



ML Strategies Update

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Energy & Environment Update

ENERGY AND CLIMATE DEBATE

With Congress preparing to return to Washington, efforts are underway to fill the two-week session with negotiations on a continuing resolution and votes on several pre-election issue favorites.

In the meantime, Senate Majority Leader Harry Reid (D-NV) will hold his seventh annual [National Clean Energy Summit](#) in Las Vegas September 4. Hillary Clinton will serve as keynote speaker. Other speakers include White House adviser John Podesta, Secretary of Agriculture Tom Vilsack, former Utah Governor Jon Huntsman, and Center for American Progress President Neera Tanden, among others.

CONGRESS

NRDC Influence Investigated

House Oversight and Government Reform Chair Darrell Issa (R-CA) and Senate Environment and Public Works Ranking Member David Vitter (R-LA) opened September 2 an investigation into the role the Natural Resources Defense Council played into the Environmental Protection Agency's proposed CO2 standards for existing power plants and Alaska's Pebble Mine project. The congressmen are requesting documents and other materials from the agency and nonprofit regarding the group's role in helping to shape the regulations. The agency immediately disputed allegations of undue NRDC influence on the Clean Power Plan.

ADMINISTRATION

Trash Burning Report

The National Center for Atmospheric Research released a [study](#) August 27 finding that open-air trash burning accounts for nearly 40 percent of garbage disposal worldwide and negatively impacts air quality. The practice adds particulates, carbon monoxide, and mercury into the atmosphere, contributing to climate change impacts. Trash burning is unlikely to be reported to national environmental agencies, and is thus excluded from national air pollution inventories. About 1.1 billion tons of trash are burned in pits every year.

2014 RFS Lobbying

With the White House Office of Management and Budget conducting its review of the Environmental Protection Agency's [final 2014 renewable fuel standard](#), lobbying has increased significantly in the last week as groups seek last minute changes. In the meantime, analysts predict that significant increases in the proposed volume obligations are unlikely, and the rule is expected to be published late this month or sometime in October.

DEPARTMENT OF ENERGY

Electric Transmission Oversight Assistance

The Department of Energy's Office of Electricity Delivery and Energy Reliability released August 26 a draft National Electric Transmission Congestion Study, finding that more data collection and transparency are needed. The agency may develop a legislative proposal to structure and guide the data collection and sharing process. Comments are due October 20.

Alaska LNG Exports Expedited

The Department of Energy said August 27 that it will streamline the permitting process for the Alaska LNG project. TransCanada, BP, ConocoPhillips, and ExxonMobil back the liquefied natural gas export project. The agency will treat the project differently because natural gas from Alaska is considered stranded and will not impact the natural gas market in the contiguous United States.

Residential Electricity Prices Increasing

The Energy Information Administration found September 2 that residential electricity prices for the first half of the year had the highest year over year increase since 2009, with prices rising all over the country except in California. Prices averaged 12.3 cents/KWh, up 3.2 percent from the same period last year.

DEPARTMENT OF INTERIOR

Fracking Rule to OMB

The Department of Interior's Bureau of Land Management sent the final rule governing fracking on federal and Indian lands to White House Office of Management and Budget August 26. The regulation includes provisions disclosing fracking fluids, increasing well-bore integrity, and addressing flowback water. Most domestic fracking occurs on private or state-controlled lands.

CA Fracking's Environmental Impact

The Bureau of Land Management released August 28 an independent scientific [report](#) finding that California's fracking activities cause relatively limited direct environmental impacts and have not caused any publicly reported instances of water contamination. A comprehensive federal oil and gas strategy for the state will incorporate the report's conclusions. The bureau also released an instructional [memorandum](#) directing field offices to solicit information from oil and gas operators as required under California legislation (S.B. 4).

DEPARTMENT OF STATE

International Climate Agreement Format Unknown

Following reports that President Obama would attempt to bypass Congress in forming a global agreement to address climate change, State Department spokesperson Jen Psaki said August 27 that it is premature to say whether the international negotiation will take the form of a treaty, which would require Senate approval. A *New York Times* article earlier in the week suggested that the president was working on a voluntary international climate agreement that would not technically be a treaty.

Haverkamp Nominated

President Obama nominated August 28 Jennifer Haverkamp, a former international climate expert for the Environmental Defense Fund, as the State Department's assistant secretary for oceans and international environmental and scientific affairs. Ms. Haverkamp would succeed Kerri-Ann Jones, who was sworn in August 2009 but departed earlier this year.

