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ENERGY AND ENVIRONMENT UPDATE

June 17, 2012

Energy and Climate Debate

Between campaign speeches, budget debates, and transportation reauthorization negotiations, energy issues played a key role on the national stage last week. The Senate will take up the farm bill and its contentious energy provisions this week, and the House will consider legislation (H.R. 4480) linking the use of the strategic petroleum reserve to more oil and gas drilling on federal land.

Senator Barbara Boxer (D-CA), Chair of the transportation reauthorization conference committee, said June 12 that the House and Senate have gone back and forth on about 75% of the bill language, as each side continues to volley piecemeal offers on the measure. Though Senator Boxer and Speaker of the House John Boehner (R-OH) continue to point fingers as to whom is responsible for the seemingly slow movement toward agreement before the June 30 deadline, the real sticking point continues to be the Keystone XL pipeline. House Republicans insist that it must be part of the infrastructure package, as it is included in their version of the legislation, while Senate Democrats contend that there are not 60 votes in their chamber to approve the controversial pipeline. Final negotiation of this issue is not likely until all, or nearly all, other pieces are agreed upon.

Senate leaders continue to search for a way to move the farm bill (S. 3240) forward without drowning it in the nearly 300 amendments already submitted, as Republicans are making it clear that up to \$800 million in mandatory spending will be targeted, particularly energy provisions like incentives for biofuels and other renewable energy. Senator Jim DeMint (R-SC) submitted amendments eliminating the Department of Agriculture's biofuels and renewable energy programs as well as all farm bill loan guarantees, and repealing the Renewable Fuel Standard. Some Republican senators took a more targeted approach, like Senator Mike Lee's (R-UT) amendment eliminating the USDA's Biomass Crop Assistance Program, or Senator Pat Toomey's (R-PA) amendment eliminating the USDA's Biorefinery Assistance Program. Senator John McCain's (R-AZ) amendment axed any spending on renewable fuel infrastructure.

Speaking about the economy from Ohio June 15, President Obama devoted some of his hour to call on Congress to eliminate tax breaks for big oil companies, pass a Clean Energy Standard, and invest in research and development.

Later this week, Secretary of State Hillary Clinton will lead a delegation to the Rio+20 climate conference including Environmental Protection Agency Administrator Lisa Jackson, Council on Environmental Quality Chairwoman Nancy Sutley, and officials from the Department of State, the United States Agency for International Development, and the Overseas Private Investment Corporation. The event, officially the

United Nations Conference on Sustainable Development in Rio de Janeiro, runs from June 20-22 and comes 20 years after the landmark 1992 Earth Summit in Rio de Janeiro. Analysts remain skeptical that a comprehensive agreement will result from the conference.

Congress

House Energy Bill

House Republican leaders plan to bring the Domestic Energy and Jobs Act, a package of seven energy bills, to the floor this week. The measure, sponsored by House Majority Whip Kevin McCarthy (R-CA), is aimed at increasing oil and gas drilling on public lands and blocking Environmental Protection Agency regulations.

CRA Vote

Congressional Review Act legislation from Senator James Inhofe (R-OK) designed to repeal the Environmental Protection Agency's Mercury and Air Toxics Standards for power plants is scheduled to be voted on this Wednesday. Senators Lamar Alexander (R-TN) and Mark Pryor (D-AR) are also expected to introduce alternative legislation this week that would grant utilities three more years to comply with the rule.

Tax Code Impact on Energy

The Senate Finance Committee met June 12 to consider the impact of tax reform on domestic energy policy. The next significant vehicle for major energy policy is likely to be next year's sweeping overhaul of the U.S. tax code, as billions of dollars in tax breaks to fossil fuel and renewable energy will be at stake, and some are beginning to consider whether to use the measure to advance a tax on gasoline or carbon dioxide. Chairman Jeff Bingaman (D-NM) praised some of the current tax policy for supporting important energy sectors, but called the system as a whole inefficient and filled with provisions that do not create jobs and should be jettisoned in any kind of corporate tax overhaul.

