



ML Strategies Update

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Energy & Environment Update

ENERGY AND CLIMATE DEBATE

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

In addition to negotiating a continuing resolution, reauthorizing the Export-Import Bank and Department of Defense programs, and addressing internet taxation, Senate Majority Leader Harry Reid (D-NV) has identified several bills for debate prior to the November elections. Majority Leader Reid plans to hold votes on measures 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.

On the House side, 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. Though not finalized, the energy package would approve the Keystone XL pipeline (H.R. 3), limit environmental regulations (H.R. 1582), and open federal lands to energy extraction (H.R. 4899).

CONGRESS

PTC Expiration Support

Fifty-four representatives sent a [letter](#) July 29 to Speaker of the House John Boehner (R-OH) and House Majority Leader-Elect Kevin McCarthy (R-CA) expressing their support of the production tax credit's expiration.

Export Restrictions May Violate Trade Rules

The Congressional Research Service issued a report August 4 finding that fossil fuel export restrictions may potentially be inconsistent with the General Agreement on Tariffs and Trade 1994.

CPP Reconsideration Sought

House Science Committee Chair Lamar Smith (R-TX) sent letters to the [Environmental Protection Agency](#) and the [Energy Information Administration](#) August 13 saying that a recent Government Accountability Office report that raises concerns over the Environmental Protection Agency's economic review of regulations means that the agency

should reanalyze the Clean Power Plan, and that the Energy Information Administration should analyze the agency's rule as well.

ADMINISTRATION

CEQ GHG Considerations

The White House Council on Environmental Quality asked the U.S. District Court for the District of Columbia August 8 to dismiss a lawsuit seeking a response to petition on climate change rules. The previous day, the council sent a letter saying that federal agencies must consider greenhouse gases in their regulatory activities. The council received a petition in 2008 from the International Center for Technology Assessment asking it to issue a rule requiring federal agencies to consider and analyze climate change impacts in federal environmental documents under the National Environmental Policy Act.

DEPARTMENT OF COMMERCE

China Solar Trade Case

The Department of Commerce granted China August 8 an additional week – until August 15 – to propose a settlement of the antidumping case on solar imports. The agency announced its preliminary determination July 25 that imports of these products from China were dumped in the U.S. at margins ranging from 26.33 to 165.04 percent.

DEPARTMENT OF ENERGY

QER NM Meeting

Energy Secretary Ernest Moniz held a Quadrennial Energy Review meeting August 11-12 in New Mexico. Along with Interior Secretary Sally Jewell and Senator Martin Heinrich (D-NM), Secretary Moniz discussed state, local, and tribal issues in Santa Fe and the Waste Isolation Pilot Plant in Carlsbad.

\$55 Million for Vehicles

The Department of Energy announced August 14 \$55 million for 31 projects aimed at improving fuel efficiency and cutting vehicle technology costs.

LNG Export Rule Revised

The Department of Energy published August 15 the final revisions to its longstanding policy for approving license applications to export liquefied natural gas. The agency will no longer issue conditional approvals, and will act only on export license applications after the Federal Energy Regulatory Commission completes environmental reviews. Ten projects have environmental reviews pending at the commission; three others are in the pre-filing stage.

Moniz Western Tour

Energy Secretary Ernest Moniz began a weeklong tour of the Western United States August 17 with a two-day visit to Alaska, including an appearance alongside Senator Lisa Murkowski (R-AK) and the Chena Hot Springs Renewable Energy Fair and an event in Anchorage August 18 with Senator Mark Begich (D-AK). Secretary Moniz will speak at the Intermountain Energy Summit in Idaho Falls and tour the Human Systems Simulation Laboratory at Idaho National Laboratory August 20. He will participate in a Quadrennial Energy Review meeting in Wyoming August 21, and a dedication ceremony for a Kansas City, National Nuclear Security Administration facility August 22.

DEPARTMENT OF INTERIOR

NC Offshore Wind

The Department of Interior [announced](#) August 11 that it plans to make more than 300,000 acres of ocean of the North Carolina coast available for commercial leasing for offshore wind energy projects. The Wind Energy Areas include the 122,405-acre Kitty Hawk Wind Energy Area, the 51,595-acre Wilmington West Wind Energy Area, and the 133,590-acre Wilmington East Wind Energy Area.

