

December 28, 2015

The Biggest Energy and Environmental Issues: Highlights from 2015 and What to Expect in 2016

As 2015 winds down, here are the big accomplishments in the energy and environment space this year and what to expect in 2016. In several areas, energy and environmental policy issues advanced significantly this year—more than many insiders predicted. The presidential election of 2016 will provide the backdrop for all policy debates next year, and because of that, regulatory activity is more likely than a lot of legislative successes.

Crude Oil Exports: In a major victory for the oil industry, the omnibus spending bill lifted the crude oil export ban, a prohibition that has been in place since the 1970s. This issue has been percolating on Capitol Hill for the last several years and its resolution crosses off a major item from the energy agenda.

Renewable Energy Tax Provisions: As part of the trade-off for lifting the oil export ban, Congress also extended renewable energy tax provisions for several years. The Production Tax Credit for wind was extended out for two years and then phased out over the following three years. The Investment Tax Credit for solar power was extended through 2019 and then phases out by the end of 2021. Will green energy advocates try to revisit the phaseouts of these tax provisions? Probably, but not in 2016.

Clean Power Plan: The finalization of the far-reaching Clean Power Plan (CPP) dominated the regulatory agenda in 2015. This highly controversial rule regulates greenhouse gases from utilities for the very first time and is considered a cornerstone of President Obama's legacy on global climate change. Despite fierce criticism of the rule, the administration persisted with its original plan.

Legislation to block the CPP has fallen short but that doesn't mean that the House and Senate will stop trying. We expect to see more unsuccessful legislative attempts to stop the rules. Will opponents be willing to push for marginal changes to the rules in 2016 that would ease compliance and not draw a presidential veto? It's a difficult needle to thread but possible.

Meanwhile, litigation occurred almost immediately after issuance of the regulation. Next year, the real action is in the courts that will be ruling on whether to stay the rules in early 2016.

COP-21 Follow-up: Congress is also likely to weigh in on the historic climate change agreement adopted in Paris earlier this month. While the administration was careful to craft the accord in a way that does not require Senate ratification, Congress is still likely to hold hearings on its impact, try to block efforts of the White House to fund the international Green Climate Fund, and approve language articulating congressional dissatisfaction with the agreement the U.S. signed onto.

Regulatory Agenda: The administration will continue to press ahead with an aggressive rule-making agenda in the energy and environment space. For example, a proposed rule promulgated by the Bureau of Land Management that limits venting and flaring at oil and gas wells is expected to be proposed in

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early 2016. The rule will be far reaching in its scope, which will be controversial and may garner some congressional attention.

Also expect finalization rules that regulate oil and gas measurements issues for wells on federal land. Similarly, the administration is expected to release a new plan for offshore drilling access before President Obama leaves office.

Toxic Substances Control Act (TSCA): Breaking a long-standing logjam, the TSCA compromise reform bill has gotten significant bipartisan support. The bill was stalled in the Senate due to an unrelated environmental issue—the reauthorization of the Land and Water Conservation Fund (LWCF). Once the LWCF issue was resolved in the end-of-year omnibus spending package, the path was clear and the Senate passed the bill by a voice vote at the very end of the legislative session. The House and Senate will develop a final compromise bill early next year; the president is expected to sign it.

Other Potential Issues for 2016: There are a number of other energy and environmental issues that are in play for next year. The Keystone Pipeline debate of recent years may portend future fights on energy infrastructure such as other pipelines or possible transmission lines. The debate over standards for transporting crude oil by rail could easily flare up if another major derailment or accident occurs. The Waters of the U.S. rule has critics on both sides of the aisle and further efforts to derail it are certainly possible..

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