



ML Strategies Update

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Energy & Environment Update

Environmental Protection Agency 111(d) Proposed Rule

By Sarah Litke

From time to time the Energy and Environment Update will focus on legislative and regulatory developments facing a particular energy sector.

The Environmental Protection Agency held public hearings in Atlanta, Denver, Washington, and Pittsburg the last week of July to consider the Clean Power Plan.

The June 2 proposed rule would require the nation's fleet of existing power plants to reduce CO₂ emissions 30 percent by 2030 from a 2005 baseline. Instead of establishing uniform targets for specific types of electric generating units, the Section 111(d) rule establishes state-specific targets for CO₂ reductions based on a formula that takes into account the degree of emission reductions the agency has determined is achievable through the implementation of Best System of Emission Reduction at each of the states' fossil-fueled power plants. The formula considers four potential carbon reduction building blocks:

- Making fossil fuel power plants more efficient
- Using low-emitting power sources more frequently
- Expanding zero- and low-carbon power sources
- Using electricity more efficiently

States may convert the rate-based goal into a mass goal, which may be desirable for states or regions that wish to set an overall cap on CO₂ emissions from their utilities, which could then be applied in a trading program.

Comments are due October 16. The agency will finalize the rule next June, with initial compliance plans due June 30, 2016, and final compliance plans, upon request from states, due June 30, 2017 or June 30, 2018 for multi-state plans.

Prior to the public hearings, Environmental Protection Agency Administrator Gina McCarthy countered allegations about the proposed rule, saying that the plan would create job opportunities in renewable energy and demand-reduction programs and have an overall positive economic impact. She also continued to reiterate the

flexible nature of the plan.

The proposal has already generated 300,000 comments.

Several speakers at the Denver hearing focused on the flaws and shortcomings of the proposed rule, charging that while the agency's plan to address CO2 emissions from power plants takes a good first run at creating jobs and sustaining economic benefits, it falls short in promoting renewable energy and energy efficiency at the risk of replacing coal with natural gas. Speakers in Denver also described climate change's impact on the West, including reduced snowpack, hotter fires, bigger floods, and more prolonged droughts. Small utilities and electricity cooperatives with few generating units told agency representatives in Denver and Washington that they have few options to comply with the proposal, which could force them to retire coal-fired power plants early or cause rate increases for customers.

Senate Minority Leader Mitch McConnell (R-KY) said at the Washington, D.C. hearing that Kentucky has lost 7,000 coal jobs during the Obama administration, and that the proposed rule would continue to hurt the Commonwealth. Senator Ben Cardin (D-MD) told the same hearing that the agency has the "responsibility and the legal authority" to reduce power plant CO2 emissions, and that Congress should have established a market-based approach to reduce emissions. Senator Ed Markey (D-MA) and Governor Jack Markell (D-DE) cited successes in their own states as demonstration that the agency's proposal is feasible. Senator Jeff Merkley (D-OR) called climate change a "direct assault on rural America." Calling for further economic analysis of the proposal while environmental groups attempt to strengthen the rule, industry groups argued that the proposal would cost jobs and increase electricity prices while providing no climate benefit. Some rule supporters also praised the agency for its outreach to states prior to proposing the rule.

Environmental advocates in Atlanta cautioned the rule from relying too heavily on replacing one fossil fuel for another, and encouraged the agency to place a stronger emphasis on renewable energy and energy efficiency adoption. Some utility regulators and power industry representatives expressed concern that the proposed rule penalizes electric utilities for their efforts to comply with prior rules, rather than giving them credit for previous investments. Discussion over the nuclear industry's role in the proposal remained contentious.