DEPARTMENT OF STATE

Climate Change Devastating to Solomon Islands

Following an August 13 visit to the Solomon Islands, Secretary of State John Kerry said that climate change impacts such as sea level rise and more intense rainfall would have a devastating impact on the South Pacific

island nation.

US-China Partnership Critical

Secretary of State John Kerry said August 13 that despite tensions, improving U.S.-China cooperation is critical to maintaining stability and security in the Asia-Pacific as well as combatting climate change impacts.

DEPARTMENT OF TRANSPORTATION

Lithium Battery Transport

The Federal Aviation Administration released research August 11 finding that lithium batteries can explode and burn even more violently than previously thought.

ENVIRONMENTAL PROTECTION AGENCY

Coal Ash Rule Comments

The Association of State and Territorial Solid Waste Management Officials posted a [position paper](#) August 11 stating that the Environmental Protection Agency's final coal ash management rule should regulate the residue from coal fired power plants as nonhazardous waste and build on the success of existing state regulatory programs. The agency will issue a final rule by December 19.

Flexible CPP

Environmental Protection Agency Acting Assistant Administrator for Air and Radiation Janet McCabe told the National Caucus of Environmental Legislators August 15 that the Clean Power Plan offers states flexibility in meeting state-specific carbon reduction goals.

Murray Energy Files Second CPP Lawsuit

Murray Energy Corporation filed a second [lawsuit](#) August 15 in the U.S. Court of Appeals for the District of Columbia Circuit to block the Environmental Protection Agency from regulating power plant CO2 emissions. The suit charges that the agency lacks the Clean Air Act authority to regulate the power plant emissions because it already regulates their toxic pollutants.

Stationary Backup Engine Reconsideration Denied

The Environmental Protection Agency denied August 15 petitions from Delaware, environmental groups, and some utilities to reconsider provisions of the national emissions standards for hazardous air pollutants for reciprocating internal combustion engines and the performance standards for stationary internal combustion engines. Petitioners can seek judicial review of the denial within 60 days, and the U.S. Court of Appeals for the District of Columbia Circuit will hear arguments on the rule September 26.

FEDERAL ENERGY REGULATORY COMMISSION

Order 1000 Upheld

The U.S. Court of Appeals for the District of Columbia Circuit [affirmed](#) August 15 the Federal Energy Regulatory Commission's Order 1000 transmission planning rule. The rule, intended to expand access for renewable energy, requires transmission owners and operators to engage in regional planning with the goal of building more long-distance transmission lines, spreading the costs across a larger customer base, and encouraging new investments. Wind and solar supporters applauded the court's decision, while electric industry representatives weigh an appeal.

GOVERNMENT ACCOUNTABILITY OFFICE

EPA Economic Reviews Examined

Senator David Vitter (R-LA) and Representative Darrell Issa (R-CA) released last week a Government Accountability Office [report](#) that raises concerns about how the Environmental Protection Agency conducts economic reviews of regulations. The report found that in some instances, the agency's cost estimates were not as useful as they could be, and some assessments use old data. The agency responded that it considers the best available information and methods to calculate the costs and benefits of its rules.

INTERNATIONAL

Lithium Battery Air Transport Safety

The Rechargeable Battery Association sent a [letter](#) to the International Civil Aviation Organization August 11

charging that some battery companies shipping from Hong Kong and China are disregarding international safe-transport requirements for lithium batteries by not accurately labeling their products or by failing to label their products at all, and are not suffering consequences.

EU Green Regs Costing UK

Business for Britain said August 13 that European Union laws that reduce pollution and ensure energy security have cost the United Kingdom as much as \$156.5 billion, and that the rules are threatening jobs and driving companies to countries with lower energy prices.

China to Close PV Loophole

China's Ministry of Commerce released a statement August 14 saying that it will close in September a loophole on imports of solar grade polysilicon after solar manufacturers took advantage of processing trade rules that allowed them to avoid duties.