Energy Efficiency Legislation

A broad group of industry representatives sent a letter June 6 to Senate Majority Leader Harry Reid (D-NV) and Senate Minority Leader Mitch McConnell (R-KY) voicing their support for the Energy Savings and Industrial Competitiveness Act of 2011 (S. 1000) and requesting that the bipartisan measure be given floor time in the Senate. Staff for Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH), the bill authors, have been meeting with staff for Senators Reid and McConnell as well as Energy and Natural Resources Chair Jeff Bingaman (D-NM) to negotiate an agreement to bring the bill to the floor, including potential amendments, but have yet to come to final solution.

Credit Validity

Senator James Inhofe (R-OK) sent a letter to the Environmental Protection Agency Administrator Lisa Jackson June 12 asking that the agency take additional steps to verify that renewable fuel credits being sold by producers are valid rather than penalizing companies that buy fraudulent credits in good faith. He asked Administrator Jackson to respond within 14 business days about the agency's plans to improve the program. The following day, he sent a separate letter protesting that Environmental Protection Agency regulations on coal-fired electrical generation are leading to uneconomical plant closings.

U.S.-China Energy Hearing

The Senate Energy and Natural Resources Committee held a hearing June 14 to consider competitiveness and collaboration issues between the United States and China related to clean energy. Chairman Jeff Bingaman (D-NM) was particularly interested in answering three questions regarding the current landscape of Chinese clean energy investment; the appropriate U.S.-China relationship on the issues; and best practices for promoting U.S. competitiveness with China and other countries in the clean tech sector.

GAO USEC Investigation Sought

Representatives Michael Burgess (R-TX) and Ed Markey (D-MA) asked the Government Accountability Office June 12 to investigate the viability of continued Department of Energy support for the U.S.

Enrichment Corp. (USEC), citing the company's recent credit downgrading and a host of technical problems at an Ohio pilot program.

PMA Letter

A bipartisan group of 166 members of Congress led by Senators Tim Johnson (D-SD) and Orrin Hatch (R-UT) and Representatives Paul Gosar (R-AZ) and Jim Matheson (D-UT) sent a letter June 5 to Energy Secretary Steven Chu calling on him to conduct more discussions with stakeholders, ratepayers, and them before moving forward with a plan to restructure the four federal power marketing administrations that provide hydropower to 20 states. The group is concerned that Secretary Chu will create expensive laboratories to test renewable energy technologies, while the secretary believes that the administrations should lead on the areas of transmission expansion, renewable energy, energy efficiency, cybersecurity, and electric vehicles. Secretary Chu issued a memorandum March 16 to the heads of Bonneville Power Administration, the Western Area Power Administration, the Southeastern Power Administration, and the Southwestern Power Administration, who own and operate nearly 34,000 miles of transmission lines, outlining goals addressing operations, rate design, modernization, and financing.

Legislation Introduced

Senator Lindsey Graham (R-SC) introduced legislation (S. 3284) June 11 to amend the Outer Continental Shelf Lands Act to provide for the inclusion of areas off the coast of South Carolina in the outer Continental Shelf leasing program for fiscal years 2012 through 2017. The Department of Interior is expected to soon finalize a five-year leasing plan that would prohibit sales off the Atlantic and Pacific coasts.

Senator Maria Cantwell (D-WA) introduced legislation (S. 3298) June 14 to amend the Oil Pollution Act of 1990 to establish the Federal Oil Spill Research Committee and to amend the Federal Water Pollution Control Act to include in a response plan certain planned and demonstrated investments in research relating to discharges of oil and to modify the dates by which a response plan must be updated.

Hearings Scheduled

On June 19, the Senate Environment and Public Works Subcommittee on Clean Air and Nuclear Safety will hold a hearing on the Environmental Protection Agency's recently released New Source Performance and National Emissions Standards for Hazardous Air Pollutants for the oil and natural gas sectors.

The same day, the House Energy and Commerce Subcommittee on Energy and Power will hold a hearing on the American Energy Initiative and the Environmental Protection Agency's greenhouse gas regulations.

Also on the 19th, the House Energy and Commerce Subcommittee on Oversight and Investigations will hold a hearing on the federal green jobs agenda.

On June 20, the House Appropriations Subcommittee on Interior, Environment, and Related Agencies will mark up appropriations legislation.