Environmental Protection Agency Acting Assistant Administrator for Air and Radiation Janet McCabe told the Natural Gas Roundtable July 29 that the proposed rule could generate 1.2 trillion cubic feet more natural gas in 2020 compared to a business as usual scenario, meaning that the proposal envisions that about 30 percent of the country's energy could come from natural gas in 2030. She also said that the agency intends to meet the June 2015 deadline for finalizing the standards. In addition to employing the building blocks, Administrator McCabe said that states are free to pursue other options to reduce emissions, including adopting policies to make electricity transmission more efficient.

Former Department of Energy Assistant Secretary for Fossil Energy Charles McConnell testified before the House Science, Space, and Technology Committee July 30 that the Regional Greenhouse Gas Initiative is an inappropriate model for the Environmental Protection Agency to use in regulating CO2 emissions from existing power plants, saying that the nine member states are different from the rest of the country. Massachusetts Department of Environmental Protection Commissioner David Cash said, however, that RGGI has maintained grid reliability while cost effectively realizing environmental and economic goals.

State environmental regulators at an Environmental Council of States forum July 31 said that developing plans to implement the proposed rule would require extensive input from utilities and public service commissioners.

Alabama Republican Senators Jeff Sessions and Richard Shelby wrote President Obama August 1 to highlight their concerns about the agency's proposed rule.

ENERGY AND CLIMATE DEBATE

Congress is in recess for the remainder of August, but when it returns, much of the focus will turn to crafting a continuing resolution to keep the government funded and open while senators and representatives continue to negotiate a budget.

The House Appropriations Committee confirmed July 28 that the rider-laden Interior-EPA fiscal year 2014 appropriations package would not be brought to the House floor for consideration. More than 50 anti-environmental riders have already been added to must-pass spending legislation this year, and the Natural Resources Defense

Council predicted July 28 that similar efforts are expected to continue throughout the negotiation process. A Senate Appropriations subcommittee released August 1 a \$30.7 billion spending bill – \$500 million more than the House version—for fiscal year 2015 for the Interior Department, the Environmental Protection Agency, and related agencies. The Senate bill differs substantially from the House bill in not providing a large increase for wildfire funding or including policy riders preventing the Environmental Protection Agency from regulating greenhouse gas emissions, for example. The Senate has not taken up any of the House-passed appropriations bills this year.

Representative John Campbell (R-CA) circulated a discussion draft July 28 of legislation to reauthorize the U.S. Export-Import Bank for three years. The measure includes a provision that would reverse bank policy limiting the financing of overseas coal projects, mirroring language Senator Joe Manchin (D-WV) hopes to attach to the Senate bill. Export-Import Bank President Fred Hochberg is reviewing the proposal.

Just prior to recessing, the Senate cleared a 10-month funding patch for highway and transit programs (H.R. 5021) as well as reforms for the Department of Veterans Affairs. President Obama signed the \$16.3 billion bill to overhaul the Veterans Affairs Department.

Senate Majority Leader Harry Reid (D-NV) announced July 31 that the upper chamber would adjourn by September 23. The House is likely to follow suit. The abbreviated schedule gives senators two weeks and two days to conclude work in Washington before returning to campaign schedules. Must-pass items during the September work period will include a continuing resolution, reauthorization of the Export-Import Bank, which may include border funding, and legislation addressing internet taxation. Majority Leader Reid also plans to hold votes on bills to raise the minimum wage, address pay equity issues and student loan rates, and guarantee access to contraception, as well as a constitutional amendment to limit campaign contributions and spending.

House Majority Leader Kevin McCarthy (R-CA) told the House Republican conference August 8 that he plans to bring up two packages of jobs and energy legislation and an Obamacare bill in September. The energy package would approve the Keystone XL pipeline, block environmental regulations, and open federal lands to energy extraction.

CONGRESS

Energy on Federal Lands

The Senate Energy and Natural Resources Committee held a hearing July 29 to consider the BLM Permit Processing Improvement Act of 2014 (S. 2440) and the Public Land Renewable Energy Development Act of 2013 (S. 279). Senators of both parties hope to expedite the processing of permits for energy development on federal lands, and are working with Bureau of Land Management Director Neil Kornze to hasten the process.

