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## **ENERGY AND ENVIRONMENT UPDATE**

### **July 29, 2012**

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

As the August recess looms and the country looks toward the November elections, energy issues continue to play a role in the debate. In addition to the introduction of numerous energy bills in Congress last week, the New York Times announced July 27 that it is launching a new series on energy and climate policy.

Senate Majority Leader Harry Reid (D-NV) is negotiating with Republicans to permit the Senate to clear a major cybersecurity bill and a tax extenders package before the five-week August recess and the political conventions. After months of contentious negotiations, the Senate voted, 84-11, late last week to invoke cloture on a motion to proceed to Senator Joe Lieberman's (I-CT) bill (S. 3414) and begin debate. Additionally, as none of the fiscal year 2013 appropriations measures have been enacted, House and Senate leadership have been debating the details of a continuing resolution, ranging from three to six months long, that the chambers will have to pass in September in order to ensure that the federal government is funded when the fiscal year begins October 1. On July 26, congressional leadership approached a deal to fund the government for six months, retaining government funding at the same levels as last year's debt limit law; the bipartisan funding bill could be rolled out early this week. Finally, House leadership plans to bring votes to the floor on rival Senate and House tax bills as well as a one-year extension of the farm bill by the end of the week.

Senate Finance Committee Chairman Max Baucus (D-MT) has been trying to develop a tax extenders bill that might be taken up either before the August recess or sometime in September. Initially, Senator Baucus was planning on offering a slim extenders package and putting the burden on members to try to get excluded items back in, but he is now considering starting with a full package and allowing members the opportunity to argue that some should be dropped.

The House and Senate will be in recess from August 6 until September 10. The House is scheduled to work September 10-14 and 19-21, potentially passing a six month continuing resolution during that time. At that point, there is talk of the House adjourning until the first week of October. The Senate is already slated to go out on September 21. As quite a bit of work will remain unfinished at that point, it is likely that the lame duck will be filled with numerous, hopefully productive, debates.

#### **Congress**

##### **House Drilling Alternative Passed**

The House approved, 253-170, July 25 a plan (H.R. 6082) to replace the Obama administration's proposed five-year (2012-2017) offshore oil and gas drilling strategy with a much larger lease-sale schedule. The bill would authorize 29 offshore lease sales over the next five years, compared with 15 lease sales in the Department of Interior's plan; the additional 14 lease sales would be consolidated into a single multisale environmental impact statement. The House measure is not likely to be taken up by the Senate, and the House issued a veto threat July 23.

#### Particulate Standards Delay Requested

Senator James Inhofe (R-OK) sent a letter July 25 to Environmental Protection Agency Administrator Lisa Jackson asking the agency to delay a final rule on particulate matter air quality standards while the agency's inspector general investigates its advisory committees. The agency announced proposed revisions to the standard June 15 and has agreed to finalize them by December 14.

#### NG Vehicles Not the Answer

Testifying before the Senate Energy and Natural Resources Committee July 24, David Greene, a fellow at the Department of Energy's Oak Ridge National Laboratory, said that a large-scale move from petroleum-based transportation fuel to natural gas would likely be a mistake. He concluded that the estimated 20 percent reduction in tailpipe emissions likely to come from the substitution is not large enough to curb climate change.

#### First Appearance as NRC Chairman

Making her first appearance before Congress as chairman of the Nuclear Regulatory Commission, Allison Macfarlane called July 24 for more post-Fukushima safety reforms and remained neutral on the stalled Yucca Mountain nuclear waste project in Nevada. Kristine Svinicki, William Magwood, and William Ostendorff also testified before the House Energy and Commerce Subcommittee on Energy and Power and the Subcommittee on Environment and the Economy. Committee Republicans focused heavily on the commission chairman's statutory authority and whether it should be curbed.

