

ML Strategies' Energy & Environment Update: Week of 6/23/2014

June 23, 2014 | | By David Leiter

The Supreme Court partially upheld and partially rejected June 23 a set of Environmental Protection Agency greenhouse gas regulations for major pollution sources, following a legal challenge from the utility industry. The 5-4 ruling does not impact the agency's June 2 proposed CO2 standards for existing power plants, nor does it limit the agency's overall ability to regulate greenhouse gases. The court ruled that the agency cannot require Title V and Prevention of Significant Deterioration pre-construction stationary source air permits based solely on the release of GHGs, but that emission sources that already need those permits should have to use the best available technology to control their emissions. While reading his decision, Justice Antonin Scalia said that though he believes the agency overstepped its statutory boundaries when crafting its tailoring rule, the court's ruling should impact a very small percentage of regulated entities. Furthermore, the court found today that its 2007 decision in *Massachusetts v. EPA* that the Clean Air Act's use of the term "air pollutant," which it recognizes to be an imprecise term, includes GHGs does not preclude the agency from taking a more narrow approach elsewhere.

In other agency news, Murray Energy Corp., one of the country's largest coal companies, filed a lawsuit June 18 in the U.S. Court of Appeals for the District of Columbia Circuit seeking to block the Environmental Protection Agency's proposed CO2 standards for existing power plants.

The Environmental Protection Agency published two proposed rules in the Federal Register June 18 to set CO2 emissions standards for existing and modified power plants. The agency will accept public comments for 120 days, until October 16.

The House Appropriations Committee approved June 18 its \$34 billion energy and water appropriations bill, sending the legislation to the full chamber. As we previously outlined, the legislation provides \$50 million less than the fiscal year 2014 enacted level, but \$327 million above President Obama's fiscal year 2015 request, rewarding traditional energy sources, nuclear energy, carbon capture and sequestration, and the Army Corps of Engineers at the expense of renewable energy and energy efficiency programs. The measure includes an amendment preventing the Department of Energy from adopting standards to increase ceiling fan efficiency.

The weekly *Energy & Environment Update* from ML Strategies provides an overview of what's happening on and off Capitol Hill and around the world that may impact energy and environmental policies and industry players. [Read the Update here.](#)

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