Climate Sense of the Senate Fails

Senate Democrats tried but failed July 29 to get the chamber to support a nonbinding resolution (S. Res. 524) to recognize the existence of climate change and that it poses ongoing risks. Senator James Inhofe (R-OK) objected to Senator Amy Klobuchar's (D-MN) sense of the Senate resolution, which was put on the floor as a unanimous consent request.

FERC's Take on CPP

All five Federal Energy Regulatory commissioners testified before a House Energy and Commerce Subcommittee on Energy and Power hearing July 29 considering the Environmental Protection Agency's proposed Clean Power Plan. Democratic commissioners – Acting Chair Cheryl LaFleur, Commissioner John Norris, and soon-to-be Commissioner Norman Bay contend that the proposed rule provides enough flexibility and time to prepare the country's electricity markets for the new emission targets, while Republican commissioners Philip Moeller and Tony Clark find that the proposal represents a significant change in energy markets that will require power to be dispatched not on an economic basis, but on an environmental one. Views on the rule's impacts on grid reliability, natural gas reliance, and state and regional planning processes are divided along party lines.

Landrieu Urges LNG Export Permit

Senate Energy and Natural Resources Chair Mary Landrieu (D-LA) urged Energy Secretary Ernest Moniz July 29 to issue a final export permit for the Cameron LNG project in Louisiana after the Federal Energy Regulatory Commission rejected a rehearing request from the Sierra Club earlier in the day.

Arctic Caucus Formed

Representatives Don Young (R-AK) and Rick Larsen (D-WA) launched the Congressional Arctic Working Group August 1 to advise Congress on commercial, navigation, and American security issues and other issues arising as a result of rapidly melting Arctic sea ice.

Wind Farm in Jeopardy

Just prior to the August recess, Senator Barbara Mikulski (D-MD) added language to the defense appropriation bill that could prevent the Navy from finalizing an agreement with wind farm developers nearby the Patuxent Naval Air Station on Maryland's Eastern Shore until researchers finalize a study of the impacts of the turbines and what could be done to mitigate them.

Legislation Introduced

Representatives John Garamendi (D-CA) and Duncan Hunter (R-CA) introduced legislation (H.R. 5270) July 30 to promote the transportation of liquefied natural gas from the United States on United States flag vessels.

The same day, Representative Chris Van Hollen (D-MD) introduced the Healthy Climate and Family Security Act (H.R. 5271) to reduce CO2 emissions to 80 percent below 2005 levels by 2050 via a cap and dividend program.

Representative Mike Honda (D-CA) introduced a bill (H.R. 5283) July 30 to establish national goals for the reduction and recycling of municipal solid waste to address marine debris.

Representative Ann Wagner (R-MO) introduced legislation (H.R. 5300) July 30 to require the Environmental Protection Agency Administrator to consider and report the domestic benefits of any rule that addresses CO2 emissions from existing or new power plants.

Representatives Peter Welch (D-VT) and Ben Ray Lujan (D-NM) introduced the American Renewable Energy and Efficiency Act (H.R. 5301) July 30 to establish a Federal renewable electricity standard for retail electricity suppliers and a Federal energy efficiency resource standard for electricity and natural gas suppliers.

Senator Mary Begich (D-AK) introduced the Renewable Energy Environmental Research Act (S. 2705) July 30. The measure directs the National Oceanic and Atmospheric Administration to create a research program to collect environmental data to help developing renewable energy.

Senator Charles Schumer (D-NY) introduced the Biogas Investment Tax Credit Act (S. 2739) to expand the investment tax credit for biogas property and encourage construction of plants to convert high-acid whey from the Greek yogurt industry. Representatives Ron Kind (D-WI) and John Lewis (D-GA) introduced companion legislation in the House (H.R. 860).