#### DOE on Track to Meet EV Goals

Appearing before the House Science, Space, and Technology Subcommittee on Energy and Environment July 26, Deputy Assistant Secretary of Energy Kathleen Hogan said that the agency's vehicle technology program is on track to meet goals related to electric vehicle batteries and charging stations. The initiative expects to meet its December 2013 goal to deploy 20,000 charging states in cities across the country, up from 500 in 2009. The department has reduced the costs of next-generation battery technology by 35 percent and anticipates achieving an additional 50 percent reduction by 2014. The agency is also on schedule to reach a domestic manufacturing capacity goal for half a million EV batteries per year.

#### Water Efficiency Hearing

Researchers and industry representatives told the Senate Energy and Natural Resources Subcommittee on Water and Power July 25 that increased federal funding is necessary for water metering and water efficiency programs. As the government has spent billions of dollars in consumer rebates and tax incentives for energy efficiency over the past decade, but very little on water efficiency, the hearing examined the role of water use efficiency and its impact on energy use. According to Water Resources Group, global water demand is expected to grow by 40 percent by 2030.

#### No More Solyndras Act

The House Energy and Commerce Subcommittee on Energy and Power approved, 14-6, the No More Solyndras Act July 25. After voting down a Democratic amendment that would have put the program on hold, the measure would phase out the Department of Energy's loan guarantee program by prohibiting the agency from making any commitments for loan guarantee applications received after 2011 but allowing the department to process applications that are already in the pipeline, using its \$34 billion in loan guarantee authority to do so. Companion legislation is unlikely to be introduced in the Senate, and has little chance of passage even if it was. The full committee will vote on the legislation August 1.

#### Chinese Trade Reforms Urged

Senator Charles Schumer (D-NY) sent a letter July 27 to Treasury Secretary Timothy Geithner urging him to block China's state-owned oil company, China National Offshore Oil Corporation, from acquiring Nexen Inc., a Canadian oil company, until China makes changes to its foreign investment and international trade policies. Senator Schumer called for China to join the World Trade Organization's Government Procurement Agreement, bolster intellectual property rights enforcement, limit the scope of its foreign investment review policy to national security, and nullify its indigenous innovation policies, positing that as chairman of the Committee on Foreign Investment in the United States, Secretary Geithner could withhold approval of the transaction until China meets these conditions.

#### Legislation Introduced

Representative Lee Terry (R-NE) introduced legislation (H.R. 6164) July 23 to approve the construction, operation, and maintenance of the 1,200-mile northern portion of the Keystone XL pipeline from the Canadian border to the South Dakota/Nebraska border. Congressman Terry's third measure on the issue, the bill would eliminate the need for a new environmental impact statement on the northern segment.

Senator Ben Cardin (D-MD) introduced legislation (S. 3428) July 24 to amend the Clean Air Act to partially waive the renewable fuel standard when corn inventories are low.

Representative Doc Hastings (R-WA) introduced legislation (H.R. 6168) July 24 to direct the Secretary of Interior to implement the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program (2012-2017) in accordance with the Outer Continental Shelf Lands Act and other applicable law.

Also last Tuesday, Representative David McKinley (R-WV) introduced legislation (H.R. 6172) to prohibit the Administrator of the Environmental Protection Agency from finalizing any rule imposing any standard of performance for carbon dioxide emissions from any existing or new source that is a fossil fuel-fired electric utility generating unit unless and until carbon capture and storage is found to be technologically and economically feasible. The bill would task the Energy Information Administration, the comptroller general, the National Energy Technology Laboratory, and the Commerce Department with determining when the technology is viable.

Senator Bob Casey (D-PA) introduced legislation (S. 3437) July 25 to amend the Natural Gas Act to provide assistance to States to carry out initiatives to promote the use of natural gas as a transportation fuel and public and private investment in natural gas vehicles and transportation infrastructure.

The same day, Senator Lisa Murkowski (R-AK) introduced legislation (S. 3438) to require the Secretary of the Interior to implement the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program: 2012-2017 and conduct additional oil and gas lease sales to promote offshore energy development in the United States for a more secure energy future. The Offshore Petroleum Expansion Now Act is an alternative to the Interior Department's recently released five-year offshore drilling strategy, and adds a dozen more lease sales.