Administration

Infrastructure Approval Plan

The White House released last week a federal plan for expediting permitting and review processes for infrastructure projects. Part of the effort to implement a March 22 executive order (No. 13,604) to improve regulatory approvals of projects for communications, electric power transmission, oil and gas pipelines, renewable energy generation, transportation, and water resources, adds more details on agency obligations. The plan, *Implementing Executive Order No. 13,604 on Improving Performance of Federal Permitting and Review of Infrastructure Projects: A Federal Plan for Modernizing the Federal Permitting and Review Process for Better Projects, Improved Environmental and Community Outcomes, and Quicker Decisions*, indicates that each agency must identify and publish online its significant permit decision making and review responsibilities as well as estimated timelines.

Department of Commerce

Chinese Solar Panel Imports Decline

On June 12, the Coalition for American Solar Manufacturing said that domestic imports of solar cells and panels from China declined from March to April after the Commerce Department determined a set of preliminary subsidy duties. SolarWorld Industries Americas Inc. led a group of solar companies to petition for the duties, and April was the first full month that the countervailing duties were in effect.

Department of Energy

Rooftop Solar Challenge

Speaking at the SunShot Grand Challenge Summit June 13, Energy Secretary Steven Chu announced the Rooftop Solar Challenge competition to find ways to make rooftop solar energy systems less expensive and provide \$8 million to nine small solar businesses to help offset financing and other costs. The SunShot Prize will award a total of \$10 million to the first three teams that install 5,000 small-scale rooftop solar systems at an average price of \$2/watt or less.

CSP Awards

The Department of Energy announced new investments June 13 for 21 projects to further advance cutting-edge concentrating solar power technologies. The awards, spanning 13 states for a total of \$56 million over three years, support the agency's SunShot Initiative.

\$54 Million for Advanced Manufacturing

The Department of Energy awarded June 12 more than \$54 million for 13 projects to advance transformational manufacturing technologies, materials, and processes. The projects, which are leveraging about \$17 million in additional private funds, can help domestic manufacturers increase the energy efficiency of their operations and reduce costs.

EIA Predicts Wind Contraction

The Energy Information Administration's latest energy forecast predicts that the price of a barrel of oil in the second half of 2012 will average \$95, \$11 lower than last month's estimates. The agency also said that total renewable energy resources grew 14 percent in 2011, but are expected to decline in 2012 owing to reductions in hydropower production. Additionally, the forecast demonstrates that a failure to extend the wind production tax credit would have a large negative impact on that industry's growth, 26 percent in 2011. The industry is expected to grow by only 16 percent in 2012 and 6 percent in 2013, or 3.7 percent if the credit is not extended.

Department of the Interior

SMRE to Regulate Coal Ash in 2012

The Department of Interior's Office of Surface Mining, Reclamation, and Enforcement announced June 13 that it would issue a proposed rule on coal ash and mining reclamation later this year. The agency will not wait for an Environmental Protection Agency ruling on coal ash as a byproduct of electrical generation, and it is consulting with the electric power and coal industries as well as environmental groups on the proposed rule. The Environmental Protection Agency currently is deciding whether to regulate the coal ash byproduct of coal-fired electrical generation as a hazardous substance.

BLM Faulted for Poor Management of Renewables

The Interior Department inspector general issued a report June 12 arguing that the Bureau of Land Management could improve its renewable energy program by more efficiently collecting rental fees on land it manages, clarifying bond guidance, and implementing a competitive bidding process on projects. The bureau lost \$1.2 million in rental revenue on 22 wind projects because rental rates never rose, and the report urged it to look into retroactive rent rises. Furthermore, 14 wind projects were insufficiently bonded by the bureau, totaling \$8.5 million in lost revenue. The report made nine recommendations and the agency fully-concurred with eight and partially concurred with the other. The bureau has 29 of 31

authorized wind projects in operation and five of nine solar projects under construction, with the potential for 20.6 and 20 million acres of wind and solar development, respectively.

Department of State

Keystone Analysis

The Department of State officially noticed June 15 the start of an environmental impact analysis of TransCanada's revised northern U.S. route for the Keystone XL pipeline. The new route runs from the Canadian border in Montana to Steele City, Nebraska, and is directed to bypass the state's Sandhills region.

India-US Natural Gas Cooperation

The State Department issued a statement June 13 announcing significant help to India in developing its natural gas supplies through the new Unconventional Gas Technical Engagement Program, part of a 2009 agreement on energy and climate change cooperation. The agency, calling natural gas an important bridge fuel, will advise India on environmental protection and regulatory best practices as the country prepares for its first shale gas bid round in 2013.