ENVIRONMENTAL PROTECTION AGENCY

CPP Opposition

Attorneys General from 13 states sent a [letter](#) August 25 to the Environmental Protection Agency claiming that the agency violated Section 307(d) of the Clean Air Act when it failed to include all of its supporting materials for

proposed CO2 standards for existing and modified power plants in the docket when it published the rule. As a result, the group charges that the agency needs to withdraw its proposed rules, republish them with supporting technical documents, and extend the public comment period by another 120 days.

RFS to Increase

Environmental Protection Agency Administrator Gina McCarthy reiterated to the Barclays CEO Energy-Power Conference September 2 that the final 2014 Renewable Fuel Standard volume requirements will be higher than proposed last November.

Methane Regs

Environmental Protection Agency Administrator Gina McCarthy told the Barclays CEO Energy-Power Conference September 2 that the agency is considering opportunities to target methane emissions under the Clean Air Act, especially from the natural gas industry.

FEDERAL ENERGY REGULATORY COMMISSION

Honorable Nominated

President Obama nominated Colette Honorable for the open Federal Energy Regulatory Commission seat August 28. Ms. Honorable chairs the Arkansas Public Service Commission and is president of the National Association of Regulatory Utility Commissioners. She would replace John Norris, who left before the end of his term to take a position with the U.S. Department of Agriculture in Italy.

Conference Scheduled

The Federal Energy Regulatory Commission will hold an industry conference September 18 to discuss establishing a centralized natural gas trading platform to better coordinate natural gas use in electric generation.

GOVERNMENT ACCOUNTABILITY OFFICE

Social Cost of Carbon

The Government Accountability Office released a [report](#) August 25 finding that the Obama administration's social cost of carbon estimates were developed in line with federal standards and allowed for sufficient public comment. The report, which Senator David Vitter (R-LA) and Representatives Duncan Hunter (R-CA) and John Culberson (R-TX) requested, comes amid criticism that the process lacked transparency.

NUCLEAR REGULATORY COMMISSION

Spent Nuclear Rule Finalized

The Nuclear Regulatory Commission finalized August 26 a court-ordered [update](#) on the continued storage of spent nuclear fuel at commercial reactors, finding that it is safe if properly managed. The commission also voted to allow the agency to [resume licensing](#) commercial power plants.

INTERNATIONAL

Chinese ETS Allocations

Guangdong became the first Chinese province August 18 to issue quota allocations to participating businesses to cover the second compliance period. The province is the first of the seven pilot emissions trading systems to do so, allocating 370 MMT CO2 permits to 211 companies, while holding 38 MMT in reserve to counter market fluctuations and cover planned auctions. The Beijing system, which began last year with 490 companies, is expected to add 120 companies during its second quota allocation compliance period in this month.

India to Buy Local Solar

India's Minister of State with Independent Charge for Power, Coal, and New and Renewable Energy Piyush Goyal asked a meeting of domestic solar equipment manufacturing executives August 25 to start idled capacities, pledging that the government would ensure buyers for their products. The nation failed to publicly announce dumping duties by an August 22 deadline on competing United States and Asian imports.

UK Shale Gas Regs

The English Labour Party proposed August 26 to tighten natural gas regulations, including requirements to disclose

the chemicals used for fracking and baseline monitoring of methane in groundwater.

Chinese ETS Participants

Participants at the China Energy Saving and Environmental Protection Forum said August 27 that few foreign companies have been able to participate in China's seven carbon trading pilot programs. Shenzhen now officially allows non-Chinese companies to participate in its emissions trading system, and has rules for foreign auditing, certification, and consultancies in projects related to exchanged emissions, but the Development and Reform Commission has not approved any foreign companies for participation. Environmental officials have approved draft amendments that would strengthen the Air Pollution Prevention and Control Law, the nation's primary air pollution control law.

IEA RE Market Report

International Energy Agency Executive Director Maria van der Hoeven said during the August 28 launch of the agency's [Medium-Term Renewable Energy Market Report for 2014](#) that the United States and the European Union should implement policies that encourage renewable energy investment in order to preserve and grow market production. At the same time, large Organization for Economic Cooperation and Development economies will account for 70 percent of global renewable energy production growth to 2020, even though they will still get most of their energy from fossil fuels.