Representative Mike Thompson (D-CA) introduced legislation (The American Advanced Energy Manufacturing Jobs Act of 2012, H.R. 6182) last Wednesday to amend the Internal Revenue Code of 1986 to extend and expand the 48C advanced energy manufacturing tax credit for qualifying advanced energy projects.

Senator John Hoeven (R-ND) was joined by 30 of his colleagues in introducing the Domestic Energy and Jobs Act (S. 3445) July 26. The measure would establish an American Energy Development Plan, approve the Keystone XL Pipeline, freeze and study the impact of Environmental Protection Agency rules on gasoline regulations, provide onshore oil and gas leasing certainty, advance offshore wind production, streamline energy permitting, provide access to the National Petroleum Reserve Alaska, hold Bureau of Land Management live internet auctions, establish a mining law program or solid minerals leasing program, increase state revenue sharing for Outer Continental Shelf revenues offer lease sales off the Virginia coast, limit new regulations on surface mining, and establish a Critical Minerals Policy Act. The 85-page wide-ranging energy bill is intended to serve as a blueprint for action if Republicans capture Congress or the White House in November.

The same day, Senator Debbie Stabenow (D-MI) introduced legislation (S. 3449) to prohibit purchases by the Federal Government of Chinese goods and services until the People's Republic of China becomes a part to the Agreement on Government Procurement.

Representative Richard Neal (D-MA) introduced legislation July 26 to restore and make permanent the Build America Bonds program that expired at the end of 2010. The measure would set the subsidy rate for the bonds at 32 percent for 2012, increasing by one percentage point each year until it reaches a permanent rate of 28 percent in 2016.

Representatives Ron Kind (D-WI) and John Lewis (D-GA) introduced the long-awaited biogas investment tax credit (H.R. 6212) July 26.

Representative Fred Upton (R-MI) introduced legislation (H.R. 6213) last Thursday to limit further taxpayer exposure from the loan guarantee program established under title XVII of the Energy Policy Act of 2005.

Also on the 26th, Representative John Garamendi (D-CA) introduced legislation (H.R. 6217) to require 85 percent domestic content in green technologies purchased by Federal agencies or by States with Federal funds and in property eligible for the renewable energy production or investment tax credits.

Representative Rosa DeLauro introduced legislation (H.R. 6222) July 26 to amend the Clean Air Act with respect to the sulfur fuel content of heating oil.

The same day, Representative Peter Welch (D-VT) introduced legislation (H.R. 6226) to amend the Internal Revenue Code of 1986 to extend the nonbusiness energy property credit to include the insulation component of insulated siding.

#### Upcoming Hearings

The House Oversight and Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending will hold a field hearing July 31 titled "Coal Use and the Environmental Agenda – Ohio Views."

The Senate Environment and Public Works Committee will hold a climate science hearing August 1. Panelists will include Christopher Field, director of the global ecology department at Stanford University; Maryland Department of Natural Resources Secretary John Griffin; and Margo Thorning, senior vice president and chief economist at the American Council for Capital Formation.

The House Energy and Commerce Subcommittee on Energy and Power plans to review the American Energy Initiative during a hearing August 2. The hearing will emphasize increasing differences between federal and non-federal lands with regards to energy development.

#### **Administration**

##### Climate Legal Questions Persist

The Congressional Research Service issued a report July 23 finding that courts still need to a number of pressing legal and liability issues surrounding climate change and greenhouse gas impacts. Though the U.S. Supreme Court has twice ruled the Environmental Protection Agency has the authority to regulate greenhouse gases under the Clean Air Act, the service said that outstanding issues regarding water shortages, sea levels rise, and other climate impacts persist. The report, *Climate Change and Existing Law: A Survey of Legal Issues Past, Present, and Future*, also found that the courts need to address the role of the National Environmental Policy Act and Endangered Species Act in addressing climate impacts.