Representatives Matt Cartwright (D-PA) and Tom Cole (R-OK) introduced the Preparedness and Risk Management for Extreme Weather Patterns Assuring Resilience Act August 1 to enhance government preparedness for extreme weather incidents.

ADMINISTRATION

Cost of Climate Inaction

The White House Council of Economic Advisers released a [report](#) July 29 finding the cost of mitigating climate change effects increases by 40 percent for every decade the world delays taking substantial action to address greenhouse gas emissions.

Climate Change Impacts Food Resilience

Senior White House officials met with agriculture leaders July 29 about climate change's agriculture production impacts. The White House will work with the Department of Agriculture and other agencies to make data more accessible to innovators, to host workshops, and to partner with the private sector as part of the Climate Data Initiative's new food resilience theme.

Climate Change Impacts Wildfires

White House Office of Science and Technology Policy Director John Holdren said in a [video](#) posted August 5 that climate change is making wildfires more routine and severe as warmer temperatures dramatically change forest areas.

DEPARTMENT OF AGRICULTURE

GHG Guidance

The Department of Agriculture released [guidance](#) July 31 for calculating greenhouse gas emissions from agriculture and forestry activities. The document is intended to be used as the scientific basis for voluntary programs aimed at providing incentives for farmers to reduce emissions.

Biogas Production Roadmap

The Departments of Agriculture and Energy and the Environmental Protection Agency published August 1 a comprehensive [list](#) of programs, funding opportunities, and strategies for farmers who want to install anaerobic digesters.

DEPARTMENT OF COMMERCE

China Solar Trade Case

Defending its draft proposal August 6, the Solar Energy Industries Association called on SolarWorld Industries America to offer its own solution to settle a trade dispute on solar products with China. SolarWorld President Mukesh Dulani criticized the association's plan two days prior.

DEPARTMENT OF DEFENSE

Army RE Spending Saves

Speaking at an Environmental and Energy Study Institute event July 31, Deputy Assistant Secretary for the Army for Energy and Sustainability Richard Kidd IV said that the army's renewable energy investment would save hundreds of millions of dollars. The Army expects to spend \$35 billion for energy over the next 25 years, and is partnering with the private sector to finance the projects.

DEPARTMENT OF ENERGY

Methane Leak Initiatives

The Department of Energy announced July 29 a [series](#) of steps aimed at preventing methane leaks from natural gas transmission and distribution systems. The agency will begin the first steps toward establishing energy efficiency rules for new natural gas compressors, and will work with industry on research and development to improve natural gas system efficiency and reduce leaks. In addition to providing grants and technical assistance to encourage distribution system improvements with the National Association of State Regulatory Utility Commissioners, the agency has recommended that the Federal Energy Regulatory Commission consider ways to provide industry with better cost recovery to help it modernize transmission infrastructure.

African Energy Discussion

The Department of Energy and the U.S. Trade and Development Agency sponsored July 30 a [visit](#) by energy ministers from Mozambique, Tanzania, and Kenya before President Obama's U.S.-Africa Leaders Summit.

\$18 Million for Geothermal

The Department of Energy announced August 6 up to \$18 million for 32 projects that will advance domestic geothermal energy development. Selected projects target research and development in advancing subsurface analysis and engineering techniques for enhanced geothermal systems; applying a mapping approach to discover new geothermal resources; and accelerating extraction technologies to tap into domestic supplies of high value materials from low- to moderate-temperature geothermal resources.

DEPARTMENT OF INTERIOR

Smaller Scale Solar Project

The Department of Interior announced last week that a proposed NextEra solar project on federal land in California can reduce its size and switch the type of solar technology currently used. The revised [Record of Decision](#) allows the project to use 485 MW of photovoltaic panels, rather than the original plan for one GW using thermal parabolic troughs.