Environmental Protection Agency

Soot Standards

The Environmental Protection Agency released a proposed rule June 15 to set more stringent air quality standards for fine particulate matter (PM2.5), soot, and retain its standards for coarse particulate matter (PM10). The proposal would tighten the annual health-based air quality standard for PM2.5 to between 12 and 13 mcg per cubic meter from the current 15 mcg standard. The 2006 24-hour soot standard, would be retained, and the agency would add a separate standard for visibility of either 28 or 30 deciviews. 99 percent of counties are projected to meet the proposed standards without additional actions.

Diesel Rule Struck Down

The U.S. Court of Appeals for the District of Columbia Circuit struck down June 12 an Environmental Protection Agency attempt to issue an interim final rule to allow some manufacturers of heavy-duty diesel engines that do not meet emissions requirements to pay penalties and still sell their noncompliant engines, saying that the agency's reasoning for skipping notice and comment procedures did not hold up to the good cause exemption of the Administrative Procedure Act. Competitors of Navistar sued over the January 2012 decision.

EPA Retreading Program Changes

The Environmental Protection Agency sent a memorandum June 11 to tire manufacturers unveiling a new process for verifying low-rolling-resistance retread tires on large trucks that will lead to freight industry emissions reductions. The verification process, run by the agency's SmartWay program, will confirm that retreading makes the vehicles using the tires 3 percent more fuel-efficient than they would be if they were using the next-best tire. The agency will immediately accept applications for retreading technologies.

E15 Misfueling Regulations Finalized, Sales Can Begin

The Environmental Protection Agency finalized June 15 its revisions to misfueling regulations, a move that allows companies to begin selling 15 percent ethanol gasoline. The agency has granted two partial waivers under the Clean Air Act, thus allowing the use of E15 in model year 2001 and newer vehicles.

Jet Engine NOx Rule

The Environmental Protection Agency will adopt a final rule June 18 reducing nitrogen oxide emissions from certain gas turbo engines used in commercial passenger and freight aircraft. The rules will not apply to military aircraft and have been adopted already by the International Civil Aviation Organization.

CO2 Rule Lawsuit

On June 11, Las Brisas Energy Center LLC, developers of a proposed 1,300-megawatt power plant in Corpus Christi, Texas, filed a suit against the Environmental Protection Agency's proposed carbon

dioxide emissions standards for new fossil fuel fired power plants. The suit, filed in the U.S. Court of Appeals for the District of Columbia Circuit, argues the proposed rule is a final agency action because it sets an April 13 deadline for the groundbreaking at new facilities.

Sorghum Ethanol Included in RFS

The Environmental Protection Agency said June 12 that, under the renewable fuel standard, ethanol produced from grain sorghum qualifies as a conventional renewable fuel, since it results in a 32 percent reduction of life-cycle greenhouse gas emissions from comparable petroleum fuels. If the ethanol produced from grain sorghum used processes such as biogas as well as combined heat and power, the reduction in life-cycle emissions from gas would increase to 50 percent.

Cellulosic Biofuel Requirement Challenged in Court

The American Fuel and Petrochemical Manufacturers and the Western States Petroleum Association petitioned the U.S. Court of Appeals for the District of Columbia Circuit June 11 to review an Environmental Protection Agency requirement that the domestic fuel supply include specified amounts of commercially scarce cellulosic biofuels in 2011. The agency decided in May not to waive the requirement, despite acknowledging the scarcity of the fuels, which means refiners and importers must purchase credits or carry over the requirements to the next year.

Eastern Air Quality Improved

The Environmental Protection Agency recently unveiled a progress report on the Clean Air Interstate Rule. The May report credits CAIR, the former nitrogen oxides budget trading program, and the acid rain program with reducing nitrogen oxide and SO₂ emissions, thus improving air quality in the Eastern half of the country. The average eight-hour ozone concentrations from 2008 to 2010 in Eastern states that are subject to the rules were 16 percent lower than averages from 2001 to 2003. Fine particulate matter concentrations have also dropped 22 percent in warm months and 13 percent during the cool season.