#### **Department of Agriculture**

##### EE Loan Program

The Department of Agriculture published a proposed rule July 26 that would add an Energy Efficiency and Conservation Loan Program to the agency's Rural Utilities Service. Implementing a section of the 2008 farm bill, the program would provide loans to eligible projects such as home energy audits, improvements needed to reduce electricity use, and demand-side management projects to more efficiently control electricity use during peak demand periods. The proposed program would have an estimated maximum funding level of \$250 million annually.

#### \$52 Million for Biofuel Improvements

The Departments of Agriculture and Energy announced July 25 a \$42 million investment in 13 projects that will encourage more efficient biofuels production and feedstock improvements. Through the joint Biomass Research and Development Initiative, the two agencies are working to develop economically and environmentally sustainable sources of renewable biomass and increase the availability of renewable fuels and biobased products via five projects. The two agencies also announced \$10 million for eight research projects aimed at applying biomass genomics to improve promising biofuel feedstocks and drive more efficient, cost-effective energy production.

### **Department of Commerce**

#### Chinese Wind AD Determination

The Department of Commerce announced preliminary anti-dumping duties on utility-scale wind towers from China and Vietnam July 27. The preliminary duties add to countervailing duties of between 13.74 and 26 percent announced in May. The initial findings from the Department's dumping investigation allege that Chinese and Vietnamese producers/exporters have dumped utility-scale wind towers in the United States at margins of 20.85 percent to 72.69 percent and 52.67 percent to 59.91 percent respectively. The agency and the U.S. International Trade Commission will review the tariffs before finalizing them later this year.

### **Department of Defense**

#### \$50 Million for Naval Clean Tech

The Office of Naval Research has established the Rapid Innovation Fund to provide up to \$3 million, for a total of \$50 million, for small companies to take ideas from lab to field in areas from green tech to microelectronics. The goal of the fund is to transition innovative technologies that resolve operational challenges or other critical national security needs into Navy acquisition programs. White papers are due September 17.

#### Great Green Fleet

The Navy recently used advanced biofuel to power its Great Green Fleet, a selection of aircraft and surface ships of the U.S. Navy's Carrier Strike Group, to test the fuel's performance in an operational setting. The demonstration took place July 17-18 off the coast of Hawaii as part of the Rim of the Pacific Exercise. The Fleet also showcased energy efficiency technology that increase combat capability by allowing ships to achieve greater range and reduction of dependence on a vulnerable logistics supply chain. Additionally, the demonstration included numerous maritime efficiency measures.

#### Keystone XL Southern Segment Construction

TransCanada Corporation announced July 27 that it will begin construction on the southern segment of the Keystone XL crude oil pipeline after it received the third and final permit from the U.S. Army Corps of Engineers last week. The 485-mile segment will run from Cushing, Oklahoma, to major refineries in Texas. TransCanada awaits a State Department decision, expected early 2013, of the northern segment of its pipeline.

### **Department of Energy**

#### VA Energy Savings

The Department of Energy announced July 23 a new Energy Savings Performance Contract awarded by the Department of Veterans Affairs Greater Los Angeles Healthcare System to NORESCO, LLC. The

project will leverage more than \$15 million in private sector investments for energy savings and infrastructure improvements at three facilities in the Veteran Integrated Service Network 22.

#### First Commercial, Grid-Connected Tidal Energy Project Deployed

Energy Secretary Steven Chu recognized July 24 the country's first commercial, grid-connected tidal energy project off the coast of Eastport, Maine. Leveraging a \$10 million Department of Energy investment, Ocean Renewable Power Company will deploy its first device into Cobscook Bay this summer. The project, which injected \$14 million into the local economy and has supported more than 100 local and supply chain jobs, represents the first domestic tidal energy project with long-term contracts to sell electricity.

#### Nearly \$1 Million for Clean Coal Research

The Department of Energy announced July 26 a \$988,000 investment in a clean coal research project by Babcock & Wilcox Power Generating Group at The Ohio State University. The project is aimed at creating technology that can capture at least 90 percent of carbon dioxide emissions from coal-fired power for less than \$25 per ton.

