

ML Strategies Energy and Environment Update: Week of 12/8/2014

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ENERGY AND CLIMATE DEBATE

The House and Senate are in session for just a few more days prior to adjourning the 113th Congress. Remaining issues to address during the lame duck include the hybrid omnibus-continuing resolution, which could close out most work on fiscal 2015 spending and fund the government after December 11, a tax extenders package, completing the Defense authorization, a terrorism risk insurance extension, which expires December 31, and a handful of other last minute measures.

The House may pass the omnibus spending package, which will distribute about \$1 trillion in discretionary funds, December 10, at which point the Senate will take it up December 11 before adjourning for the year.

The House passed last week a one year extension ([H.R. 5771](#)) of about 50 tax benefits that expired at the end of 2013, commonly referred to as the tax extenders package, including the production tax credit. Despite his preference for a two year extension, Senate Finance Committee Chair Ron Wyden (D-OR) said December 4 that the Senate would not amend the bill, setting the stage for an up or down vote this week. The short term extension provides little benefit to the wind industry, as developers need months to plan and begin constructing facilities, and industry and environmental advocates had pushed for a multi-year extension, even discussing a three-year phaseout as part of the Senate tax extenders deal last month, as they worked to provide the certainty and stability needed to grow the market.

Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH) introduced December 4 a scaled down package of energy efficiency bills ([S. 2971](#)) that the House previously passed, hoping to move it by unanimous consent in the final days of the lame duck session. The bill mirrors House-passed legislation ([H.R. 2126](#)), which includes measures to increase energy efficiency in government data centers, promote commercial building efficiency, and loosen grid-enabled water heater standards. The Senate approved a similar small energy efficiency package, the American Energy Manufacturing Technical Corrections Act ([H.R. 6582](#)), before adjourning for the year in December 2012.

Senator Mary Landrieu (D-LA) lost her runoff election to Representative Bill Cassidy (R-LA) over the weekend, and Senator Maria Cantwell (D-WA) will become ranking member of the Senate Energy and Natural Resources Committee in the 114th Congress.

CONGRESS

Super Pollutants Legislation

Testifying before the Senate Environment and Public Works Committee about his Super Pollutants Act of 2014 ([S. 2911](#)) December 2, Senator Chris Murphy (D-CT) that his short-lived pollutants legislation provides an opportunity for Republicans who want to capitalize on public support for reducing air pollutants. Senator Susan Collins (R-ME) cosponsors the measure.

EPA Blocking Legislation

Senator Joe Manchin (D-WV) said December 2 that legislation ([S. 1905](#), [H.R. 3826](#)) effectively blocking the Environmental Protection Agency's ability to complete its CO2 regulations for new and existing power plants will return next year. The measure would impose several conditions on the agency prior to completing the regulations.

Ozone Standard Opposition

Incoming Senate Majority Leader Mitch McConnell (R-KY) and Senators Roy Blunt (R-MO) and John Barrasso (R-WY) pledged December 3 an attack on the proposed revisions to the federal ozone standard next Congress. They support Senator John Thune's (R-SD) measure to block the revisions, and are planning to use standalone legislation, the appropriations process, and the Congressional Review Act to push against the Environmental Protection Agency's ozone standards.

Energy Confirmations

The Senate confirmed December 4 Joseph Hezir as the Department of Energy's chief financial officer. The same day, the Senate confirmed Franklin Orr as the Department of Energy's undersecretary for

science. The Senate confirmed December 8 Jeffery Baran to fill the term of outgoing Nuclear Regulatory Commission Chair Allison Macfarlane. The Senate is also scheduled to vote this week on the nomination of Ellen Williams to be director of the Department of Energy's Advanced Research Projects Agency-Energy. Majority Leader Harry Reid (D-NV) is hoping to hold votes on the Energy Department nominations of Christopher Smith for assistant secretary of the Office of Fossil energy; Marc Kastner for director of the Office of Science; Jonathan Elkind for assistant secretary of the Office of International Affairs; and Monica Regalbutto for assistant secretary of the Office of Environmental Management before the end of the lame duck session.

ADMINISTRATION

CPP on Schedule

White House counselor John Podesta told the National Summit on Smart Grid and Climate Change December 3 that the Obama Administration is determined to finalize the Environmental Protection Agency's Clean Power Plan on time. The target deadline for the final rule is next June.

Climate Action Champions

The White House recognized December 3 16 communities across the country as **Climate Action Champions** for leading the way to reduce CO2 emissions and build resilience to climate change. The goal of the **program** is to develop a network of communities to share lessons and assist future competition winners in overcoming common implementation challenges.

DEPARTMENT OF INTERIOR

Offshore Wind Lease Sale

Interior Secretary Sally Jewell announced November 24 that more than 742,000 acres in the waters of the Massachusetts coast will be offered for commercial wind development in a January 29 lease sale, the largest ever competitive domestic lease sale for offshore wind energy.

SunZia Transmission Lines

The Bureau of Land Management released a draft environmental assessment November 25 finding that burying a section of the proposed SunZia Southwest Transmission Project would not have any significant additional impacts compared with running the transmission lines overhead. Public comment will be accepted for 30 days, after which the urea could make a decision on whether to permit the project as early as January.

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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