Nova Scotia Considers Fracking

Nova Scotia released a [report](#) August 28 finding that the province is not ready to allow fracking and should adopt a precautionary approach that includes more research and public discussion before making a final decision.

International Climate Accord Not Sufficient

The Centre for International Climate and Environmental Research released a study last week finding that countries are unlikely during the United Nations climate talks to negotiate a global accord strong enough to meet the common goals for addressing climate change. The report echoes findings from the Massachusetts Institute of Technology earlier last month.

Indian Solar Tariff Case

India's Appellate Tribunal for Electricity dismissed last week an appeal by Gujarat Urja Vikas Nigam Ltd., a government utility in Prime Minister Narendra Modi's home state, to go back on contracts by reducing the rate paid to solar plants for their power. The court upheld an August 2014 decision by the Gujarat Electricity Regulatory Commission.

Irrevocable Harm

According to a leaked draft United Nations Intergovernmental Panel on Climate Change report, humans risk causing permanent and widespread damage to the planet unless we take faster action to limit fossil fuel emissions. The report, scheduled for publication November 2 in Copenhagen, will provide policymakers with a scientific basis to address climate change.

STATES

Grid Changes Needed

Siemens Smart Grid for the United States and Canada Vice President Ken Geisler told the National Conference of State Legislatures summit August 18 that the United States needs to make regulatory policy changes to adapt to alternative energy sources' impact on the electrical grid. He said that clean energy moves the country away from a centralized grid toward a more distributed, bidirectional grid.

NC Coal Ash Fines

The North Carolina Department of Environment and Natural Resources issued August 26 a notice of violation to Duke Energy Progress Inc. over groundwater contamination stemming from coal ash ponds at the L.V. Sutton Electric Plant in New Hanover County. The notice, the first step toward fining the utility for groundwater contamination violations, revealed that monitoring wells found concentrations of boron, selenium, manganese, iron, thallium, and other constituents above state groundwater limits. Duke has 15 days to respond to the notice, can be fined up to \$25,000 per day per violation.

RGGI CO2 Price Increase

The Regional Greenhouse Gas Initiative released a [report](#) August 26 finding that the average carbon allowance price in the secondary market was \$4.51 in the second quarter of this year, up 17 percent from the previous

quarter.

OH Coal Unit Closures

Duke Energy announced August 28 that it will retire the remaining two coal fired units at its W.C. Beckjord Station in New Richmond, Ohio, September 1. The units are the last of the six that the company announced three years ago that it planned to close by January 2015, citing tighter Environmental Protection Agency regulations such as the mercury and air toxics standards.

IL Fracking Rules Finalized

The Illinois Department of Natural Resources issued August 29 final rules implementing the Hydraulic Fracturing Regulatory Act. The agency strengthened the rules to enhance public participation, transparency, and environmental protection, including a new structure for monetary penalties. The Joint Commission for Administrative Rules will conduct a final review of the rule.

FutureGen Construction Commences

Meeting an August 31 Illinois Environmental Protection Agency commence-construction deadline, construction has begun on the FutureGen 2.0 carbon capture and sequestration project in western Illinois, but significant hurdles remain for the \$1.65 billion plant.

CA Nuke Plant Closure Urged

The former senior on-site inspector of California's Diablo Canyon nuclear power plant, Michael Peck, wrote a confidential report last year urging the Nuclear Regulatory Commission to close its sole nuclear power plant until experts prove that it can withstand the impacts of an earthquake from nearby fault lines. Following the leak of the report last week, Senate Environment and Public Works Chair Barbara Boxer (D-CA) said that the committee would hold hearings on the safety risks at the plant.

MISCELLANEOUS

Global Power Plant Emissions

Scientists from the University of California, Irvine, and Princeton University released a [study](#) August 26 in the journal *Environmental Research Letters* finding that power plants across the world will emit about 300 billion tons of CO2 before they are retired. Approximately two-thirds of those emissions will come from coal-fired power plants.

Wind Nonprofit Leadership

The Wind Energy Foundation named August 27 John Kostyack as its new executive director. Mr. Kostyack has most recently served as a vice president at the National Wildlife Federation, as well as on the board of the American Wind Wildlife Institute.

Materials Sustainability Collaboration

The U.S. Green Building Council and the American Chemistry Council announced August 27 that they would work together to develop more sophisticated science-based standards for promoting building material sustainability. The working group will seek to incorporate safety, sustainability, and life cycle based approaches into the next Leadership in Energy and Environmental Design update.

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