#### Coal Plants Retiring Rapidly

The Energy Information Administration reported July 27 that coal plant owners and operators expect to retire nearly 27 GW of capacity from 175 coal-fired generators by 2016 – four times the capacity amount retired between 2007-2011. This year, 9 GW are expected to be retired, making it the largest one-year amount to date. The agency indicated six factors that were likely contributing to the expected reduction: modest electricity demand growth; relatively lower cost of operating natural gas-fired generators; environmental compliance costs; other compliance costs, including states' renewable portfolio standards; aging coal-fired generators; and the spare capacity available at natural gas-fired combined cycle power plants.

### **Department of Interior**

#### Western Solar Roadmap

The Department of Interior published July 24, in partnership with the Department of Energy, the *Final Programmatic Environmental Impact Statement for Solar Energy Development in Six Southwestern States* – Arizona, California, Colorado, Nevada, New Mexico, and Utah. The final impact statement represents a significant step forward in the permitting of utility-scale solar energy on western public lands, specifically Bureau of Land Management lands. The impact statement serves as a roadmap for solar energy development by establishing 17 Solar Energy Zones, totaling 285,000 acres of public lands, which have access to existing or planned transmission and minimal resource conflicts and incentives for development within those zones. The blueprint also allows for utility-scale solar development on 19 million acres in variance areas lying outside of the identified zones, and excludes 78 million acres from development to protect cultural or natural resources. The statement estimates that 23,700 MW could be developed from the 17 zones and variance areas by 2030.

### **Environmental Protection Agency**

#### Environmental Justice of Fracking

Environmental Protection Agency acting administrator of water Nancy Stoner encouraged the National Environmental Justice Advisory Council July 24 to offer its advice on how the agency can apply environmental justice considerations to the subject of fracking. The agency plans to release preliminary results from its fracking study by the end of the year and to complete the review in 2014. The guidance on permitting for diesel use has been issued in proposed form and is open for comment until August 23.

#### Cellulosic Lawsuit

The American Petroleum Institute filed suit in the U.S. Court of Appeals for the District of Columbia Circuit July 24 against the Environmental Protection Agency over the agency's denial of petitions to waive requirements for refiners to blend cellulosic biofuel into their fuels in 2011. Industry associations previously asked the agency to waive the requirement under the renewable fuel standard to blend 6.6

million gallons of cellulosic biofuel into their fuels in 2011 because not enough fuel was produced to meet the requirement, saying they were being penalized for failing to purchase an unavailable product. The Energy Independence and Security Act initially outlined a 2011 requirement of 250 million gallons.

#### Mercury Limit Litigation Delay Requested

The Environmental Protection Agency filed a motion in the U.S. Court of Appeals for the District of Columbia Circuit July 20 asking the court to temporarily suspend litigation over mercury and air toxics standards for new power plants. The agency announced that it would reconsider the new plant standards, following complaints that the mercury limits are so low that they cannot be continuously monitored, which could prevent new coal-fired plants from being built.

#### Chemical Reporting Settlement

The Environmental Protection Agency announced July 25 that Warrendale-based Talisman Energy USA Inc. has agreed to pay a \$62,457 penalty to settle alleged violations of hazardous chemical reporting requirements at 52 natural gas drilling sites and compressor stations in Pennsylvania. The consent agreement is the first settlement of alleged Emergency Planning and Community Right-to-Know Act violations at fracking facilities in Region 3. The statute requires companies that store hazardous chemicals to submit material safety data and chemical lists with state and local emergency response agencies.

#### PA Groundwater Sampling Complete

The Environmental Protection Agency announced July 25 that it has completed its sampling of private drinking water wells near Dimock, Pennsylvania, where groundwater contamination was linked to natural gas drilling in 2009, and has determined that contaminant levels do not require additional action. In 2009, the Pennsylvania Department of Environmental Protection charged Houston-based Cabot Oil & Gas Corp. with high methane levels in some private water wells in the township. Under terms of a 2010 settlement, the company supplied water to 19 households until last November 20, when the state determined that the company had satisfied the conditions of the settlement.

