before the Industrial Revolution, and half of that rise has occurred since 1980.

DEPARTMENT OF EDUCATION

Green Schools

Education Secretary Arne Duncan and White House Council on Environmental Quality Managing Director Christy Goldfuss announced late last month the 2015 Department of Education Green Ribbon Schools award honorees. 58 schools, 14 districts, and nine postsecondary institutions were honored for their efforts to reduce environmental impact and utility costs, promote better health, and ensure effective environmental education.

DEPARTMENT OF ENERGY

\$75 Million for Fuels from Sunlight Hub

The Department of Energy announced April 28 \$75 million to renew the Joint Center for Artificial Photosynthesis, an Office of Science Energy Innovation Hub originally established in 2010 aimed at harnessing solar energy for the production of fuel.

\$10.5 Million for MHK

The Department of Energy announced April 28 \$10.5 million in available funding to support and design the operation of next generation marine and hydrokinetic systems. About six projects will address the challenges that the ocean environment poses for MHK energy systems. Applications are due July 1.

\$2 Million for Geothermal

The Department of Energy awarded April 28 \$2 million for five projects in the first part of the multiphase Frontier Observatory for Research in Geothermal Energy effort. The first two of three phases will provide a total of up to \$31 million over two years for selected teams.

\$4 Million for Efficient Homes

The Department of Energy awarded May 5 \$4 million to develop and demonstrate new energy efficient and high performance building homes. The Building America program develops innovations and resources with industry partners to encourage the residential buildings market to adopt energy efficient measures that will provide 50 percent savings in new homes by 2025 and 40 percent savings in existing homes by 2030, primarily via heating and cooling efforts.

\$6 Million for Efficient Commercial Buildings

The Department of Energy awarded May 5 \$6 million to eight projects to accelerate energy efficiency in offices, shops, schools, and other commercial buildings. The awards are intended to assist the Obama Administration's effort to reduce energy waste in the country's buildings and double energy productivity by 2030.

QER Implementation

Speaking during a Wilson Policy Center event May 7, counselor to Energy Secretary Ernest Moniz Melanie Kenderdine said that Department of Energy officials will meet with White House staff next week to discuss implementation of the Quadrennial Energy Review. The agency has put together an implementation team within the Office of Energy Policy and Systems Analysis, which met with Secretary Moniz May 6.

Crude Exports

Turner, Mason & Co. released an [analysis](#) for the Energy Information Administration May 6 finding that the United States could become one of the world's largest oil exporters if domestic production continues to grow and the forty-year ban on crude oil exports is lifted. Assuming that domestic output increases by 7.2 million barrels a day from 2013, the United States would be capable of exporting as much as 2.4 million barrels a day in 2025 if the export ban was lifted, making the country the four largest oil exporter, behind Saudi Arabia, Russia, and the United Arab Emirates.

LNG Exports

The Department of Energy [granted](#) May 7 final approval for Dominion's Cove Point facility to export liquefied natural gas to nations that do not have free trade agreements with the United States, bringing the \$3.8 billion terminal closer to fruition. The Maryland facility had received conditional agency approval in 2013, but the final order authorizes the terminal to ship up to 770 Mcf per day for 20 years, and Dominion expects to complete work on the facility in 2017. Earthjustice filed a lawsuit May 6 in the U.S. Court of Appeals for the District of Columbia Circuit challenging the Federal Energy Regulatory Commission's September 2014 approval of the project.

G-7 Energy Ministers

Energy Secretary Ernest Moniz will attend the Group of Seven meeting of energy ministers May 11-12 in Hamburg, Germany to discuss, among other things, energy security.

DEPARTMENT OF STATE

Paris Negotiation Prep

Department of State Acting Assistant Secretary for Oceans, Environment, and Science Judith Garber told the Senate Foreign Relations Subcommittee on Multilateral International Development, Multilateral Institutions, and International Economic, Energy, and Environmental Policy May 6 that staff from the agency's Office of Global Change and the Office of the Special Envoy for Climate Change have increased discussions with congressional staff as the Administration prepares for the global climate negotiations in Paris at the end of the year. The agency hopes to root a global agreement in robust and transparent emissions reduction targets.

DEPARTMENT OF TREASURY

Off Grid Fort Knox

Fort Knox displayed during a ceremony last week its ability to operate without external power, which will save the post \$8 million a year and make it the first domestic military post to achieve complete energy independence. Natural gas from underneath the installation will convert into electricity at six power generating sites at Fort Knox.

ENVIRONMENTAL PROTECTION AGENCY

CPP Saves Lives

Nature Climate Change published a [study](#) from Syracuse and Harvard University May 4 finding that the Clean Power Plan would avoid about 3,500 premature deaths and more than 1,000 heart attacks and hospitalizations related to air pollution a year by 2020. Using maps of the more than 2,400 domestic fossil fuel power plants to create models of carbon policy impacts, researchers discovered that out of three possible scenarios, the Clean Power Plan resulted in the greatest health benefit.

TX GHG Permits

The U.S. Court of Appeals for the District of Columbia Circuit denied May 4 Texas' petition to rehear a lawsuit challenging an Environmental Protection Agency requirement that states update their air pollution plans to include greenhouse gas permitting.