DEPARTMENT OF STATE

US-India Cooperation

During his trip to India the last week of July, Secretary of State John Kerry highlighted a shared prosperity agenda

focused on deepening bilateral security and energy connections and assisting the rapidly developing nation in reducing greenhouse gas emissions. Newly elected Prime Minister Narendra Modi supports increasing the nation's reliance on solar and other renewable energy sources. The countries renewed [pledged](#) to cooperate on clean energy and energy efficiency efforts, but fell short of reaching an agreement on the phase-down of hydrofluorocarbons under the Montreal Protocol.

DEPARTMENT OF TRANSPORTATION

Lithium Battery Transport

The Department of Transportation finalized a [rule](#) July 31 changing some regulations that govern the way lithium cells and batteries are transported, focusing on air cargo.

DEPARTMENT OF TREASURY

Tax Credit Qualifications Eased

The Internal Revenue Service clarified August 8 the physical work test and lowered the spending threshold on safe harbor for claiming renewable electricity production or energy investment tax credits.

ENVIRONMENTAL PROTECTION AGENCY

GHG Requirements Continue Under Air Permits

The Environmental Protection Agency [announced](#) July 24 that it will continue to apply greenhouse gas control requirements to major stationary sources subject to permitting based on conventional pollutant emissions and will continue to require best available control technology to curb emissions for those sources.

CAIR Should Apply in TX

The Environmental Protection Agency filed a reply July 28 in the U.S. Court of Appeals for the District of Columbia contending that Texas' request to vacate the cross-state air rule in the state should be denied because the state has not demonstrated good cause for consideration. Texas has asked the court to vacate application of the cross-state rule and leave other regulations in place while the agency promulgates a replacement.

RFS Increase Sought

The Renewable Fuels Association said July 29 that it is considering legal action if the Environmental Protection Agency does not raise the renewable fuel standard volume obligations when it finalizes the 2014 proposal.

Fluorinated GHG Potentials

The Environmental Protection Agency [proposed](#) July 30 setting chemical-specific global warming potentials for 103 fluorinated gases under its reporting program. The proposal would result in significant accuracy improvements in GHG reporting. Comments will be accepted until September 2.

Coal Ash Rule on Schedule

The Environmental Protection Agency said last week that it remains on track to issue its final coal ash rule by the December 19 deadline. An internal planning document suggest that portions of the rule may not be complete until the end of October.

Mobile Source Model Released

The Environmental Protection Agency posted July 31 a new [version](#) of its Motor Vehicle Emission Simulator model. MOVES2014, which replaces MOVES2010, incorporates updated emissions data, improves functionality, and adds new capability to model non-highway mobile sources through incorporation of the agency's NONROAD2008 model.

2013 RFS Deadline Extension

The Environmental Protection Agency [extended](#) for the third time July 31 the compliance deadline of the 2013 renewable fuel standard due to the agency's failure to issue its 2014 final rule.

Fine Particulate Standards Challenged

Wildearth Guardians, Medical Advocates for Healthy Air, Center for Biological Diversity, Physicians for Social Responsibility-Los Angeles, and Citizens for Clean Air [asked](#) the U.S. Court of Appeals for the District of Columbia Circuit July 31 to review the Environmental Protection Agency's June 2 final rule for implementing the 1997 and 2006 air quality standards for fine particulate matter. The group charges that the updated rules give states until the end of the year to submit plans, when the plans are overdue.

CSAPR Compliance Deadline Extension Challenged

Industry and labor groups led by Luminant Generation Company, the Utility Air Regulatory Group, and Entergy Corporation filed an opposition document July 31 saying that the Environmental Protection Agency's request of the U.S. Court of Appeals for the District of Columbia Circuit to extend compliance deadlines in its 2011 cross state air pollution rule is an improper attempt to avoid additional rulemaking and should be denied.