### **General Services Administration**

#### Support for LEED

Over 1,200 businesses, building professionals, environmental organizations, unions, cities, and individuals asked the General Services Administration July 25 to continue supporting the U.S. Green Building Council's Leadership in Energy and Environmental Design rating system. The administration requires new federal buildings and substantial renovations to federal buildings to be LEED-certified, though only six percent of LEED-certified buildings are federal buildings. The fourth version of LEED is scheduled to be issued next year, and the administration is currently reviewing building rating systems as required under the Energy Independence and Security Act of 2007.

### **Government Accountability Office**

#### Numerous Plants Without Sufficient Permits

The Government Accountability Office reported July 23 that a significant number of coal-fired electricity generating units have not obtained new source review permits as required. The Environmental Protection Agency has investigated 831 coal-fired units since 1999 through its power plant enforcement initiative, and the agency has alleged noncompliance at 467 units. Under the Clean Air Act's new source review permitting program, new and modified industrial sources must obtain permits that require emissions limits and the installation of emissions controls. In 1999, the agency launched a coal-fired power plant enforcement initiative to address new source review compliance.

### **Personnel**

The Nuclear Regulatory Commission announced July 24 that new Chair Allison Macfarlane's top two staffers have been officially appointed and became effective the previous day. Phil Niedzielski-Eichner, a former assistant deputy undersecretary with the National Nuclear Security Administration, is her chief of

staff. Jacob Zimmerman, a commission career employee for more than twenty years, is the deputy chief of staff.

## **States**

### Sierra Club Sues San Diego Over Climate Measures

The Sierra Club filed a lawsuit in the California Superior Court for the County of San Diego July 20 challenging San Diego County's approval of greenhouse gas review standards and a climate action plan. The suit alleges that on June 20, the county approved a standard of review for future development, applying to greenhouse gases, as well as a climate action plan, which it appended to the 2011 General Plan, that do not support achieving minimum climate stabilization requirements and were approved without substantial supporting evidence or public notification.

### MA Wind Components Tax Exempt

The Massachusetts Commissioner of Revenue Ruled July 2 that a sale of component parts used to construct a wind turbine to supply electrical power to a facility manufacturing semiconductor processing equipment is exempt from sales tax.

### San Diego RE Transmission Line

California Governor Jerry Brown (D) joined federal, state, and local officials July 26 at an event in Alpine to dedicate the Sunrise Powerlink, a new transmission line San Diego Gas and Electric put into service this June. The 117-mile line runs from Imperial Valley to San Diego, giving the utility access to power generated by solar and wind energy facilities in the southeastern corner of the state. Eventually, the line will carry over 1,000 MW of clean energy to power 650,000 homes, helping to meet the state requirement of 33 percent renewable energy by 2020. The project underwent a five-year environmental review and permitting process, took 18 months to complete, and cost \$1.9 billion.

### NJ Governor Vetoes GHG Initiative

New Jersey Governor Chris Christie (R) vetoed a bill (S. 1322) that required the state to participate in the Regional Greenhouse Gas Initiative. Governor Christie vetoed an identical bill passed by New Jersey's Democratic-lead Legislature a year ago. The legislation claims that the Legislature's original intent in enacting the law in 2007 was to make New Jersey's participation in the program mandatory.

## **International**

### EU Aviation Emissions Trading Opponents to Meet

The U.S. Departments of State and Transportation will host a meeting July 31-August 1 of 15 countries that oppose the European Union's decision to include aviation emissions in its cap and trade system. The countries will discuss options for reaching a global solution for reducing global aviation emissions through the International Civil Aviation Organization. European Union officials have indicated that they would support a global deal through the organization to reduce aviation emissions but that, in the meantime, they will not suspend application of its Emissions Trading System to airlines. Airlines for America supports establishing a market-based system for aviation emissions under the organization.