RFS to OMB

The Environmental Protection Agency sent May 5 its multiyear Renewable Fuel Standard proposal to the White House Office of Management and Budget for review last week. The proposal covers volume mandates for 2014, 2015, and 2016. The agency will propose the rule by June 1 and finalize the rule by November 30 a part of an April proposed consent decree with the American Fuel and Petrochemical Manufacturers and the American Petroleum Institute.

FEDERAL ENERGY REGULATORY COMMISSION

CPP Reliability Safety Valve

During a Bipartisan Policy Center forum May 8, utility and grid operator representatives said that the Environmental Protection Agency and the Federal Energy Regulatory Commission need a memorandum of understanding for the application of a reliability safety valve under the Clean Power Plan.

Solar Storm Standard

The Federal Energy Regulatory Commission will consider during its May 14 meeting the North American Energy Reliability Corporation's proposed reliability standard on transmission system planned performance for geomagnetic storms

INTERNATIONAL

Cap and Trade Success

Quebec's Minister of Sustainable Development, Environment, and the Fight Against Climate Change David Heurtel said during the Navigating the American Carbon World conference April 29 that carbon market success in California, Quebec, and the Regional Greenhouse Gas Initiative demonstrates that cap and trade programs can reduce emissions without causing economic harm.

HFC Montreal Protocol Amendment

The European Union [proposed](#) April 30 amending the Montreal Protocol to require industrialized countries to largely

phase out the production and consumption of hydrofluorocarbon refrigerant gases by 2035 as part of global efforts to mitigate climate change. Under the proposal, developed countries would reduce their average HFC production and consumption by 2035 to 15 percent of a baseline calculated as average HFC production and consumption from 2009 to 2012 and 45 percent of their average hydrochlorofluorocarbon production and consumption during those years.

Developing Country Contributions

The International Energy Agency [announced](#) May 4 that three quarters of the energy-related greenhouse gas emissions necessary by mid-century to avoid a worst-case global temperature increase scenario must come from developing nations, but that developed countries must help them achieve those emissions reductions.

EU ETS Acceleration

European Union governments, the European Parliament, and the European Commission agreed May 5 to start a stability reserve in the European Union emissions trading system in 2019, two years earlier than originally scheduled. The reserve would automatically absorb allowances in the trading program if the surplus exceeds a fixed limit and release them to the market in the event of a shortage. The European Union Parliament Environment Committee will vote on the compromise May 26 and the entire assembly is likely to vote on the proposal during the July 6 plenary session.

Diverse Climate Policy

Speaking at an emissions reduction summit in Melbourne, Australia, May 6, United Nations Framework Convention on Climate Change Executive Secretary Christiana Figueres said that the fact that countries are negotiating diverse domestic climate policies could be a positive development as long as they are committed to reducing greenhouse gases significantly. She said that global emissions must peak within ten years, and that the world needs to be carbon neutral before the end of the century.

STATES

NC RE Tax Credit

North Carolina Governor Pat McCrory (R) signed legislation (S.B. 372) into law April 30 to extend a 35 percent state tax credit for the cost of constructed, purchased, or leased renewable energy property. The credit may be taken against the state franchise tax or against a gross premium tax in the case of an insurance company. The credit was scheduled to expire next January, but projects that are in advanced development stages will receive an extension until January 2017.

TX Local Drilling

The Texas Senate passed May 4 legislation (H.B. 40) to restrict municipal efforts to regulate oil and gas operations. Under the bill, local ordinances would be preempted unless the rule regulates only above ground activity, is commercially reasonable, is not otherwise preempted by state or federal law, or does not effectively prohibit an oil and gas operation conducted by a reasonably prudent operator. The House approved the measure in April, and Governor Greg Abbott (R-TX) is expected to soon sign the legislation into law.

GA Gas Tax, Electric Vehicles

Georgia Governor Nathan Deal (R) signed legislation (H.B. 170) into law May 4 to impose higher motor fuel taxes and new hotel fees and eliminate a tax break for large airlines, a \$5,000 electric vehicle purchase tax credit, and a \$2,500 credit for owning a low-emissions vehicle. The law also creates new annual registration fees of \$200 for drivers of non-commercial electric vehicles and \$300 for commercial electric vehicle drivers. The measure, which will take effect July 1, will raise more than \$900 million a year for transportation infrastructure funding.

HI RE

The Hawaii Senate passed legislation (H.B. 623) May 5 to set a goal for the state to produce 100 percent of its electric power from renewable energy sources by 2045. The measure includes an interim goal of 30 percent renewable energy dependence by 2020.

NY CPP Investments

New York Independent System Operator President and Chief Executive Officer Stephen Whitley said during an Independent Power Producers of New York conference May 6 that the Environmental Protection Agency's Clean Power Plan will prompt the state to invest a significant amount of money into energy infrastructure. The state is likely to become more dependent on natural gas and renewable energy generation once the plan is implemented.

SUSTAINABILITY

Apple RE Goal

Apple pledged last week to create enough energy from renewable sources to power its manufacturing supply chain. The company already generates renewable energy equivalent to 87 percent of the energy used by its facilities around the world, and has a goal of reaching 100 percent. Apple's supply chain uses about 60 times as much power as the company's own facilities.

MISCELLANEOUS

DG and Grid Reliability

During a May 6 Energy Bar Association meeting, public utility experts said that electric utility regulators need to adapt to newer distributed energy resources while continuing to ensure grid reliability.

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