Conflicting CBAs

Recent reports by businesses and public interest groups conflict on the costs and benefits of Environmental Protection Agency air particulate regulations. The U.S. Chamber of Commerce [contends](#) that the United States is already below the agency's limits for fine particulate matter emissions, but that the agency will not stop justifying costly new rules with more claimed benefits. The Center for Effective Government, meanwhile, [finds](#) that multiple areas across the country do not meet the agency's particulate matter standards.

CPP Opposed

West Virginia, Alabama, Indiana, Kansas, Kentucky, Louisiana, Nebraska, Ohio, Oklahoma, South Carolina, South Dakota, and Wyoming [asked](#) the U.S. Court of Appeals for the District of Columbia Circuit August 1 to overturn a 2010 settlement in which the Environmental Protection Agency agreed to issue CO2 standards for power plants. The group contends that the proposed rule is unlawful because the agency has already regulated power plants under Section 112 of the Clean Air Act.

FERC LNG Review Incomplete

Environmental Protection Agency Region Six office rated the Federal Energy Regulation Commission's draft environmental impact statement of Cheniere's Corpus Christi liquefied natural gas export project in Texas as incomplete August 4.

Obstacles to Water Innovation

Speakers at the Association of Clean Water Administrators said August 5 that states and localities face several obstacles to implementing new technologies that can assist in reducing energy consumption and addressing water challenges, including within the Environmental Protection Agency's technology blueprint and elsewhere.

Aircraft GHG Endangerment Finding Sought

Earthjustice, Friends of the Earth, and the Center for Biological Diversity released a [petition](#) August 5 finding that Section 231(a)(2)(A) of the Clean Air Act requires the Environmental Protection Agency to determine whether GHG emissions from aircraft endanger public health and the environment and should be regulated. The groups plan to sue the agency over its failure to undertake an endangerment finding.

CA GHG Trailer Regulation

The Environmental Protection Agency published a Clean Air Act [waiver](#) August 7 determining that California can regulate trailers when it establishes greenhouse gas standards for heavy-duty vehicles. Trucking groups believe the move indicates that the agency will issue federal trailer standards when it proposes greenhouse gas standards for trucks in 2015. Waiver opponents may file lawsuits challenging the decision until October 6.

AZ NOx Reductions

The Environmental Protection Agency issued August 8 a [final rule](#) setting long term limits for NOx emissions from Arizona's Navajo Generating Station. The rule, effective October 7, significantly reduces the plant's contributions to visibility at eleven national parks and wilderness areas.

Feldt to Replace Perciasepe

Environmental Protection Agency Associate Deputy Administrator Lisa Feldt will take over for Deputy Administrator Bob Perciasepe, as he departed the agency last week to become president of the Center for Climate and Energy Solutions. She will serve as acting deputy administrator, and any permanent replacement will face a difficult confirmation process in the Senate.

FEDERAL ENERGY REGULATORY COMMISSION

Seconds Delay Rejects Rehearing Request

The Federal Energy Regulatory Commission rejected July 29 a request by the Sierra Club for a rehearing of the commission's approval allowing Semptra Energy to construct a liquefied natural gas export terminal in Louisiana, after opponents missed the filing deadline by 25 seconds. The Department of Energy must issue a final export permit for the proposed Cameral LNG project to become fully operational.

Freeport LNG Exports Approved

The Federal Energy Regulatory Commission approved July 31 Freeport LNG Development LP's \$14 billion liquefied natural gas export facility, allowing construction to begin on the Texas project. The company, which plans to export as much as 1.8 billion cubic feet of natural gas per day, still needs final Department of Energy approval to begin exporting.

Order 745 Rehearing Opposed

The Electric Power Supply Association, American Public Power Association, Edison Electric Institute, National Rural Electric Cooperative Association, and Old Dominion Electric Cooperative filed a petitioners' [response](#) August 4 opposing the Federal Energy Regulatory Commission's request for a rehearing of the U.S. Court of Appeals for the District of Columbia's decision invalidating the demand response program. The commission's en banc response is pending.