### Post-Fukushima Japan Exceeds Kyoto Target

Japan's Ministry of the Environment estimated July 20 that last spring's Fukushima Daiichi Nuclear Power Station accident led to increased fossil fuel demand that may cause the country's greenhouse gas emissions in fiscal year 2011-2012 to rise as much as 6.6 percent over the Kyoto Protocol 1990 benchmark year. Japan had pledged to reduce its annual average greenhouse gas emissions in fiscal years 2008-2012 by 6 percent compare to 1990 levels, but Japanese emissions have been running 510 million tons higher than the benchmark volume, or 2.1 percent more than the benchmark years. The nation has generated slightly more than one-tenth of its total energy requirements with nuclear power until last summer, when the country closed its 54 reactors in response to the nuclear crisis.

### Chinese e-Waste Recycling

China's Ministry of Industry and Information Technology announced July 23 that it is involving representatives of electronics manufacturers and experts on electronic waste in discussions on how to help domestic producers pay for the recycling of Waste Electronic and Electrical Equipment. Under regulations released in June, producers would be required to recycle the waste, and the Ministry of Finance is implementing policies that require electronics producers and importers to pay a tax to create a special fund to subsidize the recycling by July 1.

#### Chinese Per Capita Emissions Near European Levels

PBL Netherlands Environmental Assessment Agency and the European Commission's Joint Research Centre published a study last week finding that the average Chinese person's carbon emissions are on par with the average European's. The report concludes that China's emissions increased 9 percent in 2011 to 7.2 MT per person, slightly less than the European average of 7.5 MT/person, but less than half of the American average of 17.3 MT/person.

#### EU Carbon Price Change Delayed

The European Commission announced July 25 that a decision to increase the European Union's carbon price by changing the timing of carbon allowance auctions will be deferred until after the summer. The Commission published a draft regulation that would modify the timing of the auctions during the third phase of the EU Emissions Trading System (2013-2020) for consultation purposes and member states and the European Parliament will discuss it before they issue a formal proposal. Parties may submit their views through October 3.

#### EU Solar Group Files Complaint Against Chinese Producers

EU ProSun, a group of European solar panel makers, filed a complaint July 26 with the European Commission charging Chinese solar manufactures with unfair trade practices that are causing harm to European solar makers. Solar World, leader of EU ProSun, claimed that unfair competition is hindering EU achievement of its climate goals. The European Photovoltaic Industry Association will wait to judge the case.

### **Miscellaneous**

#### Non-Recycled Plastics as Alternative Fuel

The American Chemistry Council and the University of Texas at Austin released a study July 16 finding that non-recycled plastics that have been burned in a cement kiln could be used as an alternative fuel in industrial and power production processes. The report, *Residue-Derived Solid Recovered Fuel for Use in Cement Kilns*, concluded that unrecovered plastics and fibers could replace or supplement traditional fuel sources in many combustion units while decreasing CO2 emissions, diverting energy-rich materials from

#### Shale Development Benefits Publicized

The U.S. Chamber of Commerce joined a group of business advocates July 26 in launching a campaign to promote the economic benefits of shale gas and oil development. The campaign comes as environmental regulations on oil and gas drilling are multiplying at the federal and state levels and as environmental arguments are included in tax debates that can help fund environmental oversight and mitigation measures.

#### Plastic Bottle Label Guidance

The Association of Postconsumer Plastic Recyclers announced new guidance, called *Champions for Change*, July 20 for plastic bottle producers to combat the problem of recycling new sleeve labels on plastic bottles. The association hopes the guidance will prompt packaging producers to reevaluate the materials they use to create more efficient recycling.

#### Inadequate Chemical Disclosure Rules for Fracking

The National Resources Defense Council argued in a July 26 report that no state has a robust chemical disclosure requirement for oil and natural gas producers using fracking, citing significant gaps in all state requirements. The report, *State Hydraulic Fracturing Disclosure Rules and Enforcement: A Comparison*, suggests several ways to improve chemical disclosure rules, including prior notice of fracking to

landowners and nearby residents. OMB Watch released a report last month that similarly found state laws inadequate and recommended that the Environmental Protection Agency track and monitor chemicals via the Emergency Planning and Community Right-to-Know Act and Toxic Substances Control Act.