Federal Energy Regulatory Commission

FERC-NRC Meeting on Nuclear Issues

During a joint Federal Energy Regulatory Commission and Nuclear Regulatory Commission meeting about natural disaster preparation, cybersecurity, and nuclear operability, June 15, Chairman Jon Wellinghoff said that nuclear power plants pose reliability problems. This meeting stems from a 2010 agreement between the commissions calling for occasional meetings on issues of mutual interest.

Federal Trade Commission

Alt Fuels Rule Consolidation

The Federal Trade Commission disclosed June 13 that it is considering a proposal to consolidate the labels required on alternative fuel vehicles with those required by the Environmental Protection Agency. The consolidation would eliminate the need for two different labels and would reduce the burden on complying with the Alternative Fuels Rule.

General Services Administration

Sustainability Goals Met

On June 15, the General Services Administration, which owns and leases more than 9,600 buildings, released a report finding that it is on track to meet its sustainability goals for buildings and vehicles, in line with President Obama's 2009 Executive Order No. 13514 issued. The agency is installing solar panels and advanced lighting systems, and adopting geothermal technology for distributed electrical generation. The federal government operates nearly 500,000 buildings and 600,000 vehicles, employs more than 1.8 million people, and purchases more than \$500 billion per year in goods and services.

National Aeronautics and Space Administration

Phytoplankton Found

The National Aeronautics and Space Administration reported in a *Science* article, "Life Blooms Under Arctic Ice," June 8 that a scientific mission surveying the Chukchi and Beaufort Seas off northern Alaska discovered highly active phytoplankton blooms just below the sea-ice layer, the first time such plant life has been found beneath the ice pack. The discovery has implications for the amount of CO₂ being absorbed by the ocean as well as for migrating birds and whales, since the phytoplankton comprise the base of the marine food web. Thinning Arctic sea ice and widespread melt patches have allowed sunlight to penetrate the water, thus spurring the plant growth.

Personnel

The Senate Environment and Public Works Committee held a joint confirmation hearing last week for two presidential nominees to the Nuclear Regulatory Commission, Allison Macfarlane and Kristine Svinicki, and the committee hopes to schedule a vote to approve the nominations this week. The working deadline for a full Senate vote is June 30, when Ms. Svinicki's term expires. Ms. Macfarlane was nominated May 24 to replace Gregory Jaczko, current NRC chairman, who announced three days prior his intention to resign as soon as a replacement could be confirmed.

States

LA Alternative Fuel Credit

The Louisiana Department of Revenue issued May 20 an emergency rule clarifying the availability and proper qualification criteria for claiming the alternative fuel tax credit. The credit applies to qualified clean-burning motor vehicle fuel property and does not include the cost of equipment that is necessary to operate a vehicle using gasoline or diesel fuel. The rule clarifies that if a taxpayer has previously claimed credits for eligible property costs, no additional credit can be claimed.

Western Power Grid Development

Speaking before the Western Governors' Association June 11, Governor Brian Schweitzer (D-MT) told governors, federal officials, and utility representatives that the pace of constructing new electricity transmission lines in the West was too slow. Utah Governor Gary Herbert (R), coming association chairman, said that the group is establishing a task force to develop more effective and efficient federal permitting and siting.

NY Court Dismisses RGGI Challenge

A New York court dismissed a June 2011 lawsuit last Wednesday, June 13, that sought to block the state's participation on the Regional Greenhouse Gas Initiative. The court ruled that even if the individuals had standing, the case would have been barred because it was unreasonably delayed, as New York entered into RGGI in 2005 and implemented statewide regulations in 2008. The ruling could bar similar challenges claiming that increased utility rates from cap and trade programs are harmful.

CA Water GHG Reductions

California's Department of Water Resources announced June 11 that it would cease purchasing electricity from a coal-fired power plant in Nevada next year under a plan to reduce GHG emissions from its operation of the State Water Project. The plan aims to reduce emissions 50 percent below 1990 levels by 2020 and 80 percent by 2050 and is consistent with the state climate law (A.B. 32).

NY Chesapeake Gas Leases

New York Attorney General Eric T. Schneiderman (D) announced June 14 an agreement between Chesapeake Appalachia LLC, a subsidiary of Chesapeake Energy Corp., and landowners in the Marcellus Shale areas of upstate New York to renegotiate more than six thousand natural gas leases with unfavorable terms. The company will also pay for the state's investigation of its improper use of force majeure clauses to extend the natural gas drilling leases, and landowners can now negotiate with other gas companies for better terms.