Hydro Pilot Project

The Federal Energy Regulatory Commission approved August 4 a pilot [project](#) to try out a two-year licensing project for hydropower projects at non-powered dams and closed-loop pumped storage projects. The project is a proposed 5 MW installation at a Kentucky River Authority dam. Under the program, the Free Flow Power Corporation is required to submit a license application by next May, with a final decision due a year later.

Norris to Depart

The Federal Energy Regulatory Commission [confirmed](#) August 7 that Commissioner John Norris will leave the commission August 20 to take a job with the Department of Agriculture in Italy. Colette Honorable, an Arkansas utility regulator and current president of the National Association of Regulatory Utility Commissioners, is Commissioner Norris' likely successor.

GOVERNMENT ACCOUNTABILITY OFFICE

Wastewater Disposal Risk Review Urged

The Government Accountability Office released a [report](#) July 28 found that the Environmental Protection Agency should review emerging risks related to the disposal of underground injection wells wastewater from oil and gas activities.

INTERNATIONAL

Japanese Hydro Expansion

Japan's New Energy and Industrial Technology Development Organization released a report July 30 forecasting an economically viable hydrogen market to develop in the coming decades, and suggesting that the country can harness hydrogen fuel to power automobiles and electric utilities across the market. The report predicted that by 2030 the market would reach a commercially viable level of \$10 billion a year, and that by 2050 the market would expand to \$80 billion.

EU-China Solar Trade Clash

The European Commission rejected August 1 EU ProSun's accusations that it has adopted a more lenient attitude towards Chinese solar panel imports compared to the United States and that it has consented to Chinese requests to reduce 2013 dumping duties. The commission says that the agreement with China clarifies the relationship, but does not change the substance of the minimum import price.

Asia Climate Partners Launched

The Asian Development Bank launched August 4 a \$400 million fund with two partners to make environmental investments in Asia, first focusing on China, India, and Southeast Asia. The Asia Climate Partners will invest in clean and renewable technologies, natural resource efficiency, water, agriculture, forestry, and climate companies.

Chinese Solar Trade Case

China's Ministry of Commerce submitted a letter to U.S. Commerce Secretary Penny Pritzker August 8 announcing that it is considering the possibility of negotiating a suspension agreement with respect to the agency's antidumping duty investigation into imports of silicon photovoltaic products. The ministry requested until August 15 to evaluate the situation and decide on a course of action.

China to Add 13 GW Solar

China announced last week that it aims to install 13 GW of solar photovoltaic energy this year. The announcement

came a day after Beijing announced its plan to ban the use and trade of coal in its inner districts by the end of 2020.

STATES

CA-Mexico Clean Energy Agreement

California Governor Jerry Brown (D) and Mexican Secretary of Energy Pedro Joaquin Coldwell signed July 29 a bilateral [pact](#) aimed at advancing cross-border clean energy investments. The two also committed to explore integrating Baja California Norte into the California energy market and to support expanded markets for clean and energy efficient technologies. Governor Brown signed a similar memorandum of understanding the previous day with Mexico's Ministry of Environment and Natural Resources Undersecretary Rodolfo Lacy and the Mexican National Forestry Commission Director General Jorge Rescala Perez to cooperate on policies to reduce greenhouse gas emissions.

MI Power to Convert Some Coal to Gas

The Sierra Club [announced](#) August 4 that it will abandon a six year legal challenge against Mississippi Power's Kemper Coal gasification plant in exchange for the company converting four coal units to natural gas over the next 20 months, retiring, upgrading, or converting two other natural gas units to alternative, non-fossil fuels by the end of 2018, and providing \$15 million for new energy efficiency and renewable energy initiatives.

Solar Market Growth

Environment America released a [report](#) August 5 finding that ten states are responsible for 89 percent of domestic solar energy deployment, even though those states represent only 26 percent of total U.S. population and 20 percent of electricity consumption. The report found that domestic solar electric power tripled between 2011 and 2013, and accounted for 74 percent of all newly installed electric generation capacity in the first quarter of 2014.