Mexican RE Increase

Mexico's renewable energy investment is on pace to exceed the country's 2010 record of \$2.4 billion. Investment in the first half of the year was about \$1.3 billion, compared with \$1.6 billion for all of last year. Central America is estimated to install roughly a gigawatt of wind capacity this year, topping the 2012 757 MW record. Solar installations will be 193 MW this year, and are expected to increase to 355 MW and 456 MW in 2015 and 2016, respectively.

STATES

CO Fracking Ban Case

The Colorado Oil and Gas Conservation Commission dropped August 7 its lawsuit against 2012 fracking rules the City of Longmont approved. The decision to drop the suit is related to a recent agreement to form a state task force to examine conflicts over fracking, drilling, and local land-use authority. The state and the Colorado Oil and Gas Association have another suit pending against a November 2012 voter-approved fracking ban.

RGGI Emissions Leakage Insignificant

The Regional Greenhouse Gas Initiative released a [report](#) August 11 finding that the potential for CO2 emissions leakage in participating states was not significant from 2010 through 2012.

NC Seeks Coal Ash Excavation Plans

North Carolina's Department of Environment and Natural Resources [requested](#) August 13 that Duke Energy Corporation provide excavation plans for the inactive coal storage ponds at four of its facilities by November 15. The agency also directed the utility to increase required drinking water and groundwater testing near all of its coal ash ponds and perform additional inspections of impoundment and piping systems. The agency will reopen wastewater permits for some of the utility's facilities.

VA Fracking MOU

Virginia Governor Terry McAuliffe (D) unveiled August 13 a [memorandum of understanding](#) on a joint permit-review process for applications to use fracking in the state's Coastal Plain. The Departments of Mines, Minerals, and Energy and Environmental Quality will jointly review applications.

NC Ethanol Blending Upheld

The U.S. District Court for the Eastern District of North Carolina upheld August 14 a North Carolina ethanol blending law in the face of longtime opposition from the American Petroleum Institute. The state passed law in 2008 that locked retailers' right to use splash blending in an attempt to increase ethanol use and give retailers and distributors an opportunity to garner renewable identification numbers.

WY Wind Project Approved

Wyoming's Industrial Siting Council approved last week Power Company of Wyoming's proposal to build up to 1,000 wind turbines in Carbon County. The \$5 billion project could produce up to 3,000 MW of electricity, or 10 million MWh a year. The Bureau of Land Management will release a pair of environmental assessments later this year. The company said last week that it does not need the federal production tax credit to be commercially viable.

VT Solar Microgrid

Green Mountain Power began construction last week on the first microgrid powered entirely by solar panels and batteries. The \$10 million system will have 7,700 solar panels atop an old brownfield, will generate up to two MW,

and will be completed by mid-December. Another four MW of battery storage can provide power for an emergency shelter at a Vermont high school.

NYC Food Waste

New York City's Department of Environmental Protection announced last week that it will expand a pilot program this fall that takes uneaten food from the waste stream and converts it into pipeline quality natural gas. The city launched the pilot program last summer, processing between 1.5 and 2 tons of organic food waste a day; the agency is hoping to avoid 90,000 MT CO2 under the expanded 50 tons/day plan.

HI Solar Projects on Hold

Chevron pulled last week a pair of solar projects at its Kapolei refinery in West Oahu, Hawaii. The tabled projects include a farm of solar panels that would have spanned almost five acres, supplying as much as 1 MW to the local utility, and a demonstration solar thermal project, which would have covered 15 acres and used mirrors to generate steam to power the refinery.

MISCELLANEOUS

Keystone Emissions Underestimated

A [study](#) in the August 10 edition of Nature Climate Change found that greenhouse gas emissions from the proposed Keystone XL pipeline could be up to four times higher than the State Department estimates. The estimate difference stems from the pipelines impact on global oil prices and consumption.

Some Plants Need No Replacements

Black & Veatch released its annual electricity industry [report](#) August 12 finding that many retiring nuclear and coal plants may not need to be replaced because of energy efficiency programs, distributed power generation expansions, and slower demand growth.

Hydrokinetic Energy's Slow Development

Bloomberg New Energy Finance released research August 14 finding that marine and hydrokinetic renewable energy development is progressing more slowly than expected and reduced its projections for the technology's use by 2020. The Department of Energy estimates that the devices have the potential to generate as much as 1,420 TWh electricity per year.

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