Yankee Cost Recovery Allowed by Appeals Court

A federal appeals court ruled June 13 that the owner of the Vermont Yankee Power Station may recover

lobbying and legal fees from the federal government that were paid to secure state approval for a dry storage facility for spent nuclear fuel the Department of Energy was charged with storing. The court rejected the owner's request to recover contributions to a state clean energy fund, holding that damages that were "reasonably foreseeable" are the only expenses recoverable. The act authorized the Energy Department to enter into contracts with utilities for spent fuel disposal.

CA Court Ruling Bolsters Air Quality Exemptions

The California Supreme Court limited June 14 the number of lawsuits challenging local agency decisions exempting proposed projects from California Environmental Quality Act requirements. The ruling reverses a 2010 appellate court ruling that found that the administrative-remedies requirement does not necessarily apply when a local agency exempts a project from CEQA review.

OH Fracking Disclosure Law

Ohio Governor John Kasich (R) signed energy policy legislation (S.B. 315) into law June 11, requiring well operators to report the volume and chemical descriptions of all fluids used in the shale drilling process. The bill also requires well operators to take water samples within 1,500 feet of a proposed horizontal well, followed by full disclosure on permit applications of all test results, as well as full disclosure of the source of water to be used in the well drilling and completion process.

CARB to Vote on Linking with Ontario Emissions Trading System

The California Air Resources Board announced June 11 that with recent changes to both, Quebec's greenhouse gas emissions cap-and-trade program is in sync with California's trading program. Next week, the governing board will consider regulations officially linking the two programs; both launched in this January but neither is to be enforced until 2013.

ME Sales Tax

Maine enacted legislation (L.D. 1655) May 21 to expand the sales tax exemption for residential electricity to include off-peak residential electricity for space and water heating by electric thermal storage devices.

International

Chinese GHG Inventories Differ

According to a June 10 *Nature* report, Chinese national and provincial carbon inventory totals in 2010 were 1.4 gigatons apart, about 5 percent of annual global emissions. The report, "The Gigatonne Gap in China's Carbon Dioxide Inventories," examined Chinese inventories from 1997 to 2010, and found that emissions grew at an average annual rate of 7.5 percent according to national data and 8.5 percent according to provincial data. The widest gap was in the most recent report, 2010, when there was an 18 percent difference between the two totals.

Battery Safety

The Department of Transportation's Pipeline and Hazardous Materials Safety Administration pledged June 13 to work with the Rechargeable Battery Association and the International Association for the Promotion and Management of Portable Rechargeable Batteries on a proposal to include a special provision and packing instructions for waste lithium batteries in international regulations. The proposal requests that the U.N. Subcommittee of Experts on the Transportation of Dangerous Goods, which meets June 25-July 4, consider exempting waste lithium ion batteries from some new regulatory requirements if they are shipping in accordance with new packing instructions.

10,000 Chinese Enterprises

The National Development and Reform Commission has identified 10,000 Chinese enterprises that will participate in nationwide, provincial, and local programs for reducing energy intensity through the end of the 12th Five-Year Plan period. Participants in the Top 10,000 Energy-Consuming Enterprises Program have been assigned specific targets to help the country meet its goals to reduce energy intensity 16 percent and carbon intensity 17 percent by 2015, compared to 2010 levels. The list, including industrial companies, universities, transportation companies, hotels, and others, expands a list of 1,000 large companies required to implement energy efficiency plans during the 11th Five-Year Plan.

Indian Fuel Efficiency Labels

Indian Bureau of Energy Efficiency Director General Ajay Mathur announced June 13 fuel efficiency labels for new passenger cars made in India starting next April. The country will introduce its first corporate average fuel consumption standards to ensure minimum fuel efficiency in each manufacturers' fleet. The bureau is hoping to phase in new standards, and eventually mandate new technology.

EU Energy Measures – Efficiency and Electrical Generation

On June 15, European Union energy ministers, in the face of Poland's vigorous defense of coal-fired electrical generation, failed to approve an EU-wide plan for the long-term power source mix up to 2050. However, member nations approved the European Parliament's energy efficiency legislation that will lead to an estimated 15-17 percent reduction in energy use by 2020, short of the 20 percent reduction originally envisioned.

WTO to Rule on Ontario Domestic Content Rules in November

A dispute panel at the World Trade Organization announced plans to issue a ruling in November on the European Union and Japan's joint filing challenging the Ontario's Feed-In Tariff program sourcing requirements and subsidies. The two charge that Ontario's domestic content provisions for wind and solar equipment used to comply with the province's renewable energy goals amounts to illegal subsidies.

Diesel Exhaust Linked to Cancer

The International Agency for Research on Cancer's Working Group on Diesel Engine Exhaust and Gasoline Engine Exhaust classified June 12 diesel exhaust as a group 1 carcinogen. Since 1988, diesel exhaust has been characterized as probably carcinogenic to humans. The Diesel Technology Forum has countered the study's findings, citing Environmental Protection Agency data that concluded otherwise.

Fears that Climate Change Will Be Neglected at Rio+20

Alexander Likhotal, president of Green Cross International, said June 11 that the upcoming U.N. Conference on Sustainable Development is effectively shunning the issue of climate change, citing the fact that only two, out of 120-plus, paragraphs mention climate change in the draft declaration. The same day, a group of scientists, politicians, and academics called for immediate action on climate change, earning an endorsement from EU Climate Commissioner Connie Hedegaard.

Global Renewable Investment Grows, Future Still Uncertain

The United Nations Environment Program released *Global Trends in Renewable Energy Investment 2012* June 11, finding that global investment in renewable energy hit \$257 billion in 2011, a 17 percent increase over 2010, led by \$147 billion in solar technology investment from rooftop photovoltaic installations in Europe, PV systems in China and the UK, and utility-scale solar generation in the United States. In the United States, investment rose 57 percent over 2010 figures to reach \$51 billion. These numbers would have also been larger without PV panel price depressions, but the UNEP remains skeptical about continued renewable investment growth given the waning policy support the world over.

Global Renewable Energy Capacity Grows As Well

The U.N. Renewable Energy Policy Network for the 21st Century (REN21) released the *Renewables 2012 Global Status Report* June 11, finding that worldwide renewable energy capacity totaled more than 1,360 gigawatts in 2011, or one quarter of the world's entire power-generating capacity, with non-hydropower renewables accounting for 390 GW. Solar PV showed the fastest growth, as operating capacity increased by an average of 58% annually and 30 GW of solar photovoltaic operating capacity was added in 2011.

IEA to Work Closely with Developing Nations in Next Quarter Century

The International Energy Agency is seeking special arrangements with China, India, and emerging countries that are slated to be the biggest carbon dioxide emitters in the next 25 years as they are estimated to account for 90% of energy growth. China already exceeds the U.S. in emissions, with India closely following the U.S., and the agency is working on enhanced communication and partnerships with those two countries as well as Brazil, Indonesia, South Africa, Russia, and Mexico.

Miscellaneous

Solar Installations Up

The Solar Energy Industries Association announced June 13 that 18,000 photovoltaic systems totaling 506 MW of power capacity were installed during the first quarter of 2012, an 85 percent increase from the installed capacity at the same time last year. As a result of the greatest increase on record, the association has increased its forecast for the number of PV systems to be domestically installed this year. The report, *U.S. Solar Market Insight: Q1 2012*, forecasts that PV installation capacity will exceed 3,200 MW, a 75% increase from last year's total and 15 percent higher than previous forecasts for 2012.

Electronic Waste Industry

Pike Research released recently a study finding that the electronic waste recycling industry has the potential to see a 700 percent global expansion before 2030, with the reuse and recycling of electronics potentially rising from 1.1 million tons in 2010 to 7.9 million tons by 2025.

CCS and Wastewater Injection Could Pose Earthquake Risk

The National Research Council released June 15 the *Induced Seismicity Potential in Energy Technologies*, report, finding that more so than with hydraulic fracturing for oil and gas production, wastewater injection wells and carbon capture and storage are likely to pose a threat of earthquakes. Senator Jeff Bingaman (D-NM) requested the study, which yielded results similar to those of prior U.S. Geological Survey.

Electronic Recycling Group Criticizes ITC Methodology

The Electronics TakeBack Coalition, an electronics recycling advocacy group, recently criticized an International Trade Commission survey on the electronic waste industry for failing to ask broad enough questions. The coalition proposed the use of electronic tracking devices and port inspections instead of a survey.