FL Solar Climate Comments

A coalition of 17 Florida solar companies said August 5 that they want Governor Rick Scott (R) and the Public Service Commission to provide more time for public comment on the state's plan to comply with Environmental Protection Agency CO2 power plant regulations. The commission announced July 10 that the public would have until August 8 to comment on the rules, but limited the notice distribution so few were aware of it.

CA Ports eHighway

The South Coast Air Quality Management District selected Siemens August 6 to install and demonstrate an eHighway system near the Ports of Los Angeles and Long Beach.

SC RE Encouragement

South Carolina Governor Nikki Haley (R) signed into law August 6 legislation to encourage alternative energy production in the state.

NY Fracking Case

The plaintiff in New York's recent fracking case filed a motion August 6 with the New York Court of Appeals to renew and reargue the case on different grounds, whether local bans on fracking conflict with the statutory scheme under the state Oil, Gas, and Solution Mining Law to promote oil and gas development. The same day, the U.S. Court of Appeals for the Second Circuit certified two questions for the state court involving lease provisions between more than 30 landowners in the southern tier of the state and three energy companies.

IL Coal Plant Closure

NRG Energy announced plans August 7 to close one Illinois coal plant and renovate three others under a \$567 million environmental compliance plan. The plan will reduce CO2 emissions by 60 percent, SO2 emissions by 90 percent, NOx emissions by 65 percent, mercury emissions by 53 percent, and particulate matter emissions by 70 percent.

Fort Collins' Fracking Ban Overturned

The Larimer County Court in the 8th Judicial District of Colorado ruled August 7 that state law preempts Fort Collins' fracking moratorium. Fort Collins is determining whether to appeal the ruling.

NJ RGGI Status

Supporters of the Regional Greenhouse Gas Initiative told a public hearing August 8 that the state should rejoin RGGI, not repeal the regulations that enable the state to participate in the program it abandoned two years ago.

\$250 Million for NY RE

New York State announced last week that it will spend \$250 million incentivizing large renewable energy projects.

MA Adjourns without Acting on Energy Legislation

The Massachusetts Legislature adjourned for the year last week without passing its high-profile solar and hydropower bills. The state's solar industry won a partial victory when the State House approved an increase in the number of large-scale solar projects that can qualify for net metering.

MISCELLANEOUS

Natural Gas Infrastructure Repairs

BlueGreen Alliance and American Federation of Labor and Congress of Industrial Organizations released a [report](#) July 23 finding that the pace and repairs of replacement of the aging and leak-prone natural gas distribution pipeline materials should be tripled. The report concluded that conducting the repairs within ten years is feasible and would provide significantly more environmental and economic benefits than would waiting to make the repairs under the 30-year plan.

Coastal Climate Risks

The Nature Conservancy released a [report](#) July 30 finding that small island developing states in Southeast Asia, the Caribbean, and Oceania are most at risk from floods, storm surge, and other coastal climate hazards.

Wind Capacity Up

The American Wind Energy Association released a [report](#) July 31 finding that the United States added 619 MW of new wind power capacity in the second quarter of 2014, nearly three times what the country added in the first quarter. The additions bring U.S. installed wind capacity to just over 62 GW.

LNG Exports Could Benefit Climate

The Center for American Progress released a [report](#) August 5 finding that increasing American exports of liquefied natural gas could help to address climate change, so long as regulations to curb methane emissions are put in place domestically and globally and regulators ensure that exported gas replaces higher emitting coal and does not impede renewable energy market growth.

Oxygen in Anoxic Zones

A paper in the August 8 edition of the journal *Science* concludes that a climate-change driven reduction in tropical trade winds over the eastern Pacific Ocean signifies higher levels of oxygen in the depths of dead zones but fewer nutrients for plant life upon which fish feed near the surface